



MFA Housing New Mexico
 MFA April Board of Directors Meeting 2023
 April 19, 2023
 9:30 am-12:30 pm Mountain Time

Chair Convenes Meeting

- Roll Call (Izzy Hernandez)
- Approval of Agenda – Board Action
- Approval of 3/18/23 Board Meeting Minutes – Board Action
- Executive Director Updates

Board Action Items (Action Required?)

Other

- 1 2023 Regular Legislative Session Outcomes (Robyn Powell and John Anderson) NO

Consent Agenda

- 2 Approval of Updated Resolution to Approve Facsimile Signatures for Note Endorsements (Jeff Payne) YES

Finance Committee

- 3 External Audit Services RFP (Yvonne Segovia & Joseph McIntyre) YES

Contracted Services/Credit Committee

- 4 Biannual Compliance Activity Report – November 2022- April 2023 (Julie Halbig) YES
- 5 Vista de Socorro - Tax Credit Assistance Program (TCAP) Grant Request (Tim Martinez and Kathryn Turner) YES
- 6 Peachtree State and Local Fiscal Recovery Funding NOFA Recommendation to Award Funds (Ted Chavez and Robyn Powell) YES
- 7 Pedrena State and Local Fiscal Recovery Funding NOFA Recommendation to Award Funds (Ted Chavez and Robyn Powell) YES
- 8 North Central NM Economic Development District (NCNMEDD) Housing (Workforce Integrated Network WIN Project) State and Local Fiscal Recovery Funding NOFA Recommendation to Award Funds (Ted Chavez and Robyn Powell) YES
- 9 Encino Gardens State and Local Fiscal Recovery Funding NOFA Recommendation to Award Funds (Ted Chavez and Robyn Powell) YES
- 10 San Felipe Pueblo Housing Authority State and Local Fiscal Recovery Funding NOFA Recommendation to Award Funds (Ted Chavez and Robyn Powell) YES

- 11 FY2023 Recurring Severance Tax Bond Funding Resolution Notification and Certification and Allocation Recommendation (Robyn Powell) YES
- 12 Direct Services Proposal (Gina Bell) YES
- 13 Approval Restoring Our Communities (ROC) Program and Notice of Funding Availability (NOFA) Approval (Theresa Laredo-Garcia) YES
- 14 2023 Annual Action Plan (Sherry Stephens) YES

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

- Staff Action Requiring Notice to Board
- COVID Staff Actions
- 2023 Series B - Upcoming Single Family Bond Issuance
- 2023 Series A Pricing Summary

Monthly Reports**No Action Required****16 (Staff is available for questions)**

- 2/28/23 Financial Statements

17 Board Training: Strategic Planning**No Action Required****Following MFA Board of Directors Meeting 12:00 p.m. – 2:30 p.m.**

- Strategic Planning - this will come as a separate packet (place holder for training following the board meeting)

Announcements and Adjournment**Discussion Only****Confirmation of Upcoming Board Meetings**

- May 9, 2023 – Tuesday, Contracted Services 10:00 a.m. Finance Committee 1:30 p.m.
- May 17, 2023 - Wednesday- 9:30 a.m. (MFA Board of Directors Meeting)
- June 13, 2022 - Tuesday, Contracted Services 10:00 a.m. Finance Committee 1:30 p.m.
- June 21, 2022 – Wednesday – 9:30 a.m. (MFA Board of Directors Meeting)
- July 11, 2023 – Tuesday, Contracted Services 10:00 a.m. Finance Committee 1:30 p.m.
- July 19, 2023 - Wednesday- 9:30 a.m. (MFA Board of Directors Meeting)



NEW MEXICO MORTGAGE FINANCE AUTHORITY

Board Meeting

344 4th St. SW, Albuquerque, NM

Wednesday, April 19, 2023 - 9:30 a.m.

Proposed Agenda

Chair Convenes Meeting

- Roll Call (Izzy Hernandez)
- Approval of Agenda – Board Action
- Approval of 3/15/23 Board Meeting Minutes – Board Action
- Executive Director Updates

Board Action Items

Action Required?

Other

- | | |
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| 1 2023 Regular Legislative Session Outcomes (Robyn Powell and John Anderson) | NO |
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Consent Agenda

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| 2 Approval of Updated Resolution to Approve Facsimile Signatures for Note Endorsements (Jeff Payne) | YES |
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Finance Committee

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| 3 External Audit Services RFP (Yvonne Segovia & Joseph McIntyre) | YES |
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Contracted Services/Credit Committee

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| 4 Biannual Compliance Activity Report – November 2022- April 2023 (Julie Halbig) | YES |
| 5 Vista de Socorro-Tax Credit Assistance Program (TCAP) Grant Request (Tim Martinez and Kathryn Turner) | YES |
| 6 Peachtree State and Local Fiscal Recovery Funding NOFA Recommendation to Award Funds (Ted Chavez and Robyn Powell) | YES |
| 7 Pedrena State and Local Fiscal Recovery Funding NOFA Recommendation to Award Funds (Ted Chavez and Robyn Powell) | YES |
| 8 North Central NM Economic Development District (NCNMEDD) Housing (Workforce Integrated Network WIN Project) State and Local Fiscal Recovery Funding NOFA Recommendation to Award Funds (Ted Chavez and Robyn Powell) | YES |
| 9 Encino Gardens State and Local Fiscal Recovery Funding NOFA Recommendation to Award Funds (Ted Chavez and Robyn Powell) | YES |
| 10 San Felipe Pueblo Housing Authority State and Local Fiscal Recovery Funding NOFA Recommendation to Award Funds (Ted Chavez and Robyn Powell) | YES |
| 11 FY2023 Recurring Severance Tax Bond Funding Resolution Notification and Certification and Allocation Recommendation (Robyn Powell) | YES |
| 12 Direct Services Proposal (Gina Bell) | YES |
| 13 Approval Restoring Our Communities (ROC) Program and Notice of Funding Availability (NOFA) Approval (Theresa Laredo-Garcia) | YES |
| 14 2023 Annual Action Plan (Sherry Stephens) | YES |

Other Board Items

Information Only

- | | |
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| 15 (Staff is available for questions) | |
| <ul style="list-style-type: none"> ▪ Staff Action Requiring Notice to Board ▪ COVID Staff Actions ▪ 2023 Series B - Upcoming Single Family Bond Issuance ▪ 2023 Series A Pricing Summary | |

Monthly Reports

No Action Required

- | | |
|--|--|
| 16 (Staff is available for questions) | |
| <ul style="list-style-type: none"> ▪ 2/28/23 Financial Statements | |

Board Training: Strategic Planning**No Action Required****17 Following MFA Board of Directors Meeting 12:00 p.m. – 2:30 p.m.**

- Place holder for board training following the board meeting

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NEW MEXICO MORTGAGE FINANCE AUTHORITY

Board Meeting

344 4th St. SW, Albuquerque, NM
Wednesday, April 19, 2023 - 9:30 a.m.

Proposed Agenda

Chair Convenes Meeting

- Roll Call (Izzy Hernandez)
- Approval of Agenda – Board Action
- Approval of 3/15/23 Board Meeting Minutes – Board Action
- Executive Director Updates

Board Action Items

Action Required?

Other

- 1 2023 Regular Legislative Session Outcomes (Robyn Powell and John Anderson) - Staff will provide an update to the Board of Directors on the outcomes and impacts of 60-day 2023 Legislative Session that ran from January 17 to March 18, 2023. NO

Consent Agenda

- 2 Approval of Updated Resolution to Approve Facsimile Signatures for Note Endorsements (Jeff Payne) - Staff recommends the approval and adoption of the updated, attached board resolution allowing the use of facsimile signature stamps to endorse the mortgage loan notes at the time of purchase from participating lenders. YES

Finance Committee

- 3 External Audit Services RFP (Yvonne & Joseph McIntyre) - New Mexico Office of the State Auditor directed the MFA to seek proposals for the financial and compliance audit for the fiscal year ended September 30, 2023. The term of this Request for Proposal is for one year with three one-year extensions at the option of the Board. Staff recommends the approval of the Request for Proposal for External Audit Services. Responses will be due to MFA by May 12, 2023. YES

Contracted Services/Credit Committee

- 4 Biannual Compliance Activity Report – November 2022- April 2023 (Julie Halbig) - The activities described in this report are intended to provide the Board of Directors with assurance that MFA is effectively managing compliance with Federal and State consumer financial laws applicable to the products and services being provided by MFA and mitigating related risk. Compliance activities will be reported to the Board through the Contracted Services/Credit Committee no less than twice per year, and as needed to fulfill the compliance department's responsibility to inform the Board of any critical compliance issues. There were no significant compliance concerns identified during this reporting period. YES
- 5 Vista de Socorro - Tax Credit Assistance Program (TCAP) Grant Request (Tim Martinez and Kathryn Turner) - A Tax Credit Assistance Program (TCAP) grant request in the amount of \$1,000,000 for Vista de Socorro, located in Socorro, New Mexico. Vista de Socorro is a New Construction project that will create 32 income-restricted rental units consisting of one- and two-bedroom units. The 32 income-restricted units will be reserved for households earning 30% of the Area Median Income (AMI), 50% of the AMI, and 60% of the AMI. All 32 units will receive rental assistance from Section 8 Project-Based Vouchers. Additionally, 20% of the units will be set-aside for Permanent Supportive Housing for individuals and/or households who are disabled, experiencing homelessness, or at-risk of homelessness. YES
- 6 Peachtree State and Local Fiscal Recovery Funding NOFA Recommendation to Award Funds (Ted Chavez and Robyn Powell) - Staff recommends approving the Peach Tree Canyon State and Local Fiscal Recovery Funds Notice of Funding Availability (NOFA) application and awarding funds in the amount of \$1,250,000. The Peachtree Canyon is a new construction project located at 7081 N. Jornada Road, Las Cruces, NM and the New Mexico Housing Community and Development Corporation is requesting \$1,250,000 to support the construction cost. YES
- 7 Pedrena State and Local Fiscal Recovery Funding NOFA Recommendation to Award Funds (Ted Chavez and

Robyn Powell) - Staff recommends approving the Pedrena Apartments State and Local Fiscal Recovery Funds Notice of Funding Availability (NOFA) application and awarding funds in the amount of \$2,000,000. It is a new construction Project in Las Cruces NM consisting of 80 units and are requesting \$2,000,000 to support the new construction of permanent rental housing. YES

- 8 Encino Gardens State and Local Fiscal Recovery Funding NOFA Recommendation to Award Funds (Ted Chavez and Robyn Powell) - Staff recommends approving the Encino Garden State and Local Fiscal Recovery Funds Notice of Funding Availability (NOFA) application and awarding funds in the amount of \$1,000,000. Encino Gardens is an acquisition/rehab project located at 412 Alvarado Drive, Albuquerque, New Mexico, 87108. The project is currently and will continue to be reserved for senior households. Encino Gardens consists of two 5-story multifamily apartment buildings of approximately 127,056 square feet and containing a total of 165 apartments. YES
- 9 North Central NM Economic Development District (NCNMEDD) Housing (Workforce Integrated Network WIN Project) State and Local Fiscal Recovery Funding NOFA Recommendation to Award Funds (Ted Chavez and Robyn Powell) - The SLFRF Scoring Committee recommends approval for the NCNMEDD Housing State and Local Fiscal Recovery Funds (SLFRF) Notice of Funding Availability (NOFA) application. NCNMEDD is seeking \$2.7 million to provide housing to the target population of the grant because housing is not an eligible use of Good Jobs Challenge Grant funds. Funding would be used to acquire and renovate housing options in Santa Fe, Taos, Espanola, Raton and Las Vegas for use by those persons who are in the WIN program. NCNMEDD plans on acquiring rental housing from these hub communities, including existing buildings, homes and multi-family dwellings which can be renovated as group homes, or apartments. YES
- 10 San Felipe Pueblo Housing Authority State and Local Fiscal Recovery Funding NOFA Recommendation to Award Funds (Ted Chavez and Robyn Powell) - Staff recommends approving the San Felipe Pueblo Roof Replacement and Repair State and Local Fiscal Recovery Funds Notice of Funding Availability (NOFA) application and awarding funds in the amount of \$350,000. San Felipe Pueblo Housing Authority is requesting \$350,000 to support emergency roof replacements/repairs. YES
- 11 FY2023 Recurring Severance Tax Bond Funding Resolution Notification and Certification and Allocation Recommendation (Robyn Powell) - Staff recommends that the Board adopt the New Mexico Mortgage Finance Authority Resolution, Notification and Certification to the New Mexico State Board of Finance certifying the need for funding in the amount of \$37,530,000 for state fiscal year 2023-2024. YES
- 12 Direct Services Proposal (Gina Bell) - Staff are seeking approval to start the development and implementation of an MFA Direct Services Pilot Program (DSPP) for home rehabilitation. The Direct Service Pilot Program (DSPP) is an exciting new opportunity and business model for MFA to provide much needed home rehabilitation services throughout the state. We look forward to this new venture to help underserved communities in New Mexico. YES
- 13 Approval Restoring Our Communities (ROC) Program and Notice of Funding Availability (NOFA) Approval (Theresa Laredo-Garcia) - Staff recommends approval of the Restoring Our Communities program (ROC) and corresponding NOFA to promote much needed affordable housing throughout the state while improving communities impacted by vacant or abandoned homes. YES
- 14 2023 Annual Action Plan (Sherry Stephens) - Compliance and Initiatives staff request Board approval of the 2023 draft Annual Action Plan to progress towards meeting HUD regulations and formal submittal 45 days prior to the July 1 program year. YES

Other Board Items

Information Only

15 (Staff is available for questions)

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- 2023 Series B - Upcoming Single Family Bond Issuance
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Monthly Reports

No Action Required

16 (Staff is available for questions)

- 2/28/23 Financial Statements

Board Training: Strategic Planning

No Action Required

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- Place holder for board training following the board meeting

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- July 19, 2023 - Wednesday- 9:30 a.m. (MFA Board of Directors Meeting)

NEW MEXICO MORTGAGE FINANCE AUTHORITY

Board Meeting Minutes

344 4th St. SW, Albuquerque, NM
Wednesday, March 15, 2023 at 9:30 a.m.

Acting Chair Derek Valdo convened the meeting on March 15, 2023 (virtually) at 9:36 Secretary Hernandez called the roll. Members present: Derek Valdo (via conference call) Gideon Elliot (designee for Attorney General Hector Balderas) (via conference call), Martina C'de Baca (designee for Lieutenant Governor Howie Morales), Treasurer Laura M. Montoya (via conference call), Rebecca Wurzburger and Patricia Sullivan Absent: Chair Angel Reyes. Hernandez informed the Board that everyone had been informed about today's meeting in accordance with the New Mexico Open Meetings Act.

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

Approval of Agenda – Motion to approve the March 15, 2023 board agenda as recommended: Montoya. Second: Wurzburger. Roll call vote: Valdo, Elliot, C'de Baca, Montoya, Wurzburger and Sullivan. Vote: 6-0.

Approval of February 15, 2023 Board Meeting Minutes – Board Action. Motion to approve the February 15, 2023 Board Meeting Minutes as presented: Wurzburger. Second: Sullivan. Roll call vote: Valdo, Elliot, C'de Baca, Montoya, Wurzburger and Sullivan. Vote: 6-0.

Hernandez welcomed, Board, staff and guests. He provided the following Board updates: A big milestone for MFA is that we just surpassed \$2.009 billion in our Subservicing portfolio/12,806 loans, 10.11% growth since 2/22. Delinquencies 10.72 (1/23) vs 12.01 (1/23) & 15.67% (3/20). HAF – to date since its inception we have assisted over 2600 families. **Significant meetings/presentations:** 2/15 – 3/15: Various Legislative Meetings. Highlight for us SB 381 passed the both the Senate and the House. 2/23: Mtg w/SBOF – STB for HTF. 3/09: Mtg w/Sen. Heinrich – LIHTC. 3/13: Meeting the Governor's Chief of Staff and Chief Operating Officer to discuss housing priorities for upcoming year. **Upcoming Actions/Activities:** 3/17: NM Homebuilders Board Meeting. 3/20: ARC Training (New Members). 3/23: ARC Meeting to review the LIHTC applications. 3/28: NAIOP Presentation – LIHTC. He made reference to the charts provided which shows the increased price of housing; Building Materials, Housing Affordability & Appreciation Graphs. He then made reference to the upcoming Board meeting agenda items. Valdo congratulated staff, the team and NM for achieving the \$2 billion servicing portfolio mark. Stating that is pretty awesome for affordable housing in NM.

Presentation

- 1 **Santa Fe Public Schools Technical Assistance Project (Monica Abeita, Executive Director, North Central NM Economic Development District, Hilario Chavez, Superintendent, Santa Fe Public Schools, Kristy Wagner, Deputy Superintendent of Operations, Santa Fe Public Schools, Gene Bostwick, Director of Construction and Real Property, Santa Fe Public Schools).** Hernandez introduced the list of speakers reminding the Board that Mrs. Abeita previously worked at the MFA and did a tremendous job for us. Happy to see her back here as she continues to be an advocate for affordable housing. The list of presenters reviewed the power point presentation provided which showed the results of the technical assistance project for the Santa Fe Public Schools, including the process, site plan, proforma and next steps. They informed the Board that MFA provided a technical assistance grant to the North Central NM Economic Development District, through which North Central is assisting public entities to plan and develop affordable and workforce housing projects. Non-Action Item.

Other

- 2 **Election of Officers (Derek Valdo).** Acting Chair Valdo presented the slate of officers as agreed upon by the nominating committee which consists of Chair Angel Reyes, Lt. Governor Howie Morales and Attorney General Raúl Torrez. They are: Vice Chair – Derek Valdo, Treasurer - Rebecca Wurzburger, Secretary – Isidoro Hernandez, Assistant Secretary – Donna Maestas – De Vries, and Assistant Treasurer – Lizzy Ratnaraj. Motion to approve the Slate of Officers as recommended: Montoya. Second: Sullivan. Roll call vote: Valdo, Elliot, C'de Baca, Montoya, Wurzburger and Sullivan. Vote: 6-0.

Finance Committee

- 3 **Multifamily Bond Inducement Resolution Approvals (Viktoria Gonsior & Christi Wheelock).** Gonsior began her presentation with a request from the MFA Board for approval to streamline the multifamily bond inducement resolutions similar to the single-family bond program. This would be accomplished by approving an annual inducement resolution for the program and based on that annual inducement resolution, delegate the authority to issue individual inducement resolutions to each project. The following individuals would be authorized to execute the inducement resolutions, which will each be reported to the Board as a staff action: Isidoro Hernandez, Executive Director, Lizzy Ratnaraj, Chief Financial Officer, Jeff Payne, Chief Lending Officer and Donna Maestas-DeVries, Chief Housing Officer. Gonsior then provided background information regarding the current process as listed in the memo located behind tab three, which will become a part of the official Board packet. These changes would allow the streamlining of the process so that MFA can move more quickly to get an inducement resolution to the Developer, which allows them to begin including costs in eligible basis. She further advised the Board that Kutak Rock (MFA's bond counsel) advised MFA staff that MFA Board is permitted to delegate its authority to issue the inducement resolution because it is essentially a tax document that does not bind MFA to act or to issue bonds. It merely states an intention to reimburse certain qualified expenditures up to a specified amount and that the particular amount, terms and provisions of the issuance will be determined at a later date through the Bond Resolution, which will come to the Board for approval. Motion to approve the Multifamily Bond Inducement Resolution Approvals as presented: Montoya. Second: C'de Baca. Roll call vote: Valdo, Elliot, C'de Baca, Montoya, Wurzbarger and Sullivan. Vote: 6-0.

- 4 **New Mexico Preservation Loan Fund Program Proposal and Funding Request (Hannah Faulwell & George Maestas).** Faulwell began her presentation proposing an initial plan for the New Mexico Preservation Loan Fund, which would provide funding to projects supporting the preservation of at-risk affordable housing in the state, including for use toward rehabilitation, acquisition, and predevelopment activities. After investigating the investment needed to provide funding to potential users for each eligible activity to initiate the program, staff is requesting a preliminary allocation of \$25,000,000 over a five phase process to fund the program at its inception. Faulwell then reviewed the background information located behind tab four which will be made a part of the official board packet. Faulwell reviewed staffs proposal that the New Mexico Preservation Loan Fund be organized and administered according to the purpose and program structure listed in the memo. Discussion ensued on the qualified contract process and if only Low Income Housing Tax Credits (LIHTC) are eligible. Alignment of affordability, the threshold of the work that will be required to bring them current to extend the life of the property. Staff responded that each property would be looked at on a case by case basis. Hernandez explained that the request today is to approve the program and the funding request will come back to the Board for approval at a later date. Sullivan asked general counsel if the request for approval should change. Werenko stated that the member who makes the motion would clarify that we are asking for approval of the program structure and outline and clarify that we are not requesting funding allocation at this time but will come back later to the Board. Further discussion ensued regarding the gap funding, if MFA currently administers this program and where is the funding coming from. Hernandez spoke of other potential sources other than the NM HTF, scoring and eligibility. Which counties are these potential funding requests from – no requests at this time, the request today is to approve the program. A geographical distribution list can be provided for the location of the at risk properties. Member Montoya made the motion to approve the proposal for the program structure and outline for the development of the New Mexico Preservation Loan Fund Program: Second: Sullivan. Roll call vote: Valdo, Elliot, C'de Baca, Montoya, Wurzbarger and Sullivan. Vote: 6-0.

Contracted Services/Credit Committee

- 5 **Felician Villa Apartments- American Rescue Plan Act-Fiscal Recovery Funds Request (ARPA-FRF) (Jacob Martinez & George Maestas).** Martinez began his presentation with a recommendation of approval from the Board for a grant request in the amount of \$2.8M for the Felician Villa Apartments, located in Rio Rancho, New Mexico. He introduced board attendees Tim Baker, Chelsea Investment Corp. and Adam Sabor, CC Housing Inc.; partners involved with this project. Felician Villa Apartments is a New Construction project that will create 66 one and two bedroom units for seniors 55 years and older and will give preference to active and retired military members. Four of the units will be income restricted to households earning 30% or less of Area Median Income (AMI). Thirty-seven

of the units will be income-restricted to households earning 50% or less of AMI. Twenty-four units will be income restricted to households earning 60% or less of AMI. The additional unit will be a non-revenue producing management unit. Motion to approve the Felician Villa Apartments - American Rescue Plan Act-Fiscal Recovery Funds Request as presented: Montoya. Second: Wurzburger. Roll call vote: Valdo, Elliot, C'de Baca, Montoya, Wurzburger and Sullivan. Vote: 6-0.

- 6 **NM EnergySmart Request for Proposals (RFP) Award recommendations (Troy Cucchiara & Dimitri Florez).** Florez began his presentation by providing background information regarding NM EnergySmart Program as stated in the memo located behind tab six which will become a part of the official board packet. He further informed the Board that the MFA administers the program through community-based nonprofit organizations who provide statewide services. The NM EnergySmart RFP was approved by MFA's Board of Directors on January 18, 2023, and released to the public on the same day. The RFP training was held on January 26, 2023, and the response deadline was February 13, 2023. Based on the responses to the NM EnergySmart RFP, staff recommends Board approval for Central New Mexico Housing Corporation (CNMH) to serve the Northern Territory, Southwestern Regional Housing and Community Development Corporation (SRHCDC) to serve the Southern Territory, and International Center for Appropriate and Sustainable Technology(ICAST) to serve the Multifamily Territory. Board approval would allow the NM EnergySmart service providers to receive a one-year contract with the option of three additional annual renewals. Motion to approve the NM EnergySmart Request for Proposals (RFP) Award recommendations as presented: Montoya. Second: Sullivan. Roll call vote: Valdo, Elliot, C'de Baca, Montoya, Wurzburger and Sullivan. Vote: 6-0.
- 7 **Request for Proposals (RFP) Housing Opportunities for Persons with AIDS (HOPWA) (Jackie Homet).** Homet began her presentation with a recommendation for approval of the Request for Proposal for Housing Opportunities for Persons with AIDS. She then provided background information as listed in the memo located behind tab seven which will become a part of the official board packet. The term is for a two-year term with an option of three additional one-year renewals. She stated that if approved, responses will be due to MFA by April 18, 2023 and recommendations for award will be presented at the June Board meeting. MFA's RFP process is intended to procure HOPWA service providers. Funding allocations are determined through a competitive process to eligible Offerors. All Offerors must meet the minimum qualifications and requirements outlined in Section 10 of the RFP. Awards will be determined based on percentage of population living with HIV/AIDS who are also below the federal poverty level, per county, and overall RFP score. She reviewed the proposed services areas on the map provided stating that this change will continue to ensure that the entire state is covered with HOPWA assistance. Motion to approve the Request for Proposals (RFP) Housing Opportunities for Persons with AIDS (HOPWA) as presented: Wurzburger. Second: Sullivan. Roll call vote: Valdo, Elliot, C'de Baca, Montoya, Wurzburger and Sullivan. Vote: 6-0.
- 8 **Dream Tree State and Local Fiscal Recovery Funding NOFA Recommendation to Award Funds (Ted Chavez & Robyn Powell).** Chavez began his presentation by explaining that the State and Local Fiscal Recovery Funding (SLFRF) NOFA was published after Board approval on December 14, 2022. The NOFA states applications must be received no later than 45 days prior to a regularly scheduled meeting of the MFA Board of Directors to be considered. DreamTree applied for \$200,000 of funding to support the construction costs related to renovation of the NEST (Navigating Emergency Support Together) facility that will offer the combined services of a daytime rescue hub and an overnight shelter for those experiencing homelessness. NEST is in the Town of Taos in the former senior's center, which has stood vacant for years. NEST will support both the city and county of Taos and is anticipated that construction will begin in April 2023 and will be completed by November, 2023. Total project cost is \$1,025,000.00, and the remaining funding has been secured by DreamTree. The DreamTree application was received on January 26, 2023 and was reviewed by the Scoring Committee on February 8, 2023. A preliminary response was e-mailed to DreamTree on February 9, 2023, noting that scoring committee concern was due to their unresolved findings. Staff also noted that unresolved MFA monitoring findings were a minimum requirement on the NOFA application and Dream Team responded to MFA on February 16, 2023, with a corrective action plan. The findings were of an administrative issue. Corrective actions have been provided to the program manager and are under review and should be resolved shortly. Hernandez advised the Board that the contract is contingent upon the monitoring findings being resolved. He further stated that Dream Tree has a great history in working with MFA and is confident the findings will be resolved. Motion to approve the Dream Tree

State and Local Fiscal Recovery Funding NOFA Recommendation to Award Funds for \$200k; contingent upon the monitoring findings being resolved: Montoya. Second: Sullivan. Roll call vote: Valdo, Elliot, C'de Baca, Montoya, Wurzbarger and Sullivan. Vote: 6-0.

- 9 **YES Housing, Inc. State and Local Fiscal Recovery Funding NOFA Recommendation to Award Funds (Ted Chavez and Robyn Powell).** Chavez began his presentation with a request for approval of a \$627,026.45 funding request for YES Housing Inc. for West Berry Senior Apartments located in Hobbs, New Mexico. This project is a new construction, 56-unit project, comprised of both one- and two-bedroom units, all serving seniors (age 55+) and serve very low-income residents with 25% of the units for residents at or below 50% of AMI. The remaining 75% of the units will remain affordable to residents at or below 60% of AMI. Per the Yes Housing NOFA application, the West Berry project was delayed due to a rain event in mid-November that demonstrated potential issues with the planned grading of the property. The project was redesigned to raise the building pads 9 inches and the site was regraded to better handle drainage. This redesign caused over 45 days delay and \$627,026.45 in documented project change orders as noted in the memo. Motion to approve the YES Housing, Inc. State and Local Fiscal Recovery Funding NOFA Recommendation to Award Funds for \$627,026.45 as presented: Wurzbarger. Second: C'de Baca. Roll call vote: Valdo, Elliot, C'de Baca, Montoya, Wurzbarger and Sullivan. Vote: 6-0.
- 10 **North Central NM Economic Development District Senior Home Repair State and Local Fiscal Recovery Funding NOFA Recommendation to Award Funds (Ted Chavez & Robyn Powell).** Chavez began his presentation with a request for approval of a \$1M funding request for NCNMEDD Senior Home Repair State and Local Fiscal Recovery Funds Notice of Funding Availability (NOFA) application. He further informed the Board that NCNMEDD is the parent organization for the Non-Metro Area Agency on Aging which oversees services for older adults 60+ in all New Mexico counties except Bernalillo and includes a network of 56 aging services providers statewide including local governmental entities and non-profit organizations. NCNMEDD will use funds to efficiently address health and safety needs of households served as comprehensively as possible. Expenditures will be limited to \$25,000 per household, and household will be identified through the existing network of providers, existing database of consumers, and the existing contract process. NCNMEDD intends to use 10% of the award to administer the program, however, this will include administrative funds for the network agencies who will be providing the services to beneficiaries. Going forward, NCNMEDD intends to sustain the program by providing services that can be billed to Medicaid. Motion to approve the North Central NM Economic Development District Senior Home Repair State and Local Fiscal Recovery Funding NOFA Recommendation to Award Funds for \$1M as presented: Wurzbarger. Second: Montoya. Roll call vote: Valdo, Elliot, C'de Baca, Montoya, Wurzbarger and Sullivan. Vote: 6-0.
- 11 **Homewise State and Local Fiscal Recovery Funding NOFA Recommendation to Award Funds (Ted Chavez & Robyn Powell).** Chavez began his presentation with a request for approval of a \$400,000 funding request for the purpose of acquisition, rehabilitation, and sale of four affordable condominiums at 119 High Street, Albuquerque, New Mexico. Homewise is a non-profit Community Development Financial Institution (CDFI) that services clients throughout New Mexico. Homewise is requesting \$400,000 for the acquisition, rehabilitation, and resale of condos at the currently blighted, fire-damaged property. The project includes energy - efficient rehabilitation of the historical building and will provide 4 of 8 units for sale to households with incomes at or below 65% of Area Median Income (AMI). The total project cost is \$1,436,500. Homewise is using their own capital to fund the remaining cost of the project. Homewise will keep the property affordable in the long term. As the loan servicer of these mortgages, Homewise will know if the property is to be resold. They will help to connect another buyer from our pipeline to the next sale and retain the affordability. The project is estimated to be complete in the summer of 2024, which is within the contractual expenditure period. In the minimum requirements number 4 and 6 should be yes. Motion to approve the Homewise State and Local Fiscal Recovery Funding NOFA Recommendation to Award Funds for \$400k as presented: Montoya. Second: Sullivan. Roll call vote: Valdo, Elliot, C'de Baca, Montoya, Wurzbarger and Sullivan. Vote: 6-0.
- 12 **Limited Source Procurement Section 811 Project Rental Assistance (PRA) Program Award Recommendations (Carmela Arellano & Patrick Ortiz).** Arellano began her presentation with a recommendation to award the Greater Albuquerque Housing Partnership (GAHP) - Casa Feliz Apartments a total award of

\$707,104.16 of Section 811 project-based vouchers under the Rental Assistance Contract (RAC) over a 5-year period to commence on April 1, 2023. Casa Feliz has a total of 89 units; 25% of total units for Section 811 purposes would be 22 units. Since Casa Feliz already has 11 Section 811 units using the FY13 funds. MFA reached out to Greater Albuquerque Housing Partnership (GAHP) to gauge interest to utilize FY19 funds for an additional 11 units at Casa Feliz. Outreach to GAHP was successful as they have committed to signing a RAC. Motion to approve the Limited Source Procurement Section 811 Project Rental Assistance (PRA) Program Award Recommendations as presented: Montoya. Second: Sullivan. Roll call vote: Valdo, Elliot, C'de Baca, Montoya, Wurzburger and Sullivan. Vote: 6-0.

Other Board Items - Information Only

13 There were no questions asked of staff.

- Staff Actions Requiring Notice to Board
- COVID Staff Actions Requiring Notice to Board

Monthly Reports - No Action Required

14 There were no questions asked of staff.

- 1/31/23 Financial Statements

Announcements and Adjournment - Confirmation of Upcoming Board Meetings. Executive Director Hernandez stated that following the Board meeting, we are taking a tour of the new building that is being considered for purchase. Further stating that we are still in the due diligence period and thanked the Board for their support.

There being no further business the meeting was adjourned at 11:52 p.m. Motion: Montoya. Second: Wurzburger.

Approved: March 15, 2023

Acting Chair, Derek Valdo

Secretary, Isidoro Hernandez

New Mexico Mortgage Finance Authority 2023 Legislative Summary

HB6 HOUSING & RENT CHANGES

Housing & Rent Changes relating to rental housing during an emergency or disaster and is proposing to clarify the requirement for a written statement of deductions in certain circumstances. It addresses increasing certain civil penalties or the time permitted to remedy nonpayment of rent for a rental agreement, and proposed to increase the time required for nonpayment of notices and requiring the issuance of a judgement of restitution prior to a writ of restitution.

Outcome: Did not pass

HB26 NOTICE FOR ABANDONED PROPERTY LISTS

Notice for Abandoned Property Lists for the administrator to publish a notice no later than November 30 of each year, in which abandoned property has been paid or delivered to the administrator. The notice shall be published in a newspaper of general circulation in each county of this state in which the last known address of any person is named in the notice.

Outcome: Did not pass

HB29 INTEGRATED SUBSTANCE USE DISORDER PROGRAMS

Integrated Substance Use Disorder Programs to appropriate \$1.3 million to the local government division of the Department of Finance and Administration to fund integrated substance use disorder programs and clinics, declaring an emergency.

Outcome: Did not pass

HB241 CONSTRUCTION OF CERTAIN DWELLING UNITS

Construction of Certain Dwelling Units, so that a county, municipality or the state cannot issue a multi-family building permit for 12 or more units unless there is a covenant attached provided that no less than 55% percent of the total units shall be owner-occupied.

Outcome: Did not pass

HB414 CREATE A STATE HOUSING DEPARTMENT

Create Housing Department HB 414 creates a non-cabinet housing department, including a superintendent and five divisions, within the executive branch, transfers the severance tax bond allocation to the housing department, and removes MFA as the Trustee of the New Mexico Housing Trust Fund.

Outcome: Did not pass

HB425 ADDITIONAL HOUSING DWELLING UNITS

Additional Housing Dwelling Units to amend existing legislation to add new material that allows a zoning authority to accommodate the construction of one additional dwelling unit (ADUs) per each single-family lot with specific building requirements. Certain home rule requirements shall not apply, including occupancy requirements, impact fees, and parking spaces. The legislation

would void any covenant, restriction or condition in a deed, community document, security instrument, or other instrument, that prohibits construction or use of ADUs.

Outcome: Did not pass

HB482 HOMEOWNER ASSOCIATION GOVERNING DOCUMENTS

Homeowner Association Governing Documents to amend the Homeowner Association Act to require amendments to governing documents and limit the time of declarant control. An association organized after 7/1/13 shall record a notice of homeowner association in the office of the county clerk of the county or counties in which the real property is situated no later than 30 days after the date on which the association's declaration is recorded.

Outcome: Did not pass

SB6 HERMITS PEAK-CALF CANYON FIRE RECOVERY FUNDS

Hermits Peak-Calf Canyon Fire Recovery Funds to provide a nonrecurring appropriation from the General Fund of \$100,000,000 for FY23 and FY24 to provide loans to political subdivisions of the state (counties) to replace or repair infrastructure damaged by fire, flooding or debris flows caused by the Hermits Peak – Calf Canyon fires. Loans will be reimbursed to the General Fund.

Outcome: Passed

SB46 WRONGFUL FORECLOSURE PROTECTION ACT

Wrongful Foreclosure Protection Act to allow that a complaint for foreclosure shall include additional information related to the home loan. The Act also defines prohibited conduct related to the foreclosure process and provides civil action remedies for a borrower, homeowner, or representative related to violations of the Wrongful Foreclosure Protection Act, including statutory and punitive damages.

Outcome: Did not pass

SB77 NEW HOME BUILD RENEWABLE REQUIREMENTS

New Home Build Renewable Requirements, relating to construction, specifically with regards to all new residential construction to include photovoltaic systems and electrical receptacles for charging electric vehicles.

Outcome: Did not pass

SB99 RENT CONTROL PROHIBITIONS

Rent Control Prohibitions to repeal the prohibition on political subdivisions (counties) and home rule municipalities from enacting rent control for privately-owned real property.

Outcome: Did not pass

SB139 SERVICES FOR HOMELESS PEOPLE

Services for Homeless People for a \$1,000,000 appropriation from the general fund for the human services department for expenditure in FY24 for the Linkages program. The program is collaboratively run by MFA, which oversees the housing component, and the State's Human Services Department (HSD) – Behavioral Health Services Division (BHSD) – which oversees the supportive services. The program provides rental subsidies, utility assistance, and supportive

services to vulnerable populations in order to link them with community-based, individualized services.

Outcome: Passed

SB140 MAKING AN APPROPRIATION TO THE NEW MEXICO HOUSING TRUST FUND

Making an Appropriation to the New Mexico Housing Trust Fund (NMHTF) for a \$48,000,000 appropriation from the general fund to the NM Housing Trust Fund for carrying out the provisions of the NMHTF Act. Funds are nonrecurring and do not revert back to the General Fund.

Outcome: Did not pass due to SB381

SB141 SANTA FE HOMELESS SHELTER & PROGRAMMING

Santa Fe Homeless Shelter & Programming for a non-recurring appropriation in the amount of \$300,000, from the General Fund to the Human Services department for expenditure in 2024. The appropriations will provide operational support for a homeless shelter to include a supportive housing program in the city of Santa Fe.

Outcome: Passed

SB162 BEHAVIORAL HEALTH TRANSITIONAL HOUSING

Behavioral Health Transitional Housing for an appropriation to the Human Services Department the amount of \$1,843,000, from the General Fund for expenditure in 2024. Fund will be used to support a transitional housing program which aims to provide approximately a thirty-two-bed facility for people with serious mental illnesses, people with substance use disorders and for people who have recently been released from incarceration.

Outcome: Did not pass

SB197 INFRASTRUCTURE PLANNING & DEVELOPMENT OFFICE

Infrastructure Planning & Development Office, creating the Infrastructure Planning and Development Office, with a director appointed by the governor. The bill outlines the responsibilities, powers and duties related to infrastructure planning and providing support to local governments and municipalities to seek funding for infrastructure projects. This new office will be the single point of entry for state agencies and local governments to seek advice when developing infrastructure projects and administering capital outlay projects.

Outcome: Did not pass

SB267 TEMPORARY ASSISTANCE TO FAMILIES IN NEED

Temporary Assistance to Families in Need to change the provisions of the New Mexico Works Act, allowing homelessness to be a work requirement exemption while also setting the financial standard of need. The act also removes childcare services as a category for grants and exempts 100% of child support from income sources. It limits sanctions to adult member beneficiaries, specifies pro rata shares for different benefit groups, and clarifies the sanctions conciliation process.

Outcome: Did not pass

SB286 DISCRIMINATORY RESTRICTIVE COVENANTS

Discriminatory Restrictive Covenants to prohibit the submission of a deed or other instruments of writing to the office of the county clerk that has attached a discriminatory restrictive covenant or Gender-Specific Language. This bill would declare all unlawful discriminatory restrictive covenants void and would require the removal of all unlawful restrictive covenants or conditions affecting the transfer of Real Property.

Outcome: Did not pass

SB298 MOBILE HOME PARK ACT CHANGES

Mobile Home Park Act Changes which require a regimented application of tenant payments and will provide notice before the sale of mobile home park properties. It will also limit rent increases based on cost of living and will increase penalties for violations while providing for private remedies.

Outcome: Did not pass

SB313 TERMINATION OF FRANCHISES

Termination of Franchises which amends the Franchise Termination Act to include certain definitions and conditions required for “good cause” termination and specifies when “good cause” exists related to the termination of a franchise. New material is being added that sets forth the requirements related to the contents of termination request and the timeline for notice to be provided related to the termination, as well as requirements for the approval/denial process, and the conditions of termination in the event of the death of the dealer.

Outcome: Did not pass

SB333 MULTIGENERATIONAL HOUSING & ZONING

Multigenerational Housing & Zoning to provide additional accommodations for multigenerational housing that restrict the establishment of Single-Family Zoning Districts after the effective date of the 2023 act. SB 333 amends the statute to allow additional detached dwelling units within single-family zoning districts and accommodate one additional dwelling unit within each lot in a single-family zoning district as a permissive use.

Outcome: Did not pass

SB338 TRANSFER OF PROPERTY AFFIDAVITS

Transfer of Property Affidavits which requires an affidavit to be filed with the County Assessor for the transfer of all real property, removing the classification of “residential property” from the requirement. SB 338 removes the exception for the affidavit for the transfer of nonresidential property, and adds affidavit requirements when a deed, patent or contract for sale or transfer of real property in which the property was valued.

Outcome: Did not pass

SB375 RENT INCREASES & AIR CONDITIONING

Rent Increases & Air Conditioning to limit the amount of rent increase allowed during a 12-month period to (1) five percent plus any percentage increase in the consumer price index for the previous year; or (2) ten percent, if the sum of five percent and the percentage increase in the



consumer price index for the previous year is more than ten percent. The bill specifies that residents may not enter into sublease agreements that would exceed the rental rate beyond what is allowed in the bill.

Outcome: *Did not pass*

SB381 NM HOUSING TRUST FUND BONDING

NM Housing Trust Fund Bonding to amend prior legislation and allow for 2.5% of severance tax bonding capacity to be allocated to the New Mexico Housing Trust Fund beginning with 2023 bonding capacity.

Outcome: *Passed*

SB398 HOUSING AUTHORITY COMMISSIONER EMPLOYMENT

Housing Authority Commissioner Employment, amending existing legislation to allow a commissioner of a housing authority to hold office or employment for the same city for which the authority is created.

Outcome: *Passed*

SB411 UNIFORM OWNER-RESIDENT RELATIONS ACT

Uniform Owner-Resident Relations Act clarifies the requirement for a written statement of deductions in certain circumstances. It also addresses increasing certain civil penalties or the time permitted to remedy nonpayment of rent for a rental agreement. It also proposed to increase the time required for nonpayment of notices and requiring the issuance of a judgement of restitution prior to a writ of restitution. It also wants to clarify the issuance and execution of a writ of restitution during an appeal, prohibiting an owner from refusing to renew or seek to terminate a rental agreement.

Outcome: *Did not pass*

SB495 AFFORDABLE HOUSING ACT OVERSIGHT DUTIES

Affordable Housing Act Oversight Duties for an appropriation to MFA for the Affordable Housing Act Oversight Duties to enable MFA to 1) oversee the Affordable Housing Act, including review and approval of plans and ordinances, 2) provide direct technical assistance to local governments, and 3) offer planning and implementation grants to local governments on an as-needed basis. This Act permits state and local governments to contribute public funds, land, buildings, and other resources to create and preserve affordable housing.

Outcome: *Did not pass*



MEMO

TO: MFA Board of Directors

Through: Finance Committee – April 11, 2023

Through: Policy Committee – April 4, 2023

FROM: Jeff Payne, Chief Lending Officer

DATE: April 19, 2023

SUBJECT: Approval of Updated Resolution to Approve Facsimile Signatures for Note Endorsements

Recommendation:

Staff recommends the updated approval and adoption of the attached board resolution to affirm the validity and acceptability of the continued use of facsimile signatures when endorsing mortgage loan notes at time of purchase from participating mortgage lenders. This request only approves the change in title from Senior Director of Mortgage Operations to Chief Lending Officer. All other facsimile signatures remain the same.

Background:

Since June of 2016, Idaho Housing and Finance Association (“IHFA”) has been purchasing mortgage loans from lenders participating in MFA’s single family mortgage program. Lenders send the notes to IHFA after having endorsed the note to IHFA. IHFA endorses the notes in blank as required by investors and sends them to the document custodian as the “seller” of the loans. Ginnie Mae and the Government Sponsored Entities (“GSEs”) require a chain of title established by the note endorsements and require the seller to endorse the notes in blank before delivery.

MFA has transitioned to pooling loans and securitizing them in our own name. Loans are purchased in the name of MFA by IHFA and MFA is the seller to Ginnie Mae or Fannie Mae/Freddie Mac. As a result, lenders are instructed to endorse notes to MFA. MFA’s endorsement is used on the notes prior to shipping to the document custodian. Staff anticipates that in coming months, all mortgage loan notes will be received at the MFA office and endorsed by staff via facsimile signatures prior to being shipped to our document custodian.

The Board of Directors approved a resolution in October 2020 authorizing the use of facsimile signatures to endorse mortgage loan notes. The attached resolution (Exhibit A) is updated to refer to the Chief Lending Officer as an authorized endorser and replaces the title of Senior Director of Mortgage Operations which is no longer used.

Summary:

Staff recommends the approval and adoption of the updated, attached board resolution allowing the use of facsimile signature stamps to endorse the mortgage loan notes at the time of purchase from participating lenders.

Exhibit A**NEW MEXICO MORTGAGE FINANCE AUTHORITY
FACSIMILE SIGNATURE RESOLUTION**

April 19, 2023

**Resolution of the New Mexico Mortgage Finance Authority (the “Authority”) Authorizing
the Use of Facsimile Signatures to Endorse Promissory Notes**

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

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

WHEREAS, the purposes of the Authority are to provide decent, safe and sanitary residential housing to persons of low or moderate income, and the Authority has determined that it will fulfill the purposes for which it was created by the establishment of a program to purchase mortgage loans made by eligible mortgage lenders for the financing of residential housing through its single-family mortgage program;

WHEREAS, the Authority is authorized by the Act to purchase and contract to purchase mortgage loans, or securities backed by mortgage loans, originated by mortgage lenders to finance residential housing for persons of low or moderate income under rules adopted by the authority;

WHEREAS, as a function of servicing its loans, the Authority wishes to authorize the use of facsimile signatures of its Chief Lending Officer, Director of Secondary Market and Director of Servicing for the express purpose of endorsing promissory notes in its single-family mortgage program; and

WHEREAS, the Uniform Commercial Code – Negotiable Instruments, NMSA 1978 §§ 55-3-101 et seq. (the “Act”) authorizes the use of facsimile signatures to endorse promissory notes (NMSA 1978 § 55-1-201 “signed” includes using any symbol executed or adopted with present intention to adopt or accept a writing” and NMSA 1978 § 55-3-204).

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

Section 1. The Authority is authorized to use the facsimile signature of Chief Lending Officer, Director of Secondary Market and Director of Servicing to endorse promissory notes in its single-family mortgage program and such signatures shall be valid and binding on the Authority.

Section 2. The Authority’s corporate secretary is authorized to certify the validity of the resolution, the before stated titles of the officers authorized to execute documents by using

facsimile signatures, and the authenticity of specimen forms of facsimile signatures.

Section. 3 The Authority shall retain in its permanent records, a legal opinion of counsel related to the legality and enforceability of facsimile signatures in New Mexico, this resolution, the corporate secretary's certification of the authenticity and validity of the board of director's resolution, and a notarized certification made by the corporate secretary of the facsimile signature, which includes both the facsimile and the original signatures of the signing officers and each officers' certification by affidavit that the facsimile is a true and correct copy of his or her original signature.

Section 4. The Authority shall not delegate to an attorney-in-fact its authority to execute an endorsement. The endorsement may not be executed by a party using a power of attorney.

The resolution shall become effective immediately upon its adoption.

ADOPTED:

Aye:

Nay:

Abstain:

Absent:

PASSED AND APPROVED BY THE NEW MEXICO MORTGAGE FINANCE AUTHORITY THIS ____ DAY OF _____, 2023.

Angel Reyes, Chair

CERTIFICATION

I HEREBY CERTIFY, that I am the Secretary of the New Mexico Mortgage Finance Authority; that the above and foregoing is a full, true and correct copy of a resolution duly and regularly adopted by the vote of the majority or more of the directors of the New Mexico Mortgage Finance Authority in accordance with the MFA bylaws in effect on November 17, 2010; that there is no provision in the articles of the MFA bylaws conflicting with said resolution; and that said resolution has not been modified or revoked and still remains in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of the New Mexico Mortgage Finance Authority this ____ day of _____, 2023.

Isidoro Hernandez, Secretary

(SEAL)



MEMO

TO: MFA Board of Directors

Through: Finance Committee – April 11, 2023

Through: Policy Committee – April 4, 2023

FROM: Yvonne Segovia, Controller

DATE: April 19, 2023

SUBJECT: External Audit Services Request for Proposal

Recommendation

Staff recommends the approval of the Request for Proposal for External Audit Services. Responses will be due to MFA by May 12, 2023 and recommendations for award will be presented at the June Board meeting.

Background

On March 17, 2023 the New Mexico Office of the State Auditor (OSA) directed the MFA to seek proposals for the financial and compliance audit for the fiscal year ended September 30, 2023. The term of this Request for Proposal is for one year with three one-year extensions at the Board's option. There are no remaining extensions on the award approved by the Board on June 19, 2019. This RFP has been reviewed by General Counsel.

Discussion

Following is a summary of the major changes from the RFP issued in 2019.

Category	2019 RFP	2023 RFP
Throughout RFP		Updated to the most recent RFP Template
Questions and Answers		Updated to new MFA website
Proposal Submission, pg. 3	May 17, 2019	May 12, 2023
Timeline for Offeror Selection, pg. 7		Updated dates in timeline
Offerors Conference, page 7	April 24, 2019	April 26, 2023 Updated access information
Evaluation Criteria, page 12		Added 5 points interviews, if conducted

Proposal Format and Instructions to Offeror, pg. 12		Reorganized in accordance with the RFP Template
Contract Term, pg 16	Contract may be extended for two successive one-year periods	Contract may be extended for three successive one-year periods as revised by the State Audit Rule

Summary

New Mexico Office of the State Auditor directed the MFA to seek proposals for the financial and compliance audit for the fiscal year ended September 30, 2023. The term of this Request for Proposal is for one year with three one-year extensions at the option of the Board. Staff recommends the approval of the Request for Proposal for External Audit Services. Responses will be due to MFA by May 12, 2023.



New Mexico Mortgage Finance Authority

Request for Proposal For External Audit Services

April ~~2019~~2023

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New Mexico Mortgage Finance Authority Request for Proposals To Provide External Audit Services

Part I: Background & General Information

Introduction

The New Mexico Mortgage Finance Authority ("MFA") is a governmental instrumentality, separate and apart from the state, created by the Mortgage Finance Authority Act, N.M. Stat. Ann. Sections 58-18-1, et seq. (1978) for the purpose of financing affordable housing for low- and moderate-income New Mexico residents.

Purpose

The purpose of this Request for Proposals (RFP) is to solicit proposals, in accordance with the New Mexico Mortgage Finance Authority Procurement Policy, from qualified firms which by reason of their skill, knowledge, and experience are able to furnish ~~External Audit services~~ External Audit Services to MFA ("Offerors").

Questions and Answers

Questions pertaining to this RFP and application must be submitted via the MFA website at ~~http://www.housingnm.org/rfp~~ https://housingnm.org/rfps/rfps-rfqs. Then ~~under "Current RFP's,"~~ select "External Audit Services." On the External Audit Services RFP page, select the "External Audit Services FAQs" link. Questions will be checked on a daily basis. The FAQ will open the day after the RFP issues and will close on ~~May 2, 2019~~ May 4, 2023. To submit your questions, scroll down to the "Ask a question" section, enter your name, email address, organization, and type your question in the "Question" box; ~~type in the two (2) words in the CAPTCHA box~~ and click on "Send my question". MFA will make every attempt to answer questions within two (2) business days.

Proposal Submission

Proposal submissions must be received no later than May 12, ~~2023~~2023, at 5:00 p.m., Mountain Time. Proposals which are not received by this time will not be accepted.

Send to ysegovia@housingnm.org with a subject line of "Proposal to Furnish External Audit Services." This is the preferred method and hard copies are not required.

The original and one electronic copy of a proposal must be received by MFA at our office located at 344 Fourth St. S.W., Albuquerque, NM 87102 and ysegovia@housingnm.org no later than ~~Friday, May 17, 2019 at 4:00 p.m.~~ **Friday, May 17, 2023 at 4:00 p.m.**, Mountain Time. Proposals shall be in sealed envelopes marked "Response to External Audit RFP".

Proposal Tenure

All proposals shall include a statement that the proposal shall be valid until contract award, but no more than ninety (90) calendar days from the proposal due date.

RFP Revisions and Supplements

If it becomes necessary to revise any part of this RFP or if additional information is necessary to clarify any provision of this RFP, the revision or additional information will be provided on the MFA website.

Incurred Expenses

MFA shall not be responsible for any expenses incurred by an Offeror in responding to this RFP. All costs incurred by Offerors in the preparation, transmittal or presentation of any proposal or material submitted in response to this RFP will be borne solely by the Offerors.

Cancellation of Requests for Proposals or Rejection of Proposals

MFA may cancel this RFP at any time for any reason and may reject all proposals (or any proposal) which are/is not responsive.

Offeror's Rights to Withdraw Proposal

Offerors will be allowed to withdraw their proposals by submitting a written withdrawal request addressed to ysegovia@housingnm.org.

Evaluation of Proposals, Selection and Negotiation

Proposals will be evaluated by an Internal Review Committee of MFA staff using the criteria listed in Parts II Minimum Qualifications and Requirements and III Services to be Performed, below, pursuant to the Evaluation Criteria and scoring shown in Part IV, Evaluation Criteria. ~~with~~ Final selection ~~shall~~to be made by the full Board of Directors.

MFA may provide Offerors whose proposals are reasonably likely, in MFA's discretion, to be selected, an opportunity to discuss and revise their proposals prior to award, for the purpose of obtaining final and best offers. Proposals shall be evaluated on the criteria listed in Part IV Evaluation Criteria, below.

The MFA Board of Directors shall select the Offeror(s) whose proposal(s) is/are deemed to be most advantageous to MFA to enter into contract negotiations with MFA, subject to approval by the New Mexico State Auditor. If a final contract cannot be negotiated, then MFA will enter into negotiations with the other Offeror(s).

Interview

If selected as a finalist, Offerors agree to provide MFA the opportunity to interview proposed staff members identified by the Internal Review Committee. The Internal Review Committee may request a finalist to provide an oral presentation of the proposal as an opportunity for the Internal Review Committee to ask questions and seek clarifications. All requests for interviews and oral presentations shall be made in MFA's sole discretion.

Award Notice

MFA shall provide written notice of the award to all Offerors within ten (10) days of the date of the award. The award shall be contingent upon successful negotiation of a final contract between MFA and the Offeror(s) whose proposal(s) is/are accepted by MFA, subject to approval by the New Mexico State Auditor. The MFA is subject to the New Mexico Audit Act Section 12-6-1 NMSA 1978 et seq., (~~State~~ Audit Act); therefore in accordance with independence requirements set forth therein, this award will not be made to the same firm that provides internal audit services to MFA.

Proposal Confidentiality

Offerors or their representatives shall not communicate with MFA's Board of Directors or staff members regarding any proposal under consideration or that will be submitted for consideration, except in response to an inquiry initiated by the Internal Review Committee, or a request from the Board of Directors, or its Finance Committee for a presentation and interview. A proposal will be deemed ineligible if the Offeror or any person or entity acting on behalf of Offeror attempts to influence members of the Board of Directors or staff during any portion of the RFP review process, including any period immediately following release of the RFP.

~~Until the award is made, notice is given to all Offerors and a contract is executed between MFA and Offeror, MFA will not disclose the contents of any proposal or discuss the contents of any proposal with an Offeror or potential Offeror, so as to make the contents of any offer available to competing or potential Offerors. MFA will not disclose, discuss or otherwise make available the contents of any proposal to competing or potential Offerors prior to the expiration of the protest period, which in the event a protest is presented, shall not occur until after final determination~~ of the protest by the Board of Directors.

Irregularities in Proposals

MFA may waive technical irregularities in the form of proposal of any Offeror selected for award which do not alter the price, quality or quantity of the services offered. Note especially that the date and time of proposal submission as indicated herein under "Part I Background and General Information, ~~Proposal Submission~~" cannot be waived under any circumstances.

Responsibility of Offerors

If an Offeror who otherwise would have been awarded a contract is found not to be a Responsible Offeror, a determination that the Offeror is not a Responsible Offeror, setting forth the basis of the finding, shall be prepared and the Offeror shall be disqualified from receiving the award. A Responsible Offeror means an Offeror who submits a proposal that conforms in all material respects to the requirements of this RFP and who has furnished, when required, information and data to prove that his financial resources, facilities, personnel, reputation and experience are adequate to make satisfactory delivery of the services described in this RFP. The unreasonable failure of an Offeror to promptly supply information in connection with an inquiry with respect to responsibility is grounds for a determination that the Offeror is not a Responsible Offeror.

Protest

Any Offeror who is aggrieved in connection with this RFP or the award of a Contract pursuant to this RFP may protest to the MFA. The protest must be written and addressed to:

Yvonne Segovia, Controller
ysegovia@housingnm.org
~~NM Mortgage Finance Authority~~
~~344 Fourth St. SW~~
~~Albuquerque, NM 87102~~

The protest must be delivered to MFA within five (5) business days after the notice of award. Upon the timely filing of a protest, the Contact Person shall give notice of the protest to all Offerors who appear to have a substantial and reasonable prospect of being affected by the outcome of the protest. The Offerors receiving notice may file responses to the protest within five (5) business days of notice of protest. The protest process shall be:

- ◆ The protest will be reviewed by the Finance Committee of MFA's Board of Directors, and that committee shall make a recommendation to the full Board of Directors regarding the disposition of the protest.
- ◆ The Board of Directors shall make a final determination regarding the disposition of the protest, which determination shall not be subject to appeal.

Offerors or their representatives shall not communicate with MFA Board of Directors or staff members regarding any proposal under consideration, except when specifically permitted to present testimony to the committee of the Board of Directors, until the protest period has expired, which if there is a protest shall not expire until final determination by the Board of Directors. A proposal will be deemed ineligible if the Offeror or any person or entity acting on behalf of Offeror attempts to influence members of the Board of Directors or staff during any portion of the RFP review process, which remains in effect until the expiration of the protest period, or does not follow the prescribed proposal and protest process. MFA will issue a notice of determination relating to the protest within a reasonable period of time after submission of the protest. The determination by MFA shall be final.

~~Note: A proposal will be deemed ineligible if the Offeror or any person or entity acting on behalf of Offeror attempts to influence members of the Board of Directors or staff during any portion of the RFP review process, which remains in effect until the expiration of the protest period, or does not follow the prescribed proposal and Protest process.~~

Confidential Data

Offerors may request in writing nondisclosure of confidential data which Offeror includes in its proposal. Such ~~confidential information data~~ shall accompany the proposal and shall be readily separable from the proposal so as to facilitate public inspection of non-confidential portions of the proposal. After the expiration of the protest period, which shall include final determination of any protest by MFA's Board of Directors~~award~~, all proposals ~~and documents pertaining to the proposals~~ will be open to the public for inspection pursuant to MFA's Request to Inspect Documents Policy. Confidential information shall only include such information as is excepted under Section 14-2-1 NMSA 1978.~~Confidential data is normally restricted to confidential financial information concerning the Offeror's organization and data that qualifies as trade secrets under the Uniform Trade Secrets Act, Section 57-3A1 et seq. NMSA 1978.~~

~~If MFA receives a request for inspection of its records which would require the disclosure of information identified by Offeror as confidential information, it will examine Offeror's request for confidentiality and make a written determination that specifies which portions of the proposal, including any information identified by Offeror as confidential information, shall be disclosed. MFA will provide the Offeror with a written notice of determination which details which information MFA intends to disclose and the date it shall disclose such information. If request for disclosure of data for which a request for confidentiality is made, MFA shall examine the request for confidentiality and make a written determination that specifies which portions of the proposal should be disclosed and will provide the Offeror with written notice of that determination. Unless the Offeror protests within ten (10) calendar days of the notice, the proposal will be so disclosed.~~

Timeline for Offeror Selection

The MFA will make every effort to adhere to the following anticipated schedule for recommended Offeror selection:

<u>DATE</u>	<u>ACTIVITY</u>	<u>RESPONSIBILITY</u>
4/17/2019 <u>4/19/23</u>	RFP goes to Board of Directors for approval	MFA
4/18/2019 <u>4/20/23</u>	Issuance of RFP	MFA
4/24/2019 <u>4/26/23</u>	RFP Offerors Conference	MFA
5/9/2019 <u>5/4/23</u>	RFP FAQ closes – deadline to submit questions	Offerors
5/17/2019 <u>5/12/23</u>	Submission of Proposals Due	Offerors
6/19/2019 <u>6/21/23</u>	Award Recommendation to Board of Directors	MFA
6/19/2019 <u>6/21/23</u>	Notification of Awards	MFA
6/26/2019 <u>6/28/23</u>	Protest Deadline	Offerors

Offerors Conference

An optional Offerors Conference will be conducted on ~~April 24, 2019 at 2:30 MT~~April 26, 2023, at 9:30 a.m. MT to provide an opportunity for questions and answers. You may attend the Conference at the MFA Office, ~~or~~ by WebEx at <https://housing-nm.webex.com/housing-nm/j.php?MTID=m75866f1e38cc484bf568e10c45d1b7a9>

or by teleconference ~~(605) 313-4821~~ Participant Access Code: ~~561172#~~. 1-408-418-9388 Meeting number (access code): 2494 445 3020.

Part II: Minimum Qualifications and Requirements

Only those Offerors who meet the following minimum criteria are eligible to submit a proposal pursuant to this RFP:

1. Offeror must be included on the New Mexico Office of the State Auditor ~~2019-2023~~ Approved Audit Firms List;
2. Offeror must be a certified public accounting firm in good standing as a registrant with the Public Company Accounting Oversight Board (PCAOB);
3. Offeror must be licensed in the State of New Mexico; and
4. Offeror must maintain professional liability insurance of at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate;~~aggregate.~~

Selected Offerors must also meet the following requirements:

5. Offeror shall provide a written statement disclosing: (1) any political contribution or gift valued in excess of \$250.00 (singularly or in the aggregate) made by Offeror to any elected official of the State of New Mexico in the last three years, (2) any current or proposed business transaction between Offeror and any MFA member, officer, or employee, and (3) any other conflict or potential conflict which may give rise to a claim of conflict of interest.
6. Offeror shall provide a written statement disclosing any pending investigation, litigation, recent settlements or regulatory sanctions in performing professional services during the past five years involving Offeror's firm or employees or individuals or organizations involved in any third-party agreements or joint venture agreements. Describe any circumstances under which Offeror's firm or any of Offeror's members or employees have been disciplined by any professional licensing, regulatory or ethics entity. Indicate whether Offeror's firm has been involved in any capacity in litigation, investigations or regulatory proceedings involving HUD, the State of New Mexico or any agency thereof.
7. 6. Offeror shall provide written certification, on the form attached as Exhibit A, that Offeror has read and shall at all times conduct itself in a manner consistent with MFA's Third-Party Code of Conduct. Upon request by MFA, Offeror shall disclose information MFA may reasonably request relating to any conflict or potential conflict of interest as such term is defined in MFA's Policies and Procedures. A Written certification that Offeror has read and shall at all times conduct itself in a manner consistent with MFA's Code of Conduct and MFA's Anti Harassment Policy. A copy of MFA's Code of Conduct and MFA's Anti Harassment Policy is posted on the MFA website for review at <https://housingnm.org/rfps/rfps-rfas>. Upon request by MFA, Offeror shall disclose information MFA may reasonably request relating to conflict or potential conflicts of interest.
8. Offeror shall provide a written certification that Offeror is an Equal Opportunity Employer and complies fully with all government regulations regarding nondiscriminatory employment practices.
9. Offeror shall provide a written certification that Offeror is eligible to participate in any and all federal- or state funded housing programs; is not currently facing disciplinary action by any federal, state or local entity; is not suspended, debarred or excluded from participation in any federal or state funded housing

program; and is not listed as an excluded party (ies) on the System for Award Management's list of excluded parties accessed at www.sam.gov; and has not been debarred by MFA.

Part III: Services to be Performed

~~Offerors may respond to this RFP to provide External Audit services for MFA.~~

As requested by MFA, professional ~~External Audit services~~External Audit Services REQUIRED to be provided under and to be incorporated into the contract to be awarded pursuant to this RFP include, but are not limited to, the following:

1. Financial Statement Audit consisting of the Statement of Net Position, Statement of Revenue, Expenses and Changes in Net Position, Statement of Cash Flows and the Notes to the financial statements for the fiscal year ended September 30, ~~2019-2023~~ in accordance with auditing standards generally accepted in the United States of America, Government Auditing Standards, and 2.2.2 NMAC Audit Rule ~~2019~~ 2023 (available at www.saonm.org) issued by the New Mexico Office of the State Auditor with comparative statements for the fiscal year ended 2022;
2. Federal Audit for the fiscal year ended September 30, ~~2019-2023~~ in accordance with Government Auditing Standards issued by the United States Government Accountability Office and Office of Management and Budget (OMB) 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;
3. Financial Statement Preparation;
4. GNMA Compliance Reports;
5. Delivery of the Financial Statements and GNMA Compliance Reports within one hundred twenty (120) days after fiscal year end;
6. Delivery of the Financial Statements and Federal Audit Reports within one hundred twenty (120) days after fiscal year end;
7. Electronic submission of the financial statements, and preparation and submission of the Data Collection Form to the Federal Audit Clearinghouse within 30 days after release of the Federal Audit;
8. Because the MFA's bonds are publicly offered and held, the auditor may be asked to consent to inclusion of the auditor's report in the MFA's official statements and on certain occasions to issue letters to underwriters in connection with the offering of MFA's bonds on a fee basis;
9. Presentation of reports to the Board and/or Finance Committee regarding recent accounting, audit and tax updates that may affect the housing finance industry and/or MFA financial statements;

10. In accordance with NMAC 2.2.2.10 J. the Offeror shall be required to identify significant state statutes, rules and regulations applicable to the MFA and perform tests of compliance. The state statutes and constitutional provisions that MFA may be subject to include, but may not be limited to, the following:
- a. Anti-Donation Clause (NM Constitution Article IX, Section 14);
 - b. Public Money Act (Sections 6-10-1 to 6-10-63 NMSA 1978, at § 6-10-10.1) allowing the State Treasurer to accept funds for deposit from MFA;
 - c. Special, Deficiency, and Specific Appropriations (appropriation laws applicable for the year under audit);
 - d. 2.2.2 NMAC, Requirements for Contracting and Conducting Audit of Agencies, excluding 2.2.2.10.~~F~~U. Disposition of Property;
 - e. Investment of Public Money (Sections 6-8-1 to 6-8-~~24-25~~ NMSA 1978),~~at Section 6-8-7(E)(E) and (I)~~ allowing the State Investment Council to accept funds for deposit from MFA to be managed pursuant to the Uniform Prudent Investor Act.

The following state statutes and constitutional provisions may not apply to MFA:

- a. Sections 13-1-21 and 13-1-22 NMSA 1978, Procurement Code (Sections 13-1-28 to 13-1-199 NMSA 1978) and Procurement Code Regulations 1.4.1 NMAC;
- b. Per Diem and Mileage Act (Sections 10-8-1 to 10-8-8 NMSA 1978) and Regulations Governing the Per Diem and Mileage Act 2.42.2 NMAC;
- c. Public Money Act (Sections 6-10-1 to 6-10-63 NMSA 1978) except as detailed above;
- d. Public School Finance Act (Sections 22-8-1 to 22-8-48 NMSA 1978);
- e. Investment of Public Money (Sections 6-8-1 to 6-8-~~24-25~~ NMSA 1978) except as detailed above;
- f. Public Employees Retirement Act (Sections 10-11-1 to 10-11-~~141-142~~ NMSA 1978);
- g. Educational Retirement Act (Sections 22-11-1 to 22-11-55 NMSA 1978);
- h. Sale of Public Property (Sections 13-6-1 to 13-6-8 NMSA 1978);
- i. State Budgets (Sections 6-3-1 to 6-3-25 NMSA 1978);
- j. Lease Purchase Agreements (NM Constitution Article IX, Sections 8 and 11; Sections 6-6-11 to 6-6-12 NMSA 1978; Montano v. Gabaldon, 108 NM 94, 766 P.2d 1328, 1989);
- k. Accounting and Control of Fixed Assets of State Government, 2.20.1.1 to 2.20.1.18 NMAC;
- l. Article IX of the State Constitution limits on indebtedness;

d. Approach for planning and conducting the work efforts of subsequent years.	0-2	22
3. Technical Capabilities:		
a. Governmental audit experience of on-site manager and on-site supervisor.	0-10	
b. Team audit experience:		
1) Specialization with state housing finance agencies, entities with publicly owned and offered securities, and financial institutions	0-10	
2) <u>Government Accounting Standards Board (GASB)</u> experience	0-10 0-5	
3) Experience with governmental component units	0-5	40
4) Experience with State Audit Act		
4. Firm Strengths	0-5	5
5. Audit Fees	10	10
6. Interview (optional at MFA's discretion)	<u>5</u>	<u>5</u>
Maximum Points		10 <u>50</u>

Part V: Proposal Format and Instructions to Offeror

Proposals submitted to MFA must, at a minimum, contain the following information and shall be organized as follows:

1. Letter of Transmittal

Include at least the following information:

- A. Name, address and telephone number of Offeror and name of contact person.
- B. A signature of the Offeror or any partner, officer or employee who certifies that he or she has the authority to bind the Offeror.
- C. Date of proposal.
- D. A statement that the Offeror, if awarded the contract, will comply with the contract terms and conditions set forth in this RFP.
- D.E. A statement describing how long the Offeror can hold the hourly rates, with the minimum being three (3) years from years from date of proposal.
- E.F. A statement that the Offeror's proposal is valid for ninety (90) days after the deadline for submission of proposals.

2. Disclosure and Certifications – Offeror shall provide:

- A. Disclosure Statement. A written statement disclosing: (1) any political contribution or gift valued in excess of \$250.00 (singularly or in the aggregate) made by Offeror to any elected official of the State of New Mexico in the last three years, (2) any current or proposed business transaction

between Offeror and any MFA member, officer, or employee, and (3) any other conflict or potential conflict which may give rise to a claim of conflict of interest.

- B. A written statement disclosing any pending investigation, litigation, recent settlements or regulatory sanctions in performing professional services during the past five years involving Offeror's firm or employees or individuals or organizations involved in any third-party agreements or joint venture agreements. Describe any circumstances under which Offeror's firm or any of Offeror's members or employees have been disciplined by any professional licensing, regulatory or ethics entity. Indicate whether Offeror's firm has been involved in any capacity in litigation, investigations or regulatory proceedings involving HUD, the State of New Mexico or any agency thereof.
- ~~— A written certification, on the form attached as Exhibit A, that Offeror has read and shall at all times conduct itself in a manner consistent with MFA's Third-Party Code of Conduct.~~
- C. A written certification that Offeror has read and shall at all times conduct itself in a manner consistent with MFA's Code of Conduct and MFA's Anti-Harassment Policy
- D. A written certification that Offeror is an Equal Opportunity Employer and complies fully with all government regulations regarding nondiscriminatory employment practices.
- 2.E. A written certification that Offeror is eligible to participate in any and all federal- or state funded housing programs; is not currently facing disciplinary action by any federal, state or local entity; is not suspended, debarred or excluded from participation in any federal or state funded housing program; and is not listed as an excluded party(ies) on the System for Award Management's list of excluded parties accessed at www.sam.gov; and has not been debarred by MFA.
3. Approval. A statement that the Offeror is included on the NM State Auditor's 2023 Approved Audit Firms List. Indicate whether the firm is under any restrictions with the NM Office of the State Auditor, and if so, a description of the restriction.
- 3.4. Good Standing. Proof of good standing as a CPA firm registered with the Public Company Accounting Oversight Board (PCAOB) pcaobus.org. ~~A copy of the firm's most recent external Quality Control Peer Review in accordance with Standards established by the Peer Review Board of the American Institute of Certified Public Accountants for Public Company Audit Firms, including evidence of acceptance by the Center for Public Company Audit Firms, and letter of comments and a statement providing the rating received. A description of any disciplinary actions involving the firm during the past three years or a statement that there have been none. A statement that the firm's net worth is at least \$250,000.~~
- 4.5. Licensure and Approval. A statement that the Offeror is licensed in the State of New Mexico ~~and included on the NM State Auditor's 2019 Approved Audit Firms List. Indicate whether the firm is under any restrictions with the NM Office of the State Auditor, and if so, a description of the restriction.~~ Provide a copy of the license issued to the firm by the NM Regulation and Licensing Department[Public Regulation Committee](#).

~~5-6.~~ Insurance. Proof of professional liability insurance of at least \$1,000,000 per occurrence and \$2,000,00 in the aggregate.

~~6-7.~~ Qualifications & Experience & Capability. Description of firm capability and experience, including:

- ~~A.~~ The resources available to perform the type and size of MFA's audit; and number of team members on staff.
- ~~B.~~ A statement that the firm meets independence standards required to perform the audit; List all professional services contracts the Offeror has entered into with MFA for the past two (2) years, including the contract date, contract amount, and description of services provided. Include a discussion as to the effect of the contracts on Offeror's independence in accordance with Generally Accepted Government Auditing Standards (GAGAS).
- ~~C.~~ A copy of the firm's most recent external Quality Control Peer Review in accordance with Standards established by the Peer Review Board of the American Institute of Certified Public Accountants for Public Company Audit Firms, including evidence of acceptance by the Center for Public Company Audit Firms, and letter of comments and a statement providing the rating received.
- ~~A-D.~~ Please provide at least three references from state housing finance agencies, state agencies, financial institutions and/or mortgage servicers. Insert Offeror's name at the top of page 2 on ~~Appendix A~~ Exhibit B and submit Exhibit B to at least three references for completion. The reference must submit the completed Organizational Reference Questionnaire directly to MFA, not to the Offeror, by May 12, ~~2023~~ 2023, at 5:00 p.m. See Exhibit B for further instructions. The fillable form is available on MFA's website.
- ~~B-E.~~ An estimate of the number of hours required to provide Part III. Services to be Performed above and the total audit hours available. Include past experience in meeting audit deadlines required by the State Audit Rule and providing the deliverables required.

~~7. MFA Contracts.~~ List all professional services contracts the Offeror has entered into with MFA for the past two (2) years, including the contract date, contract amount, and description of services provided. Include a discussion as to the effect of the contracts on Offeror's independence in accordance with Generally Accepted Government Auditing Standards 2018 Revision.

~~8. References.~~ Please provide at least three references from state housing finance agencies, state agencies, financial institutions and/or mortgage servicers. Insert Offeror's name at the top of page 2 on Appendix A and submit Appendix A to at least three references for completion. The reference must submit the completed Organizational Reference Questionnaire directly to MFA, not to the Offeror, by May 17, 2019 at 4:00 p.m. See Appendix A for further instructions. The fillable form is available on MFA's website.

~~9-8.~~ Audit Approach. Describe Offeror's audit approach including:

- A. Audit objectives, understanding of MFA's requirements, and final product to be provided;
- B. Technical plan and estimate of time to complete major segments of the audit and estimated timeline: planning, interim fieldwork, fieldwork, and reporting. Include the estimated start and end date to complete 1) the draft to the State Auditor's Office and 2) the audit.

- C. Anticipated support from MFA staff and list of schedules anticipated to be prepared by MFA staff. Include a description of Offeror's data analytics approach to mining the data provided in order to minimize MFA staff disruptions; and
- D. Approach for planning, ~~and~~ conducting and deliverables for the audit work efforts of subsequent years.
- E. As stated in Section III: Services to be Performed, Offeror is expected to prepare the financial statements. Discuss the specific requirements of MFA in order for your firm to fulfill the service while continuing to maintain independence.

9. ~~Resumes~~Technical Capabilities.

- A. Names and resumes of the on-site manager and on-site supervisor, and all other personnel to be assigned to the account. Discuss the governmental audit experience and qualifications of the on-site manager and on-site supervisor assigned to the account.
- B. Resumes describing the qualifications of personnel to be utilized in the performance of this contract must show, at a minimum, the person's name, education, positions, total years of governmental audit experience, and total years and types of other experience relevant to the performance of the contract, information regarding CPA licensure.

~~10. Include a list of individuals within the firm qualified to supervise a Generally Accepted Government Auditing Standards (GAGAS) audit and issue the related report, regardless of whether they will be assigned to the MFA audit. Discuss the governmental audit experience and qualifications of the on-site manager and on-site supervisor assigned to the account.~~

11. Technical Capabilities.

- ~~A-C.~~ Team E Experience with conducting audits of state housing agencies, entities with publicly offered securities and financial institutions, particularly with mortgage operations and mortgage banking operations;
- ~~B-D.~~ Team e Experience with auditing entities subject to GASB;
- ~~C-E.~~ Team e Experience with auditing governmental component units; and
- ~~F.~~ Team e Experience with the State Audit Act.
- ~~D-G.~~ Include a list of individuals within the firm qualified to supervise a Generally Accepted Government Auditing Standards (GAGAS) audit and issue the related report, regardless of whether they will be assigned to the MFA audit.

~~12-10.~~ Other Relevant Information. Please provide any other relevant information which will assist the MFA in evaluating Offeror's ability to provide ~~External Audit services~~External Audit Services to MFA, including firm strengths and weaknesses. Include information that specifies whether the firm qualifies as a small business, minority-owned firm, or a women's business enterprise as referenced in 2 CFR Part 200.509.

~~13-11.~~ Fees. Provide the cost of services on a per-hour basis. Breakdown the number of hours and total cost for fiscal years ~~2019, 2020 and 2021~~2023, 2024, 2025 and 2026 by:

- A. Financial Statement Audit;
- B. Federal Single Audit;
- C. Financial Statement Preparation;
- D. GNMA Compliance Reports; and
- E. Gross Receipts Tax.

Lodging and other travel related expenses shall be reimbursed by MFA in accordance with MFA expense reimbursement policies set forth in its Policies and Procedures Manual.

~~14. Affirmative Actions. MFA requires that Offeror be an Equal Opportunity Employer. Please state that Offeror complies fully with all government regulations regarding nondiscriminatory employment practices.~~

~~15. Certification of Eligibility. Offeror shall provide MFA with written certification that Offeror is eligible to participate in any and all federal or state funded housing programs; is not currently facing disciplinary action by any federal, state or local entity; is not suspended, debarred or excluded from participation in any federal or state funded housing program; and is not listed as an excluded party (ies) on the System for Award Management's list of excluded parties accessed at www.sam.gov.~~

~~16. Litigation. Please describe any material, current or pending litigation, administrative proceedings or investigations that could impact the reputation or financial viability of Offeror.~~

Part VI: Principal Contract Terms and Conditions

Awards shall be contingent upon successful negotiation of a final contract between MFA and the Offeror whose proposal is accepted by MFA, subject to NM State Auditor approval. This RFP in no manner obligates MFA to disburse any funds to any Offeror until a valid written contract is fully executed and all conditions of disbursement have been met. Only contract forms provided by the NM State Auditor will be used through OSA-Connect. ~~A sample form can be viewed at <http://www.saonm.org/procuring-contracts> by looking at the contract template, which requires "No DFA Approval". In addition to the terms respecting the Services to be Performed and compensation described above, the contract between the MFA and the successful Offeror (herein "Contractor") shall include contract terms substantially similar to the following:~~

Contract Term

The term of the ~~External Audit services~~External Audit Services contract shall cover the fiscal year which began on October 1, ~~2018-2022~~ and is to end September 30, ~~2019~~2023. At the option of the MFA Board, the contract may be extended for ~~two~~three successive one-year periods at the same price, terms and conditions as stated on the original proposal. This RFP and the proposal submitted by the successful Offeror, including the fee proposal, shall define the terms by which the successful Offeror shall perform the services contemplated by the RFP. The contract will be issued by the NM State Auditor, and is subject to approval by the NM State Auditor.

Equal Opportunity Compliance

~~Contractor agrees to abide by all federal and state laws, rules and regulations and executive orders pertaining to equal employment opportunity. Contractor agrees to assure that no person in the United States shall, on the grounds of race, color, religion, national origin, sex, sexual preference, age or handicap, be excluded from employment with or participation in, be denied the benefits of, or be otherwise subject to discrimination under, any program or activity performed under the contracts.~~

Code of Conduct

~~No Board member or employee of MFA shall have any direct financial interest in any contract with the Offeror, nor shall any contract exist between Offeror or its affiliate with any MFA Board member or employee that might give rise to a claim of conflict of interest. Any violation of this provision will render void any contract between MFA and the Offeror for which MFA determines that a conflict of interest exists as herein described, unless that contract is approved by the MFA Board of Directors after full disclosure.~~

~~Offeror shall warrant that it has no interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under any contract entered into with MFA pursuant to this RFP. Offeror shall at all times conduct itself in a manner consistent with the MFA Code of Conduct and MFA's Anti-Harassment Policy. A copy of the MFA Code of Conduct and MFA's Anti-Harassment Policy is posted on the MFA website for review at <http://www.housingnm.org/rfp>. Upon request by MFA, Offeror shall disclose information MFA may reasonably request relating to conflict or potential conflicts of interest.~~

New Mexico Mortgage Finance Authority

Board Members

Chair Angel Reyes – President, Centinel Bank in Taos

Vice Chair – Derek Valdo – Chief Executive Officer, AMERIND Risk

Treasurer Rebecca Wurzbarger – Strategic Planning Consultant

Member Howie Morales – Lieutenant Governor, State of New Mexico

Member Raul Torrez – Attorney General, State of New Mexico

Member Laura M. Montoya – Treasurer, State of New Mexico

Member Patricia Sullivan – PhD, Associate Dean, New Mexico State University College of Engineering

Management

Isidoro Hernandez, Executive Director/CEO

Donna Maestas-De Vries, Chief Housing Officer

Jeff Payne, Chief Lending Officer

Lizzy Ratnaraj, Chief Financial Officer

Board Members

~~Chair, Dennis Burt — Burt & Company CPAs~~

~~Vice Chair, Angel Reyes — President, Centinel Bank~~

~~Treasurer — Steven J. Smith — President, R.O.G. Enterprises~~

~~Member, Howie Morales — Lieutenant Governor, State of New Mexico~~

~~Member, Hector Balderas — Attorney General, State of New Mexico~~

~~Member, Tim Eichenberg — Treasurer, State of New Mexico~~

~~Member — Randy McMillan — NAI Director —~~

Management

~~Jay Czar, Executive Director~~

~~Gina Hickman, Deputy Director of Finance & Administration~~

~~Izzy Hernandez, Deputy Director of Programs~~

EXHIBIT A

NEW MEXICO MORTGAGE FINANCE AUTHORITY THIRD-PARTY CODE OF CONDUCT

A. Preamble. The New Mexico Mortgage Finance Authority ("MFA"), an instrumentality of the state government, exists to serve the citizens of the State of New Mexico. To maintain the respect, trust, and confidence of the public, and consistent with MFA's commitment to conduct its business in an ethical and legal manner, MFA requires that all Third Parties doing business with MFA comply with this Third-Party Code of Conduct and otherwise uphold the highest standards of ethics and behavior.

B. Purpose. The purpose of this Code of Conduct is to provide general guidelines and a minimum standard of conduct for Third Parties doing business with MFA.

C. Definitions. For the purpose of this Third-Party Code of Conduct, the following words and phrases shall have the following meanings:

"MFA Employee" means any person employed directly by MFA and any person employed through a staffing agency or by contract and for whom MFA has the right to direct and control the work performed.

"MFA Member" means a Member, and with respect to an ex-officio Member, his or her proxy, of the Board of Directors of the MFA.

"MFA Management" means the Executive Director/Chief Executive Officer, Chief Housing Officer, Chief Financial Officer, Chief Lending Officer and Director of Human Resources employed by the MFA.

"Transaction" means any transaction including, but not limited to any sale, purchase, or exchange of tangible or intangible property or services; any loan, loan commitment or loan guarantee; any sale, purchase, or exchange of mortgage loans, notes, or bonds; or any other business arrangement or contract therefor.

D. Conflicts of Interest. Third Parties should avoid engaging in any activity that would conflict, interfere, or even create the appearance of a conflict with their business with MFA. Third Parties must disclose any potential conflicts to MFA in writing as soon as practicable upon discovery or recognition. Examples of potential conflicts include, but are not limited to:

- Engaging in a conflict-of-interest transaction prohibited by Section F of MFA's Code of Conduct, which can be found at:

https://housingnm.org/uploads/documents/Section_F_of_MFA_Code_of_Conduct.pdf

- Providing gifts and entertainment to any MFA Employee, MFA Management or MFA Member in an attempt to improperly influence MFA business decisions.

MFA shall not enter into any Transaction with a former MFA Member or former MFA Management for a period of one (1) year after such person ceases to be an MFA Member or MFA Management, except with prior approval of a disinterested majority of all current MFA Members.

To the extent applicable, Third-Party shall disclose conflicts of interest required pursuant to state or federal law, including but not limited to 2 CFR 200.112.

E. Anti-Discrimination and Anti-Harassment Policy. MFA is committed to maintaining an employment environment in which all individuals are treated with respect and dignity and expects the same from Third Parties doing business with MFA. MFA expects that Third Parties will maintain a workplace where employment-related decisions are based on performance, ability, or other legitimate, non-discriminatory bases and are never based on race, color, national origin, ancestry, citizenship status, religion, sex, sexual orientation, gender identity, age, physical or mental disability, serious medical condition, marital status, status with regard to public assistance, veteran status, or any other legally protected status. MFA also maintains and expects Third Parties to maintain a workplace that is free of unlawful harassment. This includes harassment based upon any of the above legally protected status (such as age, sex, religion, national origin, etc.) and which creates an intimidating, hostile, or offensive working environment. This also includes sexual harassment which is defined as unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual nature when submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment, submission to or rejection of such conduct by an individual is used as a basis for employment decisions affecting such individual; or such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidated, hostile, or offensive working environment. MFA will also not tolerate any form of unlawful discrimination or harassment of an MFA Employee by any Third-Party including by its employees, owners, managers, members, directors, agents, or representatives

F. Confidential Information and Intellectual Property. Third Parties doing business with MFA must protect any confidential or proprietary information that belongs either to MFA or any other third-party with whom MFA does business, if such other third-party has provided MFA with confidential or proprietary information. Confidential or proprietary information includes, but is not limited to, any non-public financial information, business processes and systems, intellectual property, personally identifiable information of MFA's customers, and personally identifiable or private information about any MFA Employee, MFA Member, MFA Management, third-party, or customer, such as identity, medical, employment, or financial information. To the extent necessary for a Third-Party to share MFA's confidential or proprietary information with a sub-contractor, MFA expects the Third-Party to implement adequate controls at a level no less than those set forth in this Third-Party Code of Conduct

with such sub-contractor. Third Parties must not infringe upon the intellectual property rights of other companies or organizations. Third Parties must return all confidential and proprietary information in their possession to MFA when the contractual relationship between MFA and the Third-Party has terminated, unless otherwise specified by contract. The obligation to protect MFA's confidential and proprietary information continues even after any business relationship between MFA and the Third-Party ends. MFA may require that Third Parties sign a separate confidentiality and non-disclosure agreement.

G. Onsite Visitor Requirements. While on MFA's premises, Third Parties must comply with all MFA rules and procedures, including security measures and requests. These may include but are not limited to:

- Registering with reception.
- Accessing only authorized areas unless accompanied by an MFA Employee.
- Promptly reporting known security violations and property loss or damage.
- Complying with all MFA facility requirements, including maintaining a substance-free and violence-free workplace.
- Any public health and safety policies in effect, including wearing a face mask.

H. Compliance with Laws, Regulations, Policies and Procedures and Contracts. All Third Parties must comply with all applicable state and federal laws, codes, and regulations and MFA's policies and procedures to the extent applicable to the Third-Party and must not violate any terms and conditions established by contract with MFA.

I. Business Integrity. Any and all forms of illegal or inappropriate activity by a Third-Party doing business with MFA, including, but not limited to, corruption, misrepresentation, extortion, embezzlement, or bribery, are strictly prohibited and may result in termination of any or all agreements with MFA.

OFFEROR ACKNOWLEDGMENT

By: NAME Date

Signature

APPENDIX A EXHIBIT B

ORGANIZATIONAL REFERENCE QUESTIONNAIRE

The New Mexico Mortgage Finance Authority, as part of the RFP process, requires Offerors to submit a minimum of three (3) business references as required within this document. The purpose of these references is to document Offeror's experience relevant to the scope of work in an effort to establish Offeror's responsibility.

Offeror is required to send the following reference form to each business reference listed. The business reference, in turn, is requested to submit the Reference Form by email directly to: Yvonne Segovia, Controller, MFA at ysegovia@housingnm.org by ~~May 17, 2019 at 4:00 p.m.~~ **May 12, 2023 at 5:00 p.m.** for inclusion in the evaluation process. The form and information provided will become a part of the submitted proposal. Business references provided may be contacted for validation of content provided therein.

EXTERNAL AUDIT SERVICES RFP

ORGANIZATIONAL REFERENCE QUESTIONNAIRE FOR:

OFFEROR'S NAME:	
------------------------	--

This form is being submitted to your company for completion as a business reference for the company named above. This form is to be returned to the New Mexico Mortgage Finance Authority via e-mail at:

Name: Yvonne Segovia, Controller

E-mail: ysegovia@housingnm.org

Address: ~~344 4th St. SW~~

~~Albuquerque, NM 87102~~

Telephone: (505) 767-2253

Fax: (505) 243-3289

E-mail: ysegovia@housingnm.org

No later than ~~May 17, 2019 4:00 p.m.~~ May 12, 2023 5:00 p.m., and must **NOT** be returned to the company requesting the reference.

For questions or concerns regarding this form, please contact the Controller listed above.

Company providing reference:	
Contact name and title/position:	
Contact telephone number:	
Contact e-mail address:	
Description of services provided:	
Dates services provided (starting and ending):	
Total Revenues:	\$
Total Assets:	\$

- How would you rate the timeliness of the audit work conducted and the reports provided?

____ (3=Excellent 2=Satisfactory 1=Unsatisfactory 0=Unacceptable)

COMMENTS:

2. How would you rate how the work was planned and executed?

_____ (3=Excellent 2=Satisfactory 1=Unsatisfactory 0=Unacceptable)

COMMENTS:

3. How would you rate the accounting knowledge and the technical expertise demonstrated?

_____ (3=Excellent 2=Satisfactory 1=Unsatisfactory 0=Unacceptable)

COMMENTS:

4. How would you rate the level of staff support or auditor training required?

_____ (3=Excellent 2=Satisfactory 1=Unsatisfactory 0=Unacceptable)

COMMENTS:

5. Who was the principal representative/Manager and on-site Supervisor involved in your audit and how would you rate them individually? Please comment on skills, knowledge, behaviors or other factors on which you based the rating?

_____ (3=Excellent 2=Satisfactory 1=Unsatisfactory 0=Unacceptable)

Name: _____

Rating: _____

Name: _____

Rating: _____

COMMENTS:

6. With which aspect(s) of this Offeror's services are you most satisfied?

COMMENTS:

7. With which aspect(s) of this Offeror's services are you least satisfied?

COMMENTS:

8. Would you recommend this Offeror's services?

COMMENTS:

|



MEMO

TO: MFA Board of Directors

Through: Contracted Services, April 10, 2023

Through: Policy Committee, March 28, 2023

FROM: Julie Halbig, Compliance Manager

DATE: April 19, 2023

RE: Biannual Compliance Activity Report for November 2022- April 2023

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

Background:

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

Discussion:

The following is a summary of compliance activities related to vendor management, subservicing oversight, loan quality control, and tracking of regulatory compliance and consumer complaints from November 2022 through April 2023.

Vendor Management

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

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

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

Risk Ratings:

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

Vendor Review:

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

Compliance requests and reviews several types of documents from Vendors:

- Audit reports (internal audit, external audit, 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 Policy;
- Current organizational chart.

Vendor Name	Function	Risk Rating
ADP	Payroll and Benefit Management Software	High

Cisco	Internet/Network Security (Multi-factor authentication and VPN)	Low
Druva	Cloud data management and client backup protection	Low
GoSecure	Infrastructure Patch Management	Low
HPE	Data storage platform	Low
Ivanti	Cybersecurity platform/Penetration testing	High (MFA provides access to our network only during testing)
Nessus	Vulnerability Scanning	Low
Nimble	Data storage platform	Low
Veeam	Backup and Recovery	Low
Xynergy	Digital Media	Low
Zerto	Disaster Recovery (Has now been acquired by HPE)	Low

Subservicing Oversight

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

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

The monthly agenda includes a review of several key metrics including foreclosure and delinquency trends. MFA continues to see delinquency rates decline in the subserviced portfolio, which reached the highest total delinquency in February 2021 of 18.70%. Rates continue to remain stable and, in some instances, decline. The March 2023 delinquency rate is 9.22% and the seriously delinquent rate is 3.32%. See Chart 1 – Subserviced Portfolio Delinquency Trends on the second to last page of the report.

The Federal Housing Administration (FHA) recently released a significant Mortgagee Letter regarding loss mitigation options available to borrowers. Borrowers will no longer have to attest to being impacted by COVID to access streamlined loss mitigation options. HUD has determined that, due to the success of the COVID-19 Recovery Options and the number of Borrowers who need loss mitigation, the options should be temporarily extended to allow as many eligible Borrowers as possible to be evaluated for these

options. This will reduce costs to HUD and its stakeholders as well as reduce the complexity of HUD's loss mitigation program and ensure that Mortgagees can streamline and strengthen their delivery of Loss Mitigation Options. Further, allowing Mortgagees to provide a full array of Loss Mitigation Options to Non-Occupant Borrowers could help prevent additional foreclosures and resulting displacement of renters in a difficult rental market. HUD considers it prudent to expand the COVID-19 Recovery Options for Mortgagees to use for all Borrowers in Default or Imminent Default, including Non-Occupant Borrowers, regardless of their reason for Default. IHFA has implemented these options immediately.

The extension of these COVID-related measures to all borrowers in need will allow them to take advantage of loan modifications and partial claim processes to bring their loan current, lower interest rates and monthly payments, and achieve affordability. These options result in a recast of the loan terms and/or a soft second lien on the property that is due at the time of transfer of title or refinancing of the property.

While partial claims no longer require repurchase from GNMA pools, modifications do require repurchase from the GNMA pool. Another benefit of these options is that loans can be modified to adjust interest rates and repayment terms so that affordability is achieved for those experiencing a permanent loss of income. As a result, borrowers are more likely to maintain homeownership.

Finally, IHFA along with other mortgage servicers continue to assist MFA in processing grant awards through the Homeowner Assistance Fund (HAF). Below are some updated figures on the status of the HAF program.

Income Targeting

From the 3,008 total households served by the program through April 7, 2023, the number of households with total household income equal to or less than 100% of the area median income or equal to or less than 100% of the median income for the United States, whichever is greater is 2,802 which is 93.2%.

Our program target is 60%. This is currently met by the above.

Total Households	Less than or Equal to 100%	Target
3008	2802	93.2%

Summary of Remaining Funding

The initial HAF Program award amount available for application funding is \$39,671,971.00. The total amount of funding dispersed so far is \$22,186,438.01, leaving a remaining balance to fund all pending applications of \$17,485,532.99.

Total HAF Funding	HAF Funding Disbursed	Remaining to Fund
\$ 39,671,971.00	\$ 22,186,438.01	\$ 17,485,532.99

Loan Quality Control

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

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

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

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

Issues related to the loan file are classified as minor, moderate or serious defects. The below table represents the MFA loan origination defect trend data of cases with serious exceptions (defects). The Gross Defect Rate include all preliminary serious exceptions and the Net Defect Rate represents only unresolved, serious exceptions. According to MFA's Quality Control plan, the Net Defect Rate should be 4% or less for serious and moderate findings in a reporting month. As you can see, MFA's Net Defect rate remains under the 3.5% Target Rate. Staff did not identify any issues in the loan quality reviews.

MFA DEFECT TREND REPORT

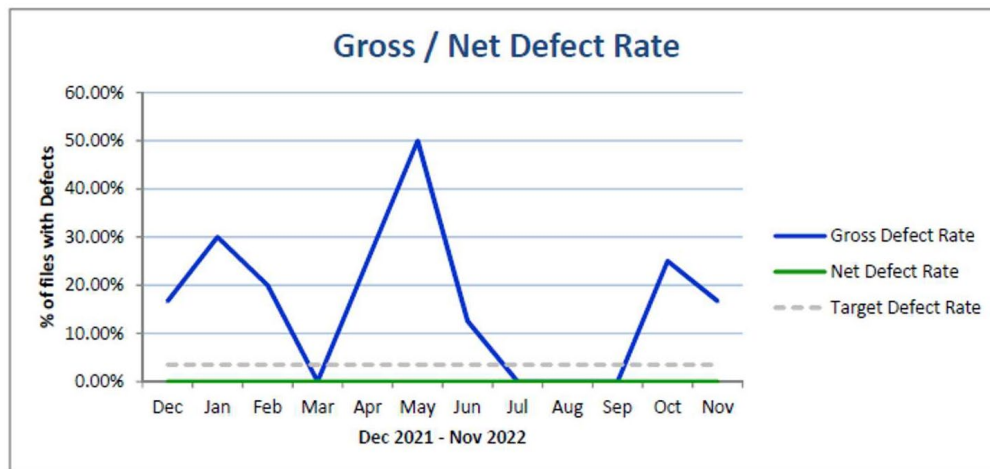
Random QC

CASES WITH SERIOUS EXCEPTION(S) - COMPLIANCE EXCLUDED

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Year	Month	Target Defect Rate	Cases Audited	Defective Cases (Gross)	Defective Cases (Net)	Gross Defect Rate	Net Defect Rate
2021	Dec	3.5%	6	1	0	16.67%	0.00%
2022	Jan	3.5%	10	3	0	30.00%	0.00%
2022	Feb	3.5%	5	1	0	20.00%	0.00%
2022	Mar	3.5%	4	0	0	0.00%	0.00%
2022	Apr	3.5%	4	1	0	25.00%	0.00%
2022	May	3.5%	4	2	0	50.00%	0.00%
2022	Jun	3.5%	8	1	0	12.50%	0.00%
2022	Jul	3.5%	3	0	0	0.00%	0.00%
2022	Aug	3.5%	3	0	0	0.00%	0.00%
2022	Sep	3.5%	4	0	0	0.00%	0.00%
2022	Oct	3.5%	4	1	0	25.00%	0.00%
2022	Nov	3.5%	6	1	0	16.67%	0.00%
Sub-total			61	11	0	18.03%	0.00%



Regulatory and Legal Compliance

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

During this reporting period, several significant regulatory announcements were made and implemented.

On February 23, 2023, the Federal Housing Administration announced that it would decrease the annual mortgage insurance premium (MIP) for FHA loans will decrease from 0.85% to 0.55%, a drop of 0.30 percentage points. MIP is the monthly insurance fee that borrowers with FHA loans pay in addition to monthly interest and principal

payments on their mortgages. FHA home loans are mortgages designed for lower-income borrowers with below-prime credit scores. The MIP reduction, which goes into effect on March 20, will lower housing costs by an average of \$800 a year for about 850,000 new homebuyers and existing homeowners who refinance in 2023, according to White House officials. The lower premiums will expand homeownership opportunities by lowering mortgage payments for qualified FHA borrowers, providing critical relief from the steep rise in mortgage rates.

On February 14, 2023, HUD issued a final rule implementing provisions of the Housing Opportunity Through Modernization Act (HOTMA). The primary implications of the rule relate to the calculation of income and asset limitations for residents of certain HUD-assisted housing units including those supported by Section 202 Supportive Housing for the Elderly, Section 811 Housing for Persons with Disabilities, Housing for Persons with AIDS, HOME Investment Partnership, Housing Trust Fund, public housing, and Section 8 programs. Of particular relevance to MFA is that the final rule allows the use of income determinations made under other federal benefit programs for income reexaminations; codifies new income and asset exclusions; requires adult household members to sign a consent form only once instead of annually; allows self-certification of assets up to \$50,000; and permits annual adjustments for inflation of deductions and asset limitations. The rule becomes effective January 1, 2024, for most provisions.

HUD released its long anticipated Proposed Rule regarding Affirmatively Further Fair Housing (AFFH). Through this rule, HUD proposes to implement the obligation to affirmatively further the purposes and policies of the Fair Housing Act, which is Title VIII of the Civil Rights Act of 1968, with respect to certain recipients of HUD funds. The Fair Housing Act not only prohibits discrimination but also directs HUD to ensure that the agency and its program participants will proactively take meaningful actions to overcome patterns of segregation, promote fair housing choice, eliminate disparities in housing-related opportunities and foster inclusive communities that are free from discrimination. States will be required to establish goals in an Equity Plan. The Equity Plan will become part of the Consolidated Annual Performance and Evaluation Report (CAPER). The National Council of State Housing Agencies is working on drafting final comments to the Proposed Rule on behalf of the 50 state housing agencies.

Finally, I wanted to provide an update on the Eviction Prevention and Diversion Program that I know is of interest to members of the MFA Board even though it is not an MFA administered program. The Chief Justice in the State of the Judiciary reported that the court and Department of Finance Administration (DFA) have distributed all of the federal funding as of January 12, 2023. The New Mexico Eviction Prevention and Diversion Program resulted in awards of \$217,080,183.63 in rent and utility payments as well as emergency hotel stays and moving costs. This funding assisted 60,429 households and made 98,175 individual awards.

EPD was the program for both Landlord/Tenant and Mobile Home Park cases involving non-payment of rent. EPD navigators and facilitators worked to get financial assistance to landlords and tenants to preserve a defendant's tenancy, prevent eviction, and

compensate the owner, landlord, or management. New Mexico had combined this program with Court Outreach for Rental Assistance (CORA). The Department of Finance Administration has utilized their Emergency Rental Assistance Program (ERAP) funds throughout the state in this effort.

Training

The entire MFA staff participated in annual Fraud training in November 2022. In addition, Mortgage Operations, Servicing and Secondary Market Departments received training in February on Data Breach Training which included MFA policies and procedures as governed by New Mexico's Data Breach law.

Consumer complaints

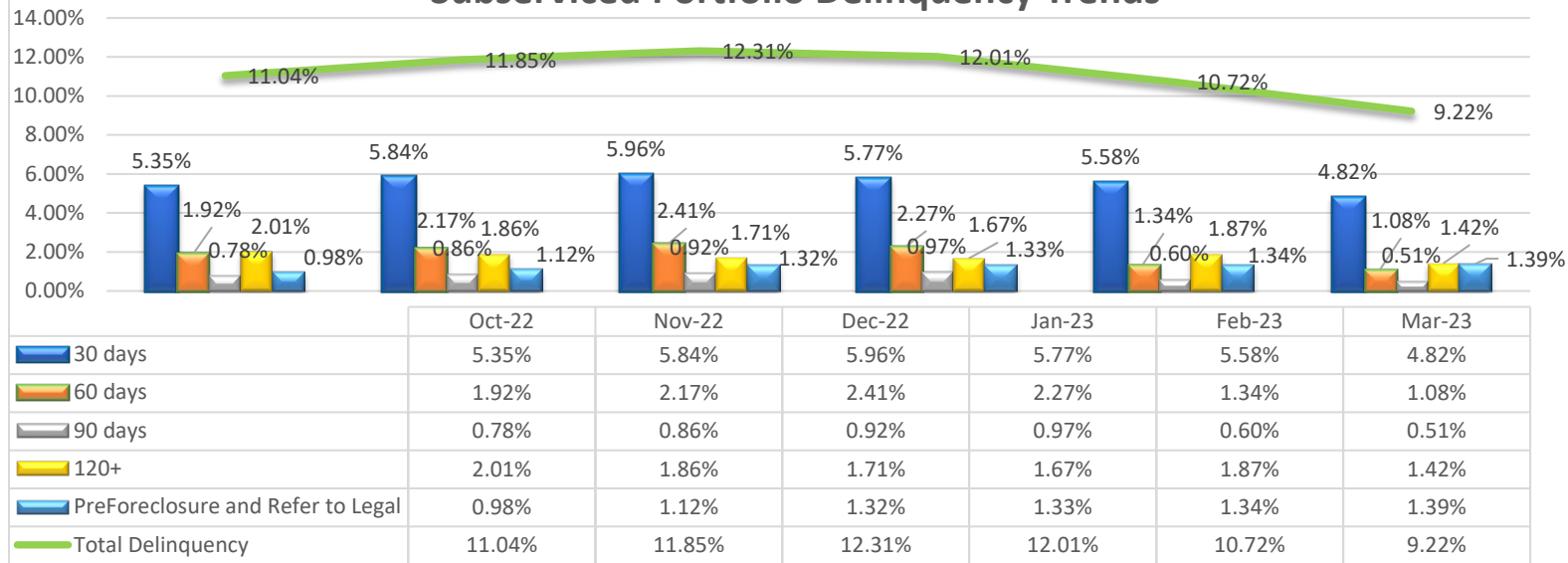
Tracking, investigating, and responding to consumer complaints is a function of the Compliance Management System. As the Compliance Director, I route any consumer complaints to the appropriate department for follow-up and make sure that the complaint is resolved. Often times, a complaint is received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

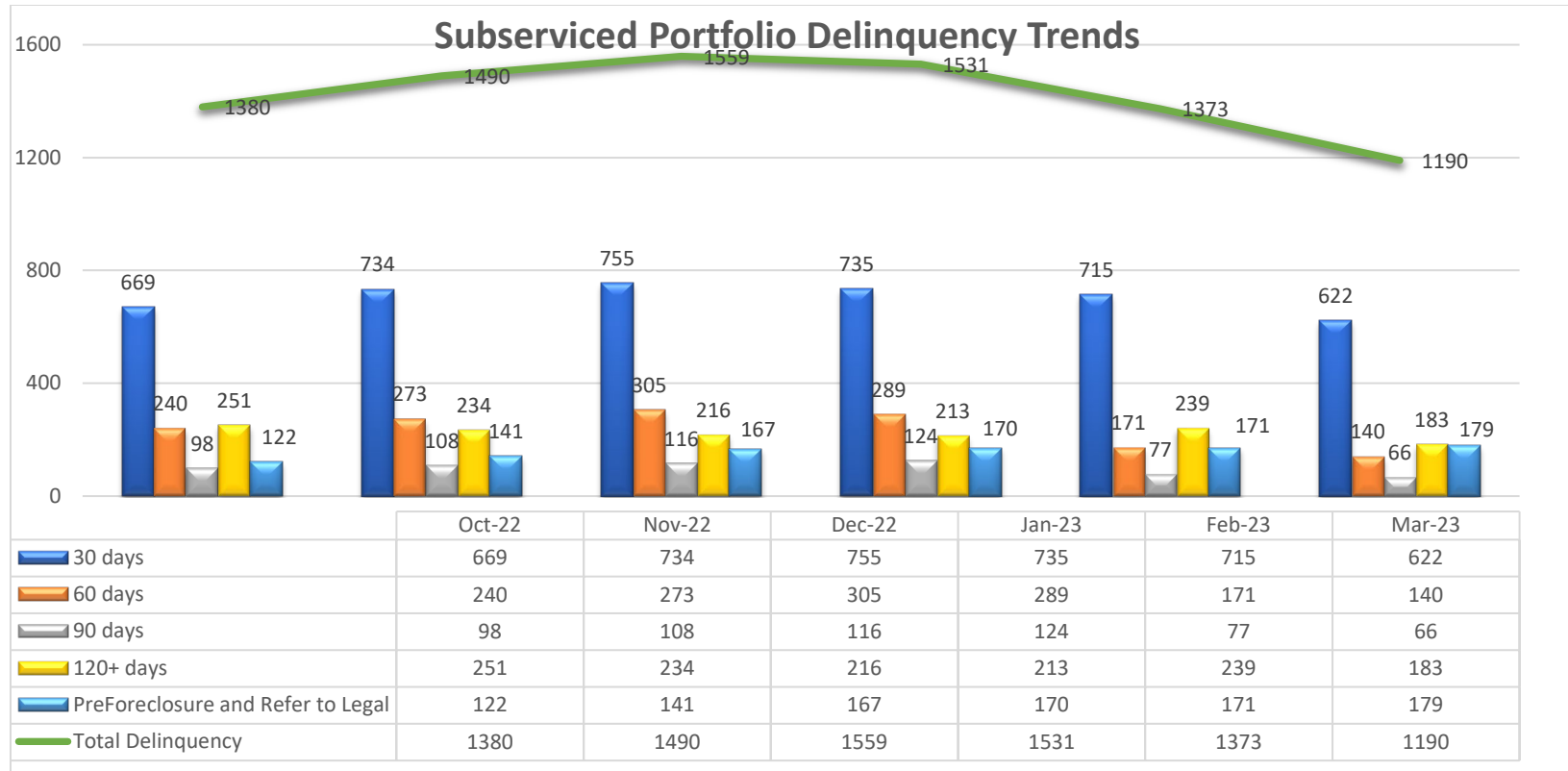
Summary:

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

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

Subserviced Portfolio Delinquency Trends





2023 RENTAL AWARD SUMMARY

Project Name & Address	Vista de Socorro 100 Vista de Socorro Drive Socorro, NM 87801 (Socorro County)			
Proposed Award	\$1,000,000	Tax Credit Assistance Program (TCAP)	Rate	N/A - Grant
Grantee(s)	<p>Socorro Vista LLLP, a New Mexico limited liability limited partnership formed in 2019, is owned .01% by Socorro Vista LLC as General Partner and 99.99% by National Equity Fund as the Limited Partner. The .01% General Partner interest will be owned 49% by JLG Properties, LLC as its Managing Member, and 51% by El Camino Real Housing Authority as its Member.</p> <p>El Camino Real Housing Authority (ECRHA), as a related “Sponsor” entity. ECRHA is Housing Authority established through the New Mexico (NM) State Statutes, entitled “Municipal Housing Act” and by a 2011 resolution of the Socorro County Commission, and would subsequently lend or grant the funds directly to the project.</p>			
Management	<p>The J. L. Gray Company (JL Gray) was incorporated in New Mexico in 1985. Jack L. Curry and J. Scot Fishburn are the owners and founders. The company acquires, develops, and manages affordable and conventional residential communities in New Mexico, Arizona, Utah, Texas and Colorado. It has two corporate offices in New Mexico, the development office is in Las Cruces, NM and the management office is in Farmington, NM. It currently manages over 100 market rate and subsidized apartment communities in the above referenced states.</p>			
Developer	<p>The El Camino Real Housing Authority (ECRHA) is a Housing Authority established through the New Mexico (NM) State Statutes, entitled “Municipal Housing Act” and by a 2011 resolution of the Socorro County Commission. Under the leadership of Executive Director, Mary Ann Chavez-Lopez, ECRHA promotes, preserves, and provides quality affordable housing and related services for low and moderate-income families. ECRHA is responsible for administering programs including Housing Choice Vouchers, Support Programs, Family Self Sufficiency, Section 8 Homeownership, the HOME Program, Tenant Based Rental Assistance, Homeless Prevention, Section 8 Project Based Vouchers, and Shelter Plus Care & Continuum of Care Programs.</p> <p>Due to their limited development experience, ECRHA has hired development consulting firm, Ethos Development Partners, to assist on the Vista de Socorro project. Ethos Development Partners is a team of experienced developers and consultants that offers a menu of services to assist both for-profit and nonprofit organizations that wish to engage in transformative commercial and community development initiatives but lack the broad array of expertise necessary to carry a project from concept to completion. Ethos brings together the skills necessary to ensure strong underwriting, regulatory compliance, and effective community engagement. Since 2014, Ethos has assisted several nonprofit and for-profit organizations resulting in the development and preservation of over 500 housing units.</p> <p>ECRHA’s CPA-reviewed financial statements for the fiscal year ending in 06/30/21 show \$650K in Cash, \$950K in Total Assets, a Net Worth of \$743K, resulting in a debt-to-worth ratio of 0.28:1.00, a positive net income, and a positive traditional cash flow. CPA-reviewed financials for FYE 06/31/2022 show \$446K in Cash, \$1.1M in Total Assets, a Net Worth of \$874K, resulting in a debt-to-worth ratio of 0.21:1.00, a positive net income, and a positive traditional cash flow for the same year.</p> <p>The J. L. Gray Company (JL Gray) is a New Mexico domestic for-profit corporation founded in 1985. It has a current full-time staff of 17 including Jeff Curry, Director of Development, and Bobby Griffith, CFO & Treasurer, both experienced developers. The company has constructed or rehabilitated 55 affordable housing communities totaling 1,475 units of affordable rental housing in New Mexico, Arizona California, Utah & Texas. Of these, 39 affordable housing communities are financed with U.S. Department of Agricultural-Rural Development (USDA RD) funds.</p> <p>JL Gray’s CPA audited financials for FYE 12/31/20 show cash-on-hand of \$1.3M, total assets of \$1.7M, a net worth of (\$667K), net income of \$1.2M, and a positive traditional cash flow. CPA audited financials for FYE 12/31/21 show cash-on-hand of \$920K, total assets of \$1.5M, a net worth of (\$1.4M), net income of \$839K, and a positive traditional cash flow. JL Gray’s internally-</p>			

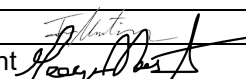
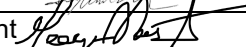
Vista de Socorro – 32 units, Socorro, Socorro County, NM

	prepared financials for FYE 12/31/22 show cash-on-hand of \$529K, total assets of \$2.6M, a net worth of (\$1.9M), net income of \$861K, and a positive traditional cash flow.
Project Type & Size	New construction of a low-rise multifamily building comprised of 32 rental units with 20% of units (7 units) to be set-aside for Permanent Supportive Housing for individuals and/or households who are disabled, experiencing homelessness or at-risk of homelessness). Twenty-one units will be income restricted to households earning at or below 60% of area median income (AMI), 7 units at or below 50% AMI, and 4 units at or below 30% AMI. All 32 units will receive rental assistance from Section 8 Project-Based Vouchers.
Project Description	<p>In June 2021, MFA Board awarded Vista de Socorro 9% LIHTCs, a HOME loan, and a New Mexico Housing Trust Fund (NMHTF) loan. Since that time, the project has struggled to overcome construction market disruptions that have pushed project cost estimates much higher than initially projected. Despite additional MFA assistance including increased loan amounts, a reduced NMHTF interest rate, and an increase of tax credits, costs remained insurmountable. The development team began working with a different construction company in an attempt to build a more feasible budget and applied for a \$2.5M Casa Connections grant with the Governor's Office. The grant was awarded to the project in December 2022, but the latest construction cost estimates still leave a significant funding gap. With the project unable to take on additional debt, the development team has requested a \$1M grant from MFA's Tax Credit Assistance Program. Upon closing on all necessary financing, the development team expects construction to be complete by roughly August 2024.</p> <p>The project will be located on five acres and consists of a single u-shaped building with a total gross square footage of 30,695 square feet. There will be 24 one-bedroom apartment units and 8 two-bedroom apartment units. The project's one-bedroom units are 599 square feet and the two-bedroom units are 749 square feet. The project consists of a central, single-story multipurpose building that links two residential wings. Bike racks and waiting areas leads into the main vestibule with offices and a business center as well as a multipurpose space that includes a community space, food pantry, and kitchenette. The community space leads out to a back patio and courtyard between the residential wings with a variety of areas and site amenities including a basketball court, playground equipment, and a community garden. There is a walking path across the north and east portions of the site. Flanking the multipurpose area are laundry facilities and maintenance rooms to service each residential wing. The multipurpose space consists of covered breezeways and exposed columns and beams. Energy Star windows and equipment throughout ensure the energy efficiency of the project and meet local regulations.</p> <p>The lead service provider for the project will be Socorro County's Community Alternative Program (SCAAP), an experienced and funded service provider agency in Socorro County. The project's services plan will include basic service coordination, employment services, provision of a food pantry, case management, substance abuse counseling and on-demand transportation services.</p> <p>The Novogradac & Company market study, dated 12/16/2020, advises that the Subject project is feasible as presented. The Subject site is located in the southwestern portion of Socorro, which consists of vacant undeveloped land, as well as medical and educational uses. Land use to the north of the Subject site is vacant desert land, followed by Socorro High School in average condition. Land use to the south and east of the Subject is vacant, undeveloped desert land. Further south, approximately 2,000 feet, is the Socorro Soccer and Rodeo Complex in average condition. Land use to the west of the Subject consists of commercial uses along Highway 60, including the Socorro Mental Health medical office building and the Socorro General Hospital, both of which are in average condition. Overall, the majority of land uses in the Subject's neighborhood are assumed to be in average condition.</p> <p>Based upon the indications of the market study Demand Analysis, the occupancy rates and waiting lists at the LIHTC comparables, the Subject's excellent condition upon completion, and use of project-based vouchers, the market study anticipates a positive response to the Subject. Therefore, the market study predicts the Subject will absorb at a rate of 11 units per month, reaching a stabilized occupancy within three months. Comparable LIHTC properties also demonstrated a low average vacancy of only 0.7%. Overall, the market study anticipates that the Subject will have a positive impact on the neighborhood and provide much needed affordable housing for Socorro.</p>
Project Financials,	The applicant has provided a detailed 15-year cash flow projection for the project, which assumes total annual income of \$288,110. The developers estimate \$212,392K in total operating expenses

Projections and Assumptions	<p>less reserves and social services (i.e., \$6,637 per unit per year), which is above MFA's standard underwriting range of \$4,300 to \$5,800. It is worth noting that the Owner pays all utility expenses for the property, which elevates total operating expenses.</p> <p>The Debt Service Coverage Ratio (DSCR) starts at 1.35 to 1.00 in year one, decreasing to 1.14 to 1.00 in year 15. This ratio is within MFA's underwriting standards of a range between 1.20 – 1.40 to 1:00 in year one and slightly below underwriting standards by year 15. There is no conventional permanent debt for this project. The interest rate for the first mortgage loan (MFA HOME) is 0.00%. Since MFA's standard interest rate for HOME is 0% and the loan was approved at 0%, MFA does not expect any interest rate fluctuations that will disrupt the projected DSCR. If for, for any reason, a change should occur that pushes the DSCR significantly outside of the required range, then the first mortgage permanent loan can be reduced and that portion of it replaced by a cash flow loan from JL Gray.</p> <p>Currently, it appears that 33% (\$220,000) of the \$672,000 developer fee will be deferred. Generally, a deferral in fee could be used to replace a portion of the first mortgage loan and would mitigate any possible interest rate risk that may occur between commitment and inception of the permanent loan. Deferral of the developer fee is usually allowable by the investor, provided that cash flow can repay the deferred fee by the end of the 15-year LIHTC compliance period. Current projections indicate the Subject would have a small balance by year 15 (\$1,325), however, the investor will require the deferred developer fee to be fully paid off by the end of the 15th year. Additionally, MFA staff finds it likely that project cash flow will sufficiently cover the balance due to the very low to no vacancy commonly seen in subsidized permanent supportive housing.</p> <p>With all units receiving rental assistance from project-based vouchers and a market study supporting <5% vacancy for the Subject, this project was underwritten at a 5% vacancy rather than MFA's standard 7% vacancy. For projects with at least 90% of all apartments covered by a federal rental assistance contract, MFA may use the market study vacancy factor but not less than 5%.</p> <p>Based on the investor's letter of interest, the project is currently underwritten using a credit price of 87 cents on the dollar, which is just below the 2023 MFA guideline of 88 to 95 cents. Every one (1) cent drop in that price would create the need for an additional \$77K in deferred developer fee or cash flow loan from JL Gray.</p>
Affordability Requirements	<p>Restricted to households whose annual incomes do not exceed 80 percent of AMI, equaling all 32 units in the project for a 30-year restriction period. Projects awarded TCAP funds must meet the unit Set-Asides and Extended Use Period committed to in the LIHTC application, which will be enforced with a Land Use Restriction Agreement to be filed in Socorro County. The Borrower must also execute a TCAP Program Income grant agreement.</p>
Repayment and Disbursement	<p>Grant only with no repayment. Multiple disbursements upon evidence of costs incurred, not more frequently than monthly.</p>
Special Conditions	<ol style="list-style-type: none"> 1. All loans and grants 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 application must be approved by MFA: developer, contractor, management company, consultant or architect; 3. Financing commitments acceptable to MFA prior to funding on all funding sources; 4. 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; 5. Other conditions as may be determined by staff; and 6. Subject to availability of funds.

MFA Commitments to Other Projects	<p>ECRHA: 2008 HOME – Socorro Village (HM100) – \$800,000 2008 NMHTF – Socorro Village (HTF08004) – \$236,497 2008 EnergySavers – Socorro Village (ES08003) – \$155,526</p> <p>JL Gray Company: 1996 LIHTC (9%) – Broadway Place – \$69,600 1997 Risk Share – Broadway Place – RS037 – \$113,605 1998 LIHTC (9%) – Montana Senior \$160,434 1998 Risk Share – Montana Senior – RS045 – \$803,139 1999 LIHTC (9%) – Deer Hollow \$40,852 2000 LIHTC (9%) – Desert Sun \$155,369 2001 LIHTC (9%) – Montana Senior II \$286,398 2002 LIHTC (9%) – Ladera Village \$355,260 2002 HOME – Ladera Village – HM061 – \$500,000 2002 Risk Share – Ladera Village – RS061 – \$1,554,327 2002 LIHTC (9%) – Mariposa Village \$278,505 2002 HOME – Mariposa Village – HM064 – \$400,000 2002 RHS 538 – Mariposa Village – RH002 – \$1,020,983 2002 LIHTC (9%) – Valle Verde II \$91,626 2002 HOME – Valle Verde II – HM062 – \$225,000 2002 LIHTC (9%) – Valle Verde III \$37,345 2003 LIHTC (9%) – Desert Sun II \$199,815 2003 HOME – Desert Sun II – HM031 – \$240,840 2003 LIHTC (9%) – Desert Palms \$227,879 2003 Risk Share – Desert Palms – RS071 – \$1,330,535 2003 LIHTC (9%) – Mesquite Village \$132,442 2004 LIHTC (9%) – Cimmaron Apartments \$534,785 2004 HOME – Cimmaron Apartments – HM078 – \$239,988 2004 Risk Share – Cimmaron Apartments – RS078 – \$881,073 2004 LIHTC (9%) – Sawmill Lofts \$487,534 2004 Risk Share – Sawmill Lofts – RS079 – \$1,322,584 2005 LIHTC (9%) – Sawmill Lofts \$111,459 2005 LIHTC (9%) – Stone Mountain Place \$686,168 2005 Risk Share – Stone Mountain Place – RS083 – \$1,985,701 2006 LIHTC (9%) – Franklin Vista VI \$116,486 2006 HOME – Franklin Vista VI – HM092 – \$248,019 2006 LIHTC (9%) – Franklin Vista VII \$154,051 2006 HOME – Franklin Vista VII – HM093 – \$222,393 2006 HOME – Chaco River I – HM085 – \$110,634 2007 LIHTC (9%) – Chaco River II \$875,538 2007 HOME – Chaco River II – HM084 – \$447,418 2008 LTTF – Franklin Vista VI – LTTF08006 – \$13,600 2009 HOME – Chaco River I – HM108 – \$600,000 2009 TCEP – Cimmaron Apartments II – TCEP0006 – \$9,525,110 2009 Risk Share – Cimmaron Apartments II – RS093 – \$1,329,884 2009 TCEP – Falcon Ridge – TCEP0002 – \$6,976,074 2011 LIHTC (9%) – Sierra Vista \$536,569 2012 LIHTC (9%) – Gallinas Valley \$295,960 2012 HOME – Gallinas Valley – HM138 – \$189,837 2013 PRLF – Gallinas Valley – MF99131 – \$377,111 2014 PRLF – Cibola Apartments – PRLF14002 – \$399,564 2014 LIHTC (9%) – Kristin Park \$440,308 2014 HOME – Kristin Park – HM153 – \$272,938 2014 PRLF – Kristin Park – MF14001 – \$396,737 2015 PRLF – Pecos Apartments – PRLF14004 – \$406,745 2017 LIHTC (4%) – MOAB 20 North \$665,611 2017 Tax Exempt Bond – MOAB 20 North \$9,650,000</p>
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Vista de Socorro – 32 units, Socorro, Socorro County, NM

	2017 LIHTC (4%) – MOAB 20 South \$648,880 2017 Tax Exempt Bond – MOAB 20 South \$9,800,000 2020 PRLF – Las Rosas I – \$682,555 (awarded) 2020 PRLF – Las Rosas II – \$925,710 (awarded) 2020 PRLF – Sacramento Apartments – \$510,726 (awarded) 2021 PRFL – Mountain View Apartments – \$995,044 (awarded) 2021 LIHTC (9%) – Vista de Socorro – \$768,507 2021 HOME – Vista de Socorro – \$400,000 (awarded) 2021 NHTF – Vista de Socorro – \$400,000 (awarded) 2021 NMHTF – Vista de Socorro – \$2,000,000 (awarded) Notes: Risk Share loans carry 10% MFA risk – loan balances as of 03/01/23		
MFA Exposure	Total MFA Exposure (ECRHA): \$1,192,023 (excludes LIHTC, grants and loans pending approval). Total MFA Exposure (JL Gray): \$38,816,844 (excludes LIHTC, grants and loans pending approval).		
<u>Risk Factors</u>	<ol style="list-style-type: none"> 1. Market – Low (existing project that is generally above 95% occupancy plus the market study shows continued strong demand. Project-based vouchers provided for 100% of units) 2. Construction – Medium (developer/guarantor JL Gray has long-standing experience with such LIHTC projects) 3. Developer – Low (ECRHA has limited development experience, however, JL Gray and consultants Ethos Development Partners provide extensive experience to the project) 4. Guarantor(s) – Low (JL Gray has the financial capacity to cover small to medium cost overruns should they occur.) 5. General Partner/Managing Member – Medium 6. Community Opposition – Low (The project is located on vacant, undeveloped desert land) 7. Financing – Medium (As long as market conditions for interest rates & LIHTC pricing do not greatly fluctuate, the project is feasible. However, in the event of adverse market conditions the project could potentially not move forward. MFA's final underwriting is required before loan closing to ensure viability before final commitment) 		
Summary & Recommendation	The proposed project presents a favorable risk profile and is recommended for approval.		
Prepared by	Tim Martinez, Development Loan Manager		Date 4/4/2023
Reviewed by	George Maestas, Director of Housing Development		Date 4/4/2023

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PROJECT INFORMATION SUMMARY					
Project Name	City	NC, AR, or NC/AR	Total # Units	Sizes	Target AMIs
Vista de Socorro	Socorro				
Total Development Cost	\$ 12,396,933	NC	32	1-BED, 2-BED	30% AMI, 50% AMI, 60% AMI
Grantee	Socorro Vista LLLP or El Camino Real Housing Authority (ECRHA) as sponsor entity				
Management	The J.L. Gray Company (JL Gray)	YEAR BUILT (AR)		LIHTC ALLOC	4% or 9%
Developer	ECRHA & JL Gray	N/A		\$ 768,507	9%
		NC = New Construction AR = Acquisition/Rehab AMI = Area Median Income MR = Market Rate apartments			
TCAP GRANT INFORMATION			NUMBER OF TCAP UNITS:		32
Funds Available as of:	03/01/23	\$1,191,560			
	MFA Guidelines	Loan Request	EXCEPTIONS/CONDITIONS/NOTES		
Maximum Loan Amount	No Maximum	\$1,000,000	Subject to funds availability		
Rates	0%	0%	Grant		
Loan Fees	N/A	N/A	Grant		
Maximum Loan Term	Min 15 years	30 years	Grant (no repayment over 30 year term)		
Loan Amortization	N/A	N/A	Grant		
Lien Position	N/A	N/A	Grant		
Affordability Requirements	Min 15 years, Max 80% AMI	30 years, 32 units at 80% AMI	Must adhere to unit set-asides and extended use period stated in LIHTC application. Additionally, as per the TCAP Program Income Grant Agreement, MFA will require all units to be restricted at 80% AMI for 30 years.		
DSCR	1.2 to 1.4 to 1.0 on all must pay debt	Within guidelines from year 1-13, slightly below guidelines from year 14-15.	1.35 in year 1 to 1.14 in year 15		
Scoring Criteria	N/A	N/A			

TOTAL DEVELOPMENT COST INFORMATION SUMMARY - INITIAL APPROVAL				
Project:	Vista de Socorro	Total	% TDC	Cost/GSF*
Acquisition Costs (land, building acquisition, & other acquisition costs)		\$ -	0%	\$ -
Construction Hard Costs		\$ 3,587,695	58%	\$ 116.88
Other Construction Costs (contractor O&P, general req, GRT, landscaping, furnishings, etc)		\$ 1,005,780	16%	\$ 32.77
Professional Services/Fees (architect, engineer, real estate legal, etc)		\$ 269,585	4%	\$ 8.78
Construction Financing Costs (interest, insurance, inspections, fees, etc)		\$ 329,572	5%	\$ 10.74
Permanent Financing Costs (fees, title/recording, etc)		\$ 15,261	0%	\$ 0.50
Other Soft Costs (tax credit fees, environmental reports, appraisals, accounting, etc)		\$ 72,188	1%	\$ 2.35
Syndication-Related Costs (organization, bridge loan, tax opinion, etc)		\$ 70,000	1%	\$ 2.28
Reserves (rent-up, operating, replacement, escrows, etc)		\$ 139,093	2%	\$ 4.53
Developer Fees (inc consultant fees)		\$ 672,000	11%	\$ 21.89
Total Development Costs (TDC)		\$ 6,161,174	100%	\$ 200.72
TDC w/o Land, Reserves & Commercial		\$ 6,022,081	98%	\$ 196.19

*Gross square footage: 30,695

TOTAL DEVELOPMENT COST INFORMATION SUMMARY - CURRENT REQUEST				
Project:	Vista de Socorro	Total	% TDC	Cost/GSF*
Acquisition Costs (land, building acquisition, & other acquisition costs)		\$ -	0%	\$ -
Construction Hard Costs		\$ 7,707,238	62%	\$ 251.09
Other Construction Costs (contractor O&P, general req, GRT, landscaping, furnishings, etc)		\$ 2,876,264	23%	\$ 93.70
Professional Services/Fees (architect, engineer, real estate legal, etc)		\$ 341,800	3%	\$ 11.14
Construction Financing Costs (interest, insurance, inspections, fees, etc)		\$ 354,392	3%	\$ 11.55
Permanent Financing Costs (fees, title/recording, etc)		\$ 15,261	0%	\$ 0.50

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Other Soft Costs (tax credit fees, environmental reports, appraisals, accounting, etc)	\$	182,634	1%	\$	5.95
Syndication-Related Costs (organization, bridge loan, tax opinion, etc)	\$	10,000	0%	\$	0.33
Reserves (rent-up, operating, replacement, escrows, etc)	\$	237,345	2%	\$	7.73
Developer Fees (inc consultant fees)	\$	672,000	5%	\$	21.89
Total Development Costs (TDC)	\$	12,396,933	100%	\$	403.87
TDC w/o Land, Reserves & Commercial	\$	12,159,589	98%	\$	396.14

*Gross square footage: 30,695

CONSTRUCTION SOURCES - INITIAL APPROVAL				
Project:	Vista de Socorro	Total	% of Total	Per Unit
Construct. Lender - 1st Lien	Chase Bank	\$ 2,478,487	40.2%	\$ 77,453
2nd Lien holder	MFA HOME Loan	\$ 216,000	3.5%	\$ 6,750
3rd Lien holder	MFA NMHTF Loan	\$ 1,500,000	24.3%	\$ 46,875
4th Lien holder	MFA NHTF	\$ 360,000	5.8%	\$ 11,250
Deferred Developer Fee	ECRHA / JL Gray	\$ 616,481	10.0%	\$ 19,265
Deferred Operating Reserves	ECRHA / JL Gray	\$ 119,093	1.9%	\$ 3,722
LIHTC Equity	TBD Tax Credit Equity Provider	\$ 871,113	14.1%	\$ 27,222
Total Construction Sources		\$ 6,161,174	100.0%	\$ 192,537

PERMANENT SOURCES - INITIAL APPROVAL				
Project:	Vista de Socorro	Total	% of Total	Per Unit
1st Lien holder	Rocky Mountain CRC	\$ 430,080	7.0%	\$ 13,440
2nd Lien holder	MFA HOME Loan	\$ 240,000	3.9%	\$ 7,500
3rd Lien holder	MFA NMHTF Loan	\$ 500,000	8.1%	\$ 15,625
4th Lien holder	NHTF (partial release of total)	\$ -	0.0%	\$ -
4th Lien holder	MFA NHTF	\$ 400,000	6.5%	\$ 12,500
Deferred Developer Fee	ECRHA / JL Gray	\$ 235,530	3.8%	\$ 7,360
LIHTC Equity	TBD Tax Credit Equity Provider	\$ 4,355,564	70.7%	\$ 136,111
Total Permanent Sources		\$ 6,161,174	100.0%	\$ 192,537

CONSTRUCTION SOURCES - CURRENT REQUEST				
Project:	Vista de Socorro	Total	% of Total	Per Unit
Construct. Lender - 1st Lien	WaFed	\$ 4,301,929	34.7%	\$ 134,435
2nd Lien holder	MFA HOME	\$ 360,000	2.9%	\$ 11,250
3rd Lien holder	MFA NHTF	\$ 360,000	2.9%	\$ 11,250
4th Lien holder	MFA NMHTF	\$ 2,000,000	16.1%	\$ 62,500
Grant	Casa Connections Grant (Governor's Office)	\$ 2,500,000	20.2%	\$ 78,125
Grant	MFA TCAP	\$ 1,000,000	8.1%	\$ 31,250
Deferred Developer Fee	JL Gray / ECRHA	\$ 672,000	5.4%	\$ 21,000
Solar Tax Credits Equity	National Equity Fund	\$ 188,275	1.5%	\$ 5,884
LIHTC Equity	National Equity Fund	\$ 1,011,413	8.2%	\$ 31,607
Total Construction Sources		\$ 12,393,617	100%	\$ 332,436

PERMANENT SOURCES - CURRENT REQUEST				
Project:	Vista de Socorro	Total	% of Total	Per Unit
Perm. Lender - 1st Lien	MFA HOME	\$ 400,000	3.2%	\$ 12,500
2nd Lien holder	MFA NHTF	\$ 400,000	3.2%	\$ 12,500
3rd Lien holder	MFA NMHTF	\$ 1,000,000	8.1%	\$ 31,250
Grant	Casa Connections Grant (Governor's Office)	\$ 2,500,000	20.2%	\$ 78,125
Grant	MFA TCAP	\$ 1,000,000	8.1%	\$ 31,250
Deferred Developer Fee	JL Gray / ECRHA	\$ 220,000	1.8%	\$ 6,875
Solar Tax Credits Equity	National Equity Fund	\$ 188,275	1.5%	\$ 5,884
LIHTC Equity	National Equity Fund	\$ 6,685,342	53.9%	\$ 208,917
Total Construction Sources		\$ 12,393,617	100%	\$ 332,436

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Appendix A: Development Cost Budget				Total GSF (Initial Approval) =	Total GSF (Current Request) =
Vista de Socorro				30,695	30,695
Albuquerque	TOTAL COST (Initial Approval)	TOTAL COST (Current Request)	COST DIFFERENCE (Current - Initial)	COST/GSF (Initial Approval)	COST/GSF (Current Request)
ACQUISITION COSTS					
Land Acquisition	\$ -	\$ -	\$ -	\$ -	\$ -
Building Acquisition	\$ -	\$ -	\$ -	\$ -	\$ -
Other: Closing/Title Costs	\$ -	\$ -	\$ -	\$ -	\$ -
SUBTOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION HARD COSTS					
Demolition	\$ -	\$ -	\$ -	\$ -	\$ -
Accessory Structures	\$ -	\$ -	\$ -	\$ -	\$ -
Site Construction	\$ 612,465	\$ -	\$ (612,465)	\$ 19.95	\$ -
Buildings and Structures	\$ 2,975,230	\$ 7,707,238	\$ 4,732,008	\$ 96.93	\$ 251.09
Off-Site Improvements	\$ -	\$ -	\$ -	\$ -	\$ -
Other:	\$ -	\$ -	\$ -	\$ -	\$ -
SUBTOTAL	\$ 3,587,695	\$ 7,707,238	\$ 4,119,543	\$ 116.88	\$ 251.09
OTHER CONSTRUCTION COSTS					
Contractor Overhead	\$ 71,754	\$ 154,339	\$ 82,585	\$ 2.34	\$ 5.03
Contractor Profit	\$ 215,262	\$ 463,017	\$ 247,755	\$ 7.01	\$ 15.08
General Requirements	\$ 215,262	\$ 427,267	\$ 212,005	\$ 7.01	\$ 13.92
Construction Contingency	\$ 179,385	\$ 511,706	\$ 332,321	\$ 5.84	\$ 16.67
Gross Receipts Tax (GRT)	\$ 309,117	\$ 702,304	\$ 393,187	\$ 10.07	\$ 22.88
Landscaping	\$ -	\$ -	\$ -	\$ -	\$ -
Furniture, Fixtures, & Equipment	\$ 15,000	\$ 25,000	\$ 10,000	\$ 0.49	\$ 0.81
Other: Builder's Risk Insurance, P&P Bond, Building Permits	\$ -	\$ 592,631	\$ 592,631	\$ -	\$ 19.31
SUBTOTAL	\$ 1,005,780	\$ 2,876,264	\$ 1,870,484	\$ 32.77	\$ 93.70
PROFESSIONAL SERVICES/FEES					
Architect (Design)	\$ 157,085	\$ 224,300	\$ 67,215	\$ 5.12	\$ 7.31
Architect (Supervision)	\$ 40,000	\$ 45,000	\$ 5,000	\$ 1.30	\$ 1.47
Attorney (Real Estate)	\$ 67,500	\$ 67,500	\$ -	\$ 2.20	\$ 2.20
Engineer/Survey	\$ 5,000	\$ 5,000	\$ -	\$ 0.16	\$ 0.16
Other : HERS Testing/ Phase 1/2, Geotechnical		\$ -	\$ -	\$ -	\$ -
SUBTOTAL	\$ 269,585	\$ 341,800	\$ 72,215	\$ 8.78	\$ 11.14
CONSTRUCTION FINANCING COSTS					
Hazard Insurance	\$ 5,000	\$ 50,000	\$ 45,000	\$ 0.16	\$ 1.63
Liability Insurance	\$ 7,500	\$ 20,000	\$ 12,500	\$ 0.24	\$ 0.65
Performance Bond	\$ 66,226	\$ 76,830	\$ 10,604	\$ 2.16	\$ 2.50
Interest	\$ 145,257	\$ 58,954	\$ (86,303)	\$ 4.73	\$ 1.92
Origination\Discount Points	\$ 18,589	\$ 18,589	\$ -	\$ 0.61	\$ 0.61
Credit Enhancement	\$ -	\$ -	\$ -	\$ -	\$ -
Inspection Fees	\$ 15,000	\$ 15,000	\$ -	\$ 0.49	\$ 0.49
Title and Recording	\$ 20,000	\$ 20,000	\$ -	\$ 0.65	\$ 0.65
Legal	\$ 45,000	\$ 45,000	\$ -	\$ 1.47	\$ 1.47
Taxes	\$ 7,000	\$ 7,000	\$ -	\$ 0.23	\$ 0.23
Other:	\$ -	\$ 43,019	\$ 43,019	\$ -	\$ 1.40
SUBTOTAL	\$ 329,572	\$ 354,392	\$ 24,820	\$ 10.74	\$ 11.55
Project: Vista de Socorro					
PERMANENT FINANCING COSTS					
Bond Premium	\$ -	\$ -	\$ -	\$ -	\$ -
Credit Report	\$ -	\$ -	\$ -	\$ -	\$ -
Origination\Discount Points	\$ 6,761	\$ 6,761	\$ -	\$ 0.22	\$ 0.22
Credit Enhancement	\$ -	\$ -	\$ -	\$ -	\$ -
Title and Recording	\$ 5,000	\$ 5,000	\$ -	\$ 0.16	\$ 0.16

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Legal	\$ 3,500	\$ 3,500	\$ -	\$ 0.11	\$ 0.11
Pre-Paid MIP	\$ -	\$ -	\$ -	\$ -	\$ -
Reserves and Escrows	\$ -	\$ -	\$ -	\$ -	\$ -
Other:	\$ -	\$ -	\$ -	\$ -	\$ -
SUBTOTAL	\$ 15,261	\$ 15,261	\$ -	\$ 0.50	\$ 0.50
SOFT COSTS					
Market Study	\$ 8,500	\$ 8,500	\$ -	\$ 0.28	\$ 0.28
Environmental	\$ 7,500	\$ 7,500	\$ -	\$ 0.24	\$ 0.24
Tax Credit Fees	\$ 37,838	\$ 57,638	\$ 19,800	\$ 1.23	\$ 1.88
Appraisal	\$ 3,500	\$ 3,500	\$ -	\$ 0.11	\$ 0.11
Hard Relocation Costs	\$ -	\$ -	\$ -	\$ -	\$ -
Accounting/Cost Certification	\$ 12,500	\$ 12,500	\$ -	\$ 0.41	\$ 0.41
Other: Soft Cost Contingency, Constr. Mngr	\$ 2,350	\$ 92,996	\$ 90,646	\$ 0.08	\$ 3.03
SUBTOTAL	\$ 72,188	\$ 182,634	\$ 110,446	\$ 2.35	\$ 5.95
SYNDICATION					
Organization	\$ 10,000	\$ 10,000	\$ -	\$ 0.33	\$ 0.33
Bridge Loan	\$ -	\$ -	\$ -	\$ -	\$ -
Tax Opinion	\$ -	\$ -	\$ -	\$ -	\$ -
Other:	\$ 60,000	\$ -	\$ (60,000)	\$ 1.95	\$ -
SUBTOTAL	\$ 70,000	\$ 10,000	\$ (60,000)	\$ 2.28	\$ 0.33
TDC before Dev. Fees & Reserves	\$ 5,350,081	\$ 11,487,589	\$ 6,137,508	\$ 174	\$ 374
RESERVES					
Rent Up	\$ 20,000	\$ 20,000	\$ -	\$ 0.65	\$ 0.65
Operating	\$ 119,093	\$ 135,545	\$ 16,452	\$ 3.88	\$ 4.42
Replacement (inc. only if capitalized)	\$ -	\$ 4,800	\$ 4,800	\$ -	\$ 0.16
Escrows/Working Capital	\$ -	\$ -	\$ -	\$ -	\$ -
Other:	\$ -	\$ 77,000	\$ 77,000	\$ -	\$ 3
SUBTOTAL	\$ 139,093	\$ 237,345	\$ 98,252	\$ 4.53	\$ 7.73
DEVELOPER FEES					
Developer Fee	\$ 672,000	\$ 672,000	\$ -	\$ 21.89	\$ 21.89
Consultant Fee	\$ -	\$ -	\$ -	\$ -	\$ -
SUBTOTAL	\$ 672,000	\$ 672,000	\$ -	\$ 22	\$ 22
Total Development Cost (TDC)	\$ 6,161,174	\$ 12,396,933	\$ 6,235,760	\$ 200.72	\$ 403.87
TDC w/o Land, Reserves & Commercial	\$ 6,022,081	\$ 12,159,589	\$ 6,137,508	\$ 196.19	\$ 396.14



MEMO

TO: MFA Board of Directors

Through: Policy Committee on April 4, 2023
 NMHTF Advisory Committee on April 10, 2023
 Contracted Services Committee on April 11, 2023

FROM: Ted Chavez Research and Development Manager
 Robyn Powell, Director of Policy and Planning

DATE: April 19, 2023

SUBJECT: Recommendation to approve the Peach Tree Canyon State and Local Fiscal Recovery Funds (SLFRF) Notice of Funding Availability Application.

Recommendation

The MFA Staff recommends approving the Peach Tree Canyon State and Local Fiscal Recovery Funds Notice of Funding Availability (NOFA) application and awarding funds in the amount of \$1,250,000.

Background

The NOFA was published after Board approval on December 14, 2022. The NOFA states applications must be received no later than 45 days prior to a regularly scheduled meeting of the MFA Board of Directors in order to be considered at that meeting.

Discussion

The Peachtree Canyon is a new construction project located at 7081 N. Jornada Road, Las Cruces, NM and the New Mexico Housing Community and Development Corporation is requesting \$1,250,000 to support the construction cost.

- The project is ready to proceed with a construction and permanent financing loan letter of interest from Bonneville Multifamily Capital.
- The Development Team has selected an architect (Perlman), general contractor (Crestline Corporation), management company (J.L. Gray) and attorney counsel with preliminary plans complete.
- The Las Cruces Planning and Review Department has been notified and is working with the development team to expedite permit processing.
- The financial feasibility of the project includes capital stack financing sources from the state and federal levels. Further strengthened by:
 - Dona Ana County (\$1,500,000)
 - City of Las Cruces (\$6,000,000)
 - MFA HOME (\$800,000)
 - MFA NHTF (\$1,500,000)
 - MFA NMHTF (\$1,000,000)

- This project will incorporate the MFA 2020 Mandatory Design Guideline requirements for energy efficiency and necessary requirements to achieve a HERS rating of 55 or below.
- The site is approximately 6.5 acres and is located with a Planned Unit Development, which permits multi-dwelling residential complexes.
- The affordable housing community will consist of 144 living units, with one, two and three bedroom units.
- The project will have a total of 100% of the restricted units below 60% AMI and will meet the requirements of the Households with Children priority.
- The project size provides a solution to meet the City of Las Cruces goal of adding 300 affordable units by 2025 to address the severe shortage of affordable housing options through Las Cruces.

Per the Scoring Committee review on March 20, 2023, the Peach Tree Canyon State application does comply with all the minimum Qualifications and Requirements (see Exhibit A) and scored an accumulative score of 81.5% (see Exhibit B).

Summary

Staff recommends approving the Peach Tree Canyon State and Local Fiscal Recovery Funds Notice of Funding Availability (NOFA) application and awarding funds in the amount of \$1,250,000.

- Exhibit A: Minimum Qualifications and Requirements
- Exhibit B: Ranking Criteria
- Exhibit C: Financing Sources

Exhibit A

Minimum Qualifications and Requirements

	Minimum Qualifications and Requirements (X - satisfied)	Satisfied
1	The application is complete and legible, including all required documents	Yes
2	The application complies with all applicable requirements in this NOFA, and applicable addendum.	Yes
3	The applicant provides sufficient evidence of its ability to undertake and complete the proposal in the areas of financing, acquiring, rehabilitating, developing, and / or administering an affordable housing project.	Yes
4	The application provides sufficient evidence that the proposed project is financially and technically feasible and includes a proposed budget and performance schedule for the proposed project.	Yes
5	The applicant provides sufficient evidence of its ability to comply with the Office of Management and Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (commonly called the "Uniform Guidance")	Yes
6	Under the SLFRF Final Rule, funds must be used for costs incurred on or after March 3, 2021. Further, costs must be obligated by December 31, 2024, and expended by December 31, 2026.	Yes
7	Funding Limits and Restrictions: All awarded projects must incorporate an energy-efficiency component.	Yes
8	Ranking Criteria: Applicants will be scored on the following ranking criteria. Applicants must score a minimum of 70% of the total points possible to be considered.	Yes

Exhibit B

Ranking Criteria

Criteria	Point Range	Agency Score
Enumerated Uses The project is an Enumerated Use and is eligible within the Final Rule. If Yes, full points can be awarded If No, additional analysis will be required, based on the Final Rule, to determine eligibility and need.	40	40
Readiness to proceed The project is evaluated on its readiness to proceed. Projects that demonstrate the ability and readiness to be completed within the expenditure deadline listed in the Threshold Criteria will receive full points.	20	13.3
Financial Feasibility The project evaluation is financially feasibility. Match or leverage funding will be considered under this criterion. Projects that demonstrate a viable plan for covering the cost of the project will receive full points.	20	11.6
Project Design and Implementation The project is evaluated on the project design and implementation plan presented in the application form, included method for determining eligible beneficiaries, address long term affordable housing needs for the targeted population, service delivery or implementation plan, and the incorporation or any additional funding restrictions. Projects that present a viable design and implementation plan and address any additional funding restrictions that will result in a completed project will receive full points.	20	16.6
	Total Points	81.5

Exhibit C Financing Sources

Financing Sources	Source of Funds (e.g., lender)	Program (e.g., HOME, AHP)	Construction Amount	Permanent Amount	Interest Rate	Payment		Term	
						Amount	Frequency	Amort. Yrs.	Loan Yrs.
Permanent Loan	Bonneville	PAB/Perm		7,000,000	5.85%	453,427	ANNUAL	40	40
Construction Loan	Bonneville	Construction Loan	20,000,000		6.50%	0	MONTHLY	2	2
Third Source	City of Las Cruces	ARPA-Grant	2,000,000	2,000,000	0.00%		ANNUAL	40	40
Fourth Source	MFA	HOME	800,000	800,000	0.00%	10,000	ANNUAL	80	40
Fifth Source	City of Las Cruces	Telshor Fund	4,000,000	4,000,000	1.00%	Cash Flow	ANNUAL	45	45
Sixth Source	MFA	NHTF	1,500,000	1,500,000	0.00%	Cash Flow	ANNUAL	45	45
Seventh Source	MFA	NMHTF	1,500,000	1,000,000		54,508	ANNUAL	40	40
Deferred Developer Fee				1,952,731					
		Subtotal:	29,800,000	18,252,731					
First Other Equity	Dona Ana County	ARPA-Grant	1,500,000	1,500,000					
2nd Other Equity	MFA	SLFRF Loan	1,250,000	1,250,000					
Tax Credit Proceeds	Raymond James Tax Credit Funds	Equity		15,777,609					
		Total:	32,550,000	36,780,340					

Note: Total of Permanent Amount Column MUST Equal Total Development Cost in Schedule A.

Finity Installment Schedule



MEMO

TO: MFA Board of Directors

Through: Policy Committee on April 4, 2023
 NMHTF Advisory Committee on April 10, 2023
 Contracted Services Committee on April 11, 2023

FROM: Ted Chavez Research and Development Manager
 Robyn Powell, Director of Policy and Planning

DATE: April 19, 2023

SUBJECT: Recommendation to approve the Pedrena Apartments State and Local Fiscal Recovery Funds (SLFRF) Notice of Funding Availability Application.

Recommendation

The MFA Staff recommends approving the Pedrena Apartments State and Local Fiscal Recovery Funds Notice of Funding Availability (NOFA) application and awarding funds in the amount of \$2,000,000.

Background

The NOFA was published after Board approval on December 14, 2022. The NOFA states applications must be received no later than 45 days prior to a regularly scheduled meeting of the MFA Board of Directors in order to be considered at that meeting.

Discussion

The Pedrena Apartments is a new construction Project in Las Cruces NM consisting of 80 units and are requesting \$2,000,000 to support the new construction of permanent rental housing.

- The project is ready to proceed and has obtained Site Control as of November 2022, is Zoned Properly and is approved by the Las Cruces planning and zoning commission and city council.
- There is universal Neighborhood Support from the surrounding neighbors that includes the church next door for this senior development.
- The architect is advising that the plans will be ready to submit to the City of Las Cruces in June of 2023.
- The general contractor has been selected, has prepared pricing and is planning to begin construction in September of 2023 with a 12 month anticipated completion date.
 - September 2023 – Construction to begin
 - September 2024 – Construction completed
 - December 2024 – Property will be fully leased-up
 - June 2025 – All finance sources will be fully expended, and the construction loan will be converted to a permanent loan, marking a conclusion to the Development Timeframe.

- The unit mix, which will be identified in the recorded Regulatory Agreement, will serve households with incomes ranging from 30% to 60% of the area median income.
- Pedrena is located in a Qualified Census Tract.
- The residents of Pedrena Apartments will be senior citizens, most of which will be receiving Social Security benefits.
- It is common that some residents will be receiving disability benefits, Veteran's Affairs benefits, Medicare benefits, and other federal benefits.
- The design and construction of the development has been carefully crafted and refined over the years to cater to senior residents. Interior apartment entrances, wide hallways with handrails, elevators, common area amenities both inside and outside. Numerous activities designed to foster socialization and keep their minds and bodies active.

Per the Scoring Committee review on March 20, 2023, the Pedrena Apartments NOFA application did comply with all the minimum Qualifications and Requirements (see Exhibit A) and scored an accumulative score of 79.92% (see Exhibit B).

Summary

Staff recommends approving the Pedrena Apartments State and Local Fiscal Recovery Funds Notice of Funding Availability (NOFA) application and awarding funds in the amount of \$2,000,000.

- Exhibit A: Minimum Qualifications and Requirements
- Exhibit B: Ranking Criteria
- Exhibit C: Financing Sources

Exhibit A

Minimum Qualifications and Requirements

	Minimum Qualifications and Requirements (X - satisfied)	Satisfied
1	The application is complete and legible, including all required documents	Yes
2	The application complies with all applicable requirements in this NOFA, and applicable addendum.	Yes
3	The applicant provides sufficient evidence of its ability to undertake and complete the proposal in the areas of financing, acquiring, rehabilitating, developing, and / or administering an affordable housing project.	Yes
4	The application provides sufficient evidence that the proposed project is financially and technically feasible and includes a proposed budget and performance schedule for the proposed project.	Yes
5	The applicant provides sufficient evidence of its ability to comply with the Office of Management and Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (commonly called the "Uniform Guidance")	Yes
6	Under the SLFRF Final Rule, funds must be used for costs incurred on or after March 3, 2021. Further, costs must be obligated by December 31, 2024, and expended by December 31, 2026.	Yes
7	Funding Limits and Restrictions: All awarded projects must incorporate an energy-efficiency component.	Yes
8	Ranking Criteria: Applicants will be scored on the following ranking criteria. Applicants must score a minimum of 70% of the total points possible to be considered.	Yes

Exhibit B

Ranking Criteria

Criteria	Point Range	Agency Score
Enumerated Uses The project is an Enumerated Use and is eligible within the Final Rule. If Yes, full points can be awarded If No, additional analysis will be required, based on the Final Rule, to determine eligibility and need.	40	40
Readiness to proceed The project is evaluated on its readiness to proceed. Projects that demonstrate the ability and readiness to be completed within the expenditure deadline listed in the Threshold Criteria will receive full points.	20	11.66
Financial Feasibility The project evaluation is financially feasibility. Match or leverage funding will be considered under this criterion. Projects that demonstrate a viable plan for covering the cost of the project will receive full points.	20	11.66
Project Design and Implementation The project is evaluated on the project design and implementation plan presented in the application form, included method for determining eligible beneficiaries, address long term affordable housing needs for the targeted population, service delivery or implementation plan, and the incorporation or any additional funding restrictions. Projects that present a viable design and implementation plan and address any additional funding restrictions that will result in a completed project will receive full points.	20	16.6
	Total Points	79.92

Exhibit C
Financing Sources

The following Financing sources will be used to cover the costs of the development:

Financing Source	Provider	Amount	Status	% of total dev costs
Tax Credit Equity	PNC Bank	\$10,629,369	Committed	43.57%
Permanent Loan	PNC Bank	\$ 4,148,600	Committed	17.00%
Residual Receipts	City of Las Cruces	\$ 3,000,000	Committed	12.30%
HOME funds	City of Las Cruces	\$ 200,000	Committed	0.82%
CDBG funds	City of Las Cruces	\$ 100,000	Committed	0.41%
Deferred Developer Fees	TDC/NIHC	\$ 1,020,165	Committed	4.18%
HOME funds	MFA	\$ 800,000	Applied	3.28%
National HTF funds	MFA	\$ 1,500,000	Applied	6.15%
New Mexico HTF Loan	MFA	\$ 1,000,000	Applied	4.10%
New Mexico SLFRF funds	MFA	\$ 2,000,000	Applied	8.20%
TOTAL FINANCING SOURCES:		\$24,398,134		



MEMO

TO: MFA Board of Directors

Through: Policy Committee on March 14, 2023
 NMHTF Advisory Committee on April 3, 2023
 Contracted Services Committee on April 11, 2023

FROM: Ted Chavez Research and Development Manager
 Robyn Powell, Director of Policy and Planning

DATE: April 19, 2023

SUBJECT: Recommendation for the North Central New Mexico Economic Development District Housing Workforce Integrated Network (WIN) State and Local Fiscal Recovery Funds (SLFRF) Notice of Funding Availability Application

Recommendation

The SLFRF Scoring Committee recommends approving \$2,700,000 for the North Central New Mexico Economic Development District (NCNMEDD) WIN project under the Housing State and Local Fiscal Recovery Funds Notice of Funding Availability (NOFA).

Background

The SLFRF NOFA was published after Board approval on December 14, 2022. The NOFA states applications must be received no later than 45 days prior to a regularly scheduled meeting of the MFA Board of Directors in order to be considered at that meeting.

In September 2022, the NCNMEDD was awarded \$6.4 million from the U.S. Economic Development Administration under the Good Jobs Challenge Grant for a program called WIN (Workforce Integrated Network). The WIN program is a job placement program that seeks to provide 1,200 job placements in healthcare and skilled trade sectors, in large part by placing persons exiting substance abuse programs or the criminal justice system.

NCNMEDD is seeking \$2.7 million to provide housing to the target population of the grant because housing is not an eligible use of Good Jobs Challenge Grant funds. Funding would be used to acquire and renovate housing options in Santa Fe, Taos, Espanola, Raton and Las Vegas for use by those persons who are in the WIN program. NCNMEDD plans on acquiring rental housing from these hub communities, including existing buildings, homes and multi-family dwellings which can be renovated as group homes, or apartments.

Discussion

Per the Scoring Committee reconsideration / review on March 8, 2023, the NCNMEDD Housing WIN application does meet the following minimum Qualifications and Requirements and scored an accumulative score of 81.6%.

Summary

The SLFRF Scoring Committee recommends approval for the NCNMEDD Housing State and Local Fiscal Recovery Funds (SLFRF) Notice of Funding Availability (NOFA) application.

- Exhibit A: Minimum Qualifications and Requirements
- Exhibit B: Ranking Criteria

Exhibit A

Minimum Qualifications and Requirements

	Minimum Qualifications and Requirements (X - satisfied)	Satisfied
1	The application is complete and legible, including all required documents	Yes
2	The application complies with all applicable requirements in this NOFA, and applicable addendum.	Yes
3	The applicant provides sufficient evidence of its ability to undertake and complete the proposal in the areas of financing, acquiring, rehabilitating, developing, and / or administering an affordable housing project.	Yes
4	The application provides sufficient evidence that the proposed project is financially and technically feasible and includes a proposed budget and performance schedule for the proposed project.	Yes
5	The applicant provides sufficient evidence of its ability to comply with the Office of Management and Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (commonly called the "Uniform Guidance")	Yes
6	Under the SLFRF Final Rule, funds must be used for costs incurred on or after March 3, 2021. Further, costs must be obligated by December 31, 2024, and expended by December 31, 2026.	Yes
7	Funding Limits and Restrictions: All awarded projects must incorporate an energy-efficiency component.	Yes
8	Ranking Criteria: Applicants will be scored on the following ranking criteria. Applicants must score a minimum of 70% of the total points possible to be considered.	Yes

Exhibit B

Ranking Criteria

Criteria	Point Range	Agency Score
Enumerated Uses The project is an Enumerated Use and is eligible within the Final Rule. If Yes, full points can be awarded If No, additional analysis will be required, based on the Final Rule, to determine eligibility and need.	40	40
Readiness to proceed The project is evaluated on its readiness to proceed. Projects that demonstrate the ability and readiness to be completed within the expenditure deadline listed in the Threshold Criteria will receive full points.	20	15
Financial Feasibility The project evaluation is financially feasibility. Match or leverage funding will be considered under this criterion. Projects that demonstrate a viable plan for covering the cost of the project will receive full points.	20	13.3
Project Design and Implementation The project is evaluated on the project design and implementation plan presented in the application form, included method for determining eligible beneficiaries, address long term affordable housing needs for the targeted population, service delivery or implementation plan, and the incorporation or any additional funding restrictions. Projects that present a viable design and implementation plan and address any additional funding restrictions that will result in a completed project will receive full points.	20	13.3
	Total Points	81.66



MEMO

TO: MFA Board of Directors

Through: Policy Committee on April 4, 2023
 NMHTF Advisory Committee on April 10, 2023
 Contracted Services Committee on April 11, 2023

FROM: Ted Chavez Research and Development Manager
 Robyn Powell, Director of Policy and Planning

DATE: April 19, 2023

SUBJECT: Recommendation to approve the Encino Gardens State and Local Fiscal Recovery Funds (SLFRF) Notice of Funding Availability Application.

Recommendation

The MFA Staff recommends approving the Encino Gardens State and Local Fiscal Recovery Funds Notice of Funding Availability (NOFA) application and awarding funds in the amount of \$1,000,000.

Background

The NOFA was published after Board approval on December 14, 2022. The NOFA states applications must be received no later than 45 days prior to a regularly scheduled meeting of the MFA Board of Directors in order to be considered at that meeting.

Discussion

Encino Gardens is an acquisition/rehab project located at 412 Alvarado Drive, Albuquerque, New Mexico, 87108. The project is currently and will continue to be reserved for senior households. Encino Gardens consists of two 5-story multifamily apartment buildings of approximately 127,056 square feet and containing a total of 165 apartments.

- Encino Gardens, Inc. has been working on the acquisition to include the rehabilitation of the Encino Gardens Apartments for over a year and have obtained site control and zoning.
- Encino Garden is expecting to close on its financing by the end of 2023 and begin construction shortly after that.
- The property was built in 1978 with a HUD Section 202 loan, which has been fully paid off and has no outstanding debt on the property.
- The property is 100% Section 8 Senior Housing with project-based vouchers and remains fully occupied with a waiting list.
- The renovated property will represent excellent quality affordable apartments that are in high demand in the area.
- The property is over 40 years old and has not undergone any significant renovations during its lifespan.

Per the Scoring Committee review on March 20, 2023, the Encino Garden application did comply with all the minimum Qualifications and Requirements (see Exhibit A) and scored an accumulative score of 100% (see Exhibit B).

Summary

Staff recommends approving the Encino Garden State and Local Fiscal Recovery Funds Notice of Funding Availability (NOFA) application and awarding funds in the amount of \$1,000,000.

- Exhibit A: Minimum Qualifications and Requirements
- Exhibit B: Ranking Criteria
- Exhibit C: Financing Sources

Exhibit A

Minimum Qualifications and Requirements

	Minimum Qualifications and Requirements (X - satisfied)	Satisfied
1	The application is complete and legible, including all required documents	Yes
2	The application complies with all applicable requirements in this NOFA, and applicable addendum.	Yes
3	The applicant provides sufficient evidence of its ability to undertake and complete the proposal in the areas of financing, acquiring, rehabilitating, developing, and / or administering an affordable housing project.	Yes
4	The application provides sufficient evidence that the proposed project is financially and technically feasible and includes a proposed budget and performance schedule for the proposed project.	Yes
5	The applicant provides sufficient evidence of its ability to comply with the Office of Management and Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (commonly called the "Uniform Guidance")	Yes
6	Under the SLFRF Final Rule, funds must be used for costs incurred on or after March 3, 2021. Further, costs must be obligated by December 31, 2024, and expended by December 31, 2026.	Yes
7	Funding Limits and Restrictions: All awarded projects must incorporate an energy-efficiency component.	Yes
8	Ranking Criteria: Applicants will be scored on the following ranking criteria. Applicants must score a minimum of 70% of the total points possible to be considered.	Yes

Exhibit B

Ranking Criteria

Criteria	Point Range	Agency Score
Enumerated Uses The project is an Enumerated Use and is eligible within the Final Rule. If Yes, full points can be awarded If No, additional analysis will be required, based on the Final Rule, to determine eligibility and need.	40	40
Readiness to proceed The project is evaluated on its readiness to proceed. Projects that demonstrate the ability and readiness to be completed within the expenditure deadline listed in the Threshold Criteria will receive full points.	20	20
Financial Feasibility The project evaluation is financially feasibility. Match or leverage funding will be considered under this criterion. Projects that demonstrate a viable plan for covering the cost of the project will receive full points.	20	20
Project Design and Implementation The project is evaluated on the project design and implementation plan presented in the application form, included method for determining eligible beneficiaries, address long term affordable housing needs for the targeted population, service delivery or implementation plan, and the incorporation or any additional funding restrictions. Projects that present a viable design and implementation plan and address any additional funding restrictions that will result in a completed project will receive full points.	20	20
	Total Points	100

Exhibit C Financing Sources

Here are the permanent sources as proposed:

Encino Gardens Permanent Sources of Funding	Amount
Tax Exempt Bonds	\$10,125,000
New Mexico Housing Trust Fund	\$1,000,000
National Housing Trust Fund	\$1,500,000
MFA SLRFR	\$3,600,000
Subordinate Mortgage provided by Encino Gardens, Inc.	\$2,000,000
Existing Reserves	\$380,000
Low Income Tax Credits	\$13,046,050
GP equity	\$100
Deferred Developer Fee	\$1,082,516
	<hr/>
Total Development Costs	\$32,733,666



MEMO

TO: MFA Board of Directors

Through: Policy Committee on March 14, 2023
 NMHTF Advisory Committee on April 3, 2023
 Contracted Services Committee on April 11, 2023

FROM: Ted Chavez Research and Development Manager
 Robyn Powell, Director of Policy and Planning

DATE: April 19, 2023

SUBJECT: Recommendation to approve the San Felipe Pueblo Roof Replacement and Repair Project State and Local Fiscal Recovery Funds (SLFRF) Notice of Funding Availability Application.

Recommendation

The MFA Staff recommends approving the San Felipe Pueblo Roof Replacement and Repair State and Local Fiscal Recovery Funds Notice of Funding Availability (NOFA) application and awarding funds in the amount of \$350,000.

Background

The NOFA was published after Board approval on December 14, 2022. The NOFA states applications must be received no later than 45 days prior to a regularly scheduled meeting of the MFA Board of Directors in order to be considered at that meeting.

The San Felipe Pueblo application was received on February 1, 2023 and was reviewed by the Scoring Committee on February 27, 2023. San Felipe Pueblo Housing Authority is requesting \$350,000 to support emergency roof replacements/repairs.

Discussion

The SFPHA's Program Manager has an on-file waiting list of over 25 low-moderate income level qualified applicants that need emergency roof replacement or repairs.

- Initial walk-thru assessments have been completed
- The SFPHA has a Tribal Work Force Account consisting of over 40 construction workers that are available to start the project
- Through a competitive bidding process, they have 2 licensed roofing companies on hand
- A roofing demolition crew has been projected and is available immediately
- The Project Manager anticipates that all assessments/scope of work estimates will be completed within 2-3 weeks of potential award.
- SFPHA plans to complete all work within 90-150 days of the award.

- SFPHA manages Supply Contracts with three local building suppliers and purchases material in bulk to get discounted pricing.
- Any unforeseen or contingency items/costs will be paid for with funds that SFPHA funding that has allocated in 2022.

Per the Scoring Committee review on February 27, 2023, the San Felipe Pueblo application did comply with all the minimum Qualifications and Requirements (see Exhibit A) and scored an accumulative score of 100% (see Exhibit B).

Summary

Staff recommends approving the San Felipe Pueblo Roof Replacement and Repair State and Local Fiscal Recovery Funds Notice of Funding Availability (NOFA) application and awarding funds in the amount of \$350,000.

- Exhibit A: Minimum Qualifications and Requirements
- Exhibit B: Ranking Criteria

Exhibit A

Minimum Qualifications and Requirements

	Minimum Qualifications and Requirements (X - satisfied)	Satisfied
1	The application is complete and legible, including all required documents	Yes
2	The application complies with all applicable requirements in this NOFA, and applicable addendum.	Yes
3	The applicant provides sufficient evidence of its ability to undertake and complete the proposal in the areas of financing, acquiring, rehabilitating, developing, and / or administering an affordable housing project.	Yes
4	The application provides sufficient evidence that the proposed project is financially and technically feasible and includes a proposed budget and performance schedule for the proposed project.	Yes
5	The applicant provides sufficient evidence of its ability to comply with the Office of Management and Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (commonly called the "Uniform Guidance")	Yes
6	Under the SLFRF Final Rule, funds must be used for costs incurred on or after March 3, 2021. Further, costs must be obligated by December 31, 2024, and expended by December 31, 2026.	Yes
7	Funding Limits and Restrictions: All awarded projects must incorporate an energy-efficiency component.	Yes
8	Ranking Criteria: Applicants will be scored on the following ranking criteria. Applicants must score a minimum of 70% of the total points possible to be considered.	Yes

Exhibit B

Ranking Criteria

Criteria	Point Range	Agency Score
Enumerated Uses The project is an Enumerated Use and is eligible within the Final Rule. If Yes, full points can be awarded If No, additional analysis will be required, based on the Final Rule, to determine eligibility and need.	40	40
Readiness to proceed The project is evaluated on its readiness to proceed. Projects that demonstrate the ability and readiness to be completed within the expenditure deadline listed in the Threshold Criteria will receive full points.	20	20
Financial Feasibility The project evaluation is financially feasibility. Match or leverage funding will be considered under this criterion. Projects that demonstrate a viable plan for covering the cost of the project will receive full points.	20	20
Project Design and Implementation The project is evaluated on the project design and implementation plan presented in the application form, included method for determining eligible beneficiaries, address long term affordable housing needs for the targeted population, service delivery or implementation plan, and the incorporation or any additional funding restrictions. Projects that present a viable design and implementation plan and address any additional funding restrictions that will result in a completed project will receive full points.	20	20
	Total Points	100



MEMO

TO: MFA Board of Directors

Through: Policy Committee on April 4, 2023
New Mexico Housing Trust Fund Advisory Committee on April 10, 2023
Contracted Services Committee on April 11, 2023

FROM: Robyn Powell, Director of Policy and Planning

DATE: April 19, 2023

SUBJECT: FY2023 Recurring Severance Tax Bond Funding Resolution, Notification and Certification, and Allocation Recommendation

Recommendation

Staff recommends approval of the proposed funding allocations and adoption of the New Mexico Mortgage Finance Authority Resolution, Notification and Certification (Certification) to the New Mexico State Board of Finance certifying the need for funding in the amount of \$37,530,000 for state fiscal year 2023-2024 (July 1 to June 30).

Background

In 2022, the State of New Mexico enacted Senate Bill 134 into law, allocating severance tax bonding capacity to the New Mexico Housing Trust Fund for the purposes of carrying out the provisions in the New Mexico Housing Trust Fund Act. The annual allocation is 2.5% of the estimated bonding capacity, or an estimated \$37,530,000 for fiscal year 2023. In 2023, the State of New Mexico enacted Senate Bill 384 which adjusted the effective date of SB 134 from FY2024 to FY2023, setting into motion the actions recommended herein. Pursuant to the legislation,

- Money from the severance tax bonds shall not be used to pay indirect project costs; and
- Any unexpended balance from proceeds of severance tax bonds issued for projects pursuant to the New Mexico Housing Trust Fund Act shall revert to the severance tax bonding fund within one year of completion of the project; and
- Any unencumbered balance from the proceeds of severance tax bonds issued after three years from the issuance of those bonds shall revert to the severance tax bonding fund; and
- The New Mexico mortgage finance authority shall monitor and ensure proper reversions of the bond proceeds appropriated for the projects; and
- The New Mexico mortgage finance authority shall prioritize expending or encumbering balances in the fund from payments of principal of and interest on loans for projects funded by the proceeds of severance tax bonds prior to expending or encumbering any proceeds from more recently issued bonds.

Discussion

MFA and State Board of Finance staff have worked together over the last year, along with counsel, to identify and define eligible activities under the relevant Acts, including the Severance Tax Bonding Act

and the New Housing Trust Fund Act. Eligible activities are listed and described in the Certification. The form of Certification has been vetted by MFA and SBOF counsel.

Staff determined the recommended allocations through an evaluation of the eligible activities based on several factors, including housing priorities identified by the Governor and state level stakeholders, the availability of federal resources to leverage with state funding, the ability to successfully administer funding under the New Mexico Housing Trust Fund Act, statewide coverage of the eligible activity, program mandate to address underserved regions and populations, availability of partners and stakeholders to support the activity efficiently and with the broadest reach, consistency of activities with the goals identified in the New Mexico Statewide Housing Strategy, potential future program income to support affordable housing, and existing programmatic funding and constraints.

Staff also coordinated with State Board of Finance on the reimbursement and reporting components of the funding and are ready to comply with requirements. Staff is working internally on the accounting and programmatic controls, processes and procedures required to administer the funding, and have dedicated staff managing the funding.

Upon adoption of the FY2023-2024 Certification, staff will submit to State Board of Finance for their approval. Severance tax bonds will be issued in June 2023 and proceeds will be available for expenditure and reimbursement beginning in July 2023. Going forward, staff will adhere to the following schedule for the certification of needs:

Annually

- August – Initial sourcing requirements for the next fiscal year
- December – Review sourcing requirements for the next fiscal year
- January – Initial certification to State Board of Finance
- June - Final Certification to State Board of Finance
- Once the certification is complete, the funding is set up in the State Board of Finance system which logs and tracks expenditures.
- Unencumbered Balance after three years will revert to the STB Fund
- Recurring funding will occur every year with the same annual certification process.
- Certify funding within the 11 eligible activities

Summary

Staff recommends that the Board adopt the New Mexico Mortgage Finance Authority Resolution, Notification and Certification to the New Mexico State Board of Finance certifying the need for funding in the amount of \$37,530,000 for state fiscal year 2023-2024.

NEW MEXICO MORTGAGE FINANCE AUTHORITY
RESOLUTION, NOTIFICATION AND CERTIFICATION

April 19, 2023

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

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

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

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

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

WHEREAS, the Severance Tax Bonding Act requires that the MFA certify to the New Mexico State Board of Finance the need for the issuance of such Bonds.

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

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

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

3. The State Board of Finance is hereby requested and instructed to issue and sell Bonds (expected to consist of short-term taxable severance tax notes) in the aggregate principal amount of Thirty-seven Million Five Hundred Thousand Dollars (\$37,500,000) for the purposes set forth on Exhibit A.

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

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

The undersigned hereby certifies that the above and foregoing resolutions were duly adopted by the Board of Directors of the New Mexico Mortgage Finance Authority at a meeting duly called, held and conducted on April 19, 2023.

ADOPTED:

Aye:

Nay:

Abstain:

Absent:

PASSED AND APPROVED BY THE NEW MEXICO MORTGAGE FINANCE AUTHORITY THIS ____
____ DAY OF _____, 2023.

By: _____
Angel Reyes, Chair
New Mexico Mortgage Finance Authority

CERTIFICATION

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

IN WITNESS WHEREOF, I have hereunto set my hand and seal of the New Mexico Mortgage Finance Authority this _____ day of _____, 2023.

Isidoro Hernandez, Secretary

(SEAL)

EXHIBIT A

Eligible Activity	Description	Amount
Down Payment Assistance	Provide down payment assistance to first-time and non-first-time homebuyers with low to moderate incomes	\$8,500,000
First Mortgage	Provide first mortgage loans for first-time and non-first-time homebuyers with low to moderate incomes; purchase home loans originated by partners and provided to low to moderate income homeowners	\$3,400,000
Single Family emergency repairs, accessibility, energy efficiency improvements and rehabilitation	Home (vacant or occupied) emergency repairs, accessibility and energy efficiency improvements and complete rehabilitation for low to moderate income homeowners.	\$1,500,000
Single family acquisition and rehabilitation	Provide assistance to stabilize communities by acquiring vacant, abandoned and/or foreclosed homes and by rehabilitating, reselling and/or redeveloping these homes; conduct demolition or deconstruction of vacant or abandoned buildings (including residential, commercial, or industrial buildings) paired with greening or other lot improvement as part of a strategy for neighborhood revitalization.	\$2,000,000
Housing development	Provide construction and permanent financing to develop, including both new and substantial rehabilitation, affordable rental and homeownership for low to moderate income households.	\$22,130,000
Transitional housing	Provide financing to develop transitional residences for persons experiencing or are at risk of homelessness	
Land banking	Acquire land to support the development of affordable housing	
TOTAL		\$37,530,000.00



MEMO

TO: Board of Directors
Through Contract Services – April 11, 2023
Through Policy Committee – March 14, 2023

FROM: Gina Bell, Director of Community Development

DATE: April 19, 2023

SUBJECT: Proposal for Direct Services Pilot Program

Recommendation

Staff requests approval to develop and implement an MFA Direct Services Pilot Program (DSPP) for home rehabilitation.

Background

MFA's current HOME Rehabilitation program provides assistance to low-income homeowners occupying homes within the State of New Mexico. The program is designed to modify and rehabilitate the homes of those homeowners who lack the resources to make necessary repairs to their homes.

This assistance can be used for essential improvements, energy saving improvements, hazard reduction, disabled persons accessibility, elderly persons risk of fall reduction, repair or replacement of major housing systems, general property improvements that are non-luxury in nature and to bring the home up to code or ordinance compliance.

In order to qualify for the program, the homeowner's annual household income must be at or below 80% of the Area Median Income (AMI) as determined by the U.S. Department of Housing and Urban Development (HUD).

MFA has administered the HOME Rehabilitation program since 1997, in partnership with eligible nonprofit agencies, housing authorities, tribal housing authorities and local governments. Although this is a statewide program, there have not been enough service providers interested or able to provide the services to all counties.

Discussion

The HOME Rehabilitation program currently has five service providers who cover 12 counties. Two of the five service providers provide services only on Native American land (See map, Exhibit A). In addition, there are two agencies that have expressed interest in expanding their current Home Rehabilitation program to unserved counties. MFA expects that the interested agencies will respond to the HOME Rehab NOFA that will be released in May and those additional counties will be served through that process.

MFA will not compete with qualified service providers. Therefore, after funds are awarded through the NOFA, the Direct Service Program will only concentrate on unserved counties.

Staff is proposing that the complete applications we receive would determine which counties are served first. Each county that has an active home rehabilitation would be visited monthly for the following purposes:

1. Initially, to determine a needs assessment on the home.
2. To check on homes that are in the process of being rehabilitated.
3. To contact and meet with potential contractors in that county.
4. To work with local governments to expand the program into their service areas.

The table below reflects counties that are currently being served, proposed counties to be served by the El Camino Real and Southwestern Regional expansions, and counties that MFA would serve through the DSPP (for map, see Exhibit A). The numbers in the parentheses reflect county population and the estimated number of families below 80% AMI.

<u>Currently Served by Service Providers</u>	<u>Anticipated to be served through Service Providers</u>	<u>Proposed Direct Services</u>
<u>El Camino Real</u> Valencia (77,000/40,015) Torrance (16,000/8,131) Catron (3,700/1,663) Socorro (18,000/7,630)	<u>El Camino Real</u> Taos (33,000/12,779) Cibola (21,184/10,449) Colfax (14,000/5,258) San Miguel (29,000/12,573)	<u>MFA</u> Union (4,400/1,694) Harding (700/243) Quay (9,000/4,472) Curry (50,000/16,322) Rio Arriba (29,513/11,209) Mora (4,800/2,091) Guadalupe (4,600/1,786) San Juan (130,000/46,948) McKinley (74,000/31,580) Los Alamos (18,000/4,605)
<u>SW Regional</u> Sierra (12,000/5,494) Grant (29,000/24,811) Hidalgo (4,178/1,669) Luna (25,000/12,788) Dona Ana (210,000/83,790) Eddy (54,000/22,920)	<u>SW Regional</u> Otero (66,000/20,779) Chaves (66,000/23,135) Lea (65,000/34,186) Lincoln (20,000/7,657) De Baca (1,900/1,147) Roosevelt (20,000/6,389)	
<u>Bernalillo County Housing</u> Sandoval (130,000/48,526) Bernalillo Unincorporated Area (107,441/41,608)		
<u>Tribal Territories</u> San Felipe Okay Owingeh Santa Clara		
Total: 686,319/299,045	Total: 336,084/134,352	Total: 325,013/120,950

The next table reflects potential funding sources that could be used in the Direct Services Pilot Program. Based on an estimated cost of \$95,000 per home, the total number of houses expected to be rehabilitated per funding level would be: 11 homes with \$1M, 22 homes with \$2M and 33 homes with \$3M. It is estimated that MFA would have to rehabilitate approximately 33 homes to break even with the cost to manage the program.

Income from the Program would be earned through 3% or 5% administrative fees, depending on the funding sources used, and soft costs estimated at \$6,000 per home for wages and other program related costs.

			Estimated Number	Estimated Admin to	Estimated soft costs that could	Total Estimated
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Funding Source	Admin Available	Award Amount	of Homes to be rehabbed	cover MFA Expenses	be used towards MFA expenses	Income based on # of homes rehabbed
HUD HOME	3%	\$1,000,000	11	\$30,000	\$66,000	\$96,000
		\$2,000,000	22	\$60,000	\$132,000	\$192,000
		\$3,000,000	33	\$100,000	\$198,000	\$298,000
NMHTF	5%	1,000,000	11	\$50,000	\$66,000	\$116,000
		\$2,000,000	22	\$100,000	\$132,000	\$232,000
		\$3,000,000	33	\$150,000	\$198,000	\$348,000

Eight-month initial rehab timeline:

Once the DSPP program is initiated, it is estimated that it will take a minimum of eight months to complete the initial rehab projects: Two months for start-up and six months for the first rehab project. (Note that each project must be completed within six months.)

For each home, there are several steps required from the beginning of the application process to the completion of the project. Obtaining titles and appraisals can be a lengthy process, since a large percentage of titles come back with issues (liens, taxes, clouded titles, etc.) An appraisal cannot be ordered until the title is clear.

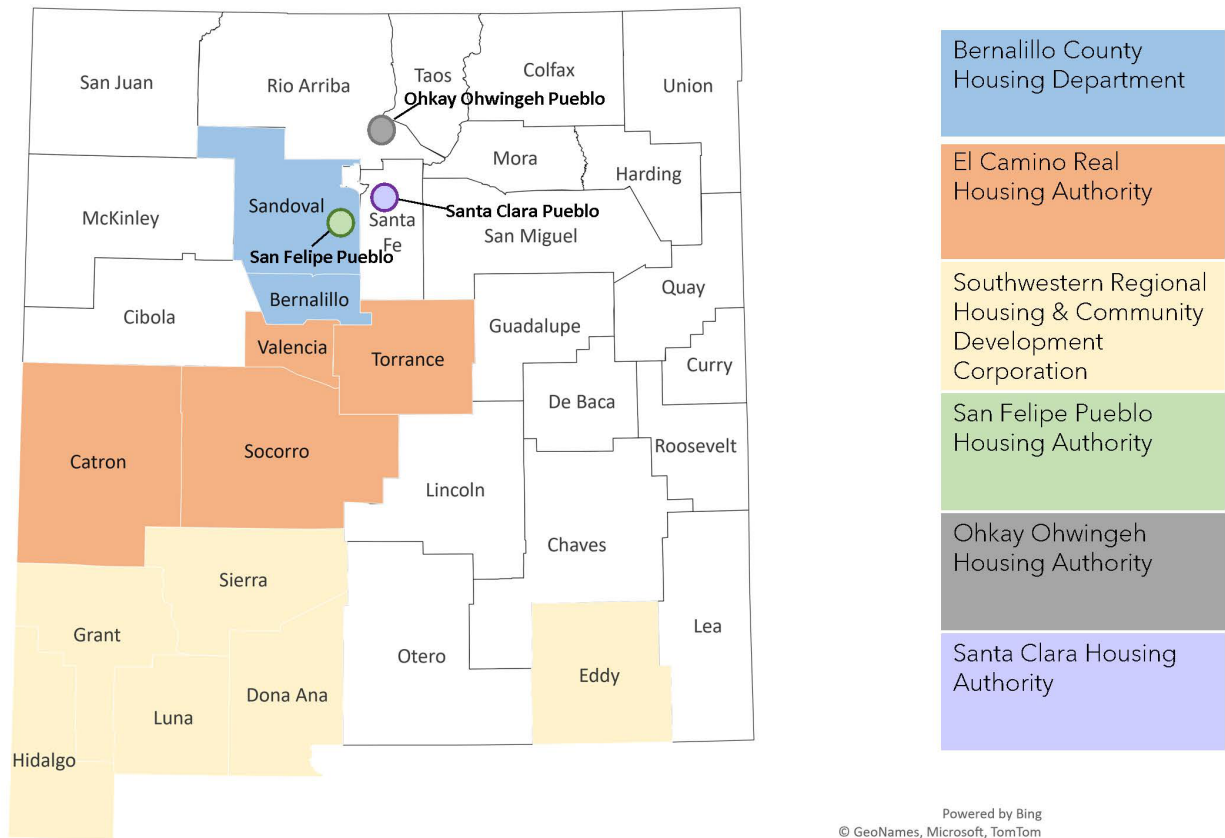
- 1) **Client application process - two to four weeks:** In some cases, where clients require documents from government agencies, applications can be delayed by months.
- 2) **Receipt of clean title – four to six weeks:** If there are title issues, this could also delay the process for months.
- 3) **Appraisal – five to seven weeks:** the rehab appraisal process can be lengthy, since the appraiser must provide a before-rehab appraisal and an after-rehab appraisal, depending on the amount of work going into the home. The process can be delayed, based on appraiser availability.
- 4) **Lead-based paint testing – two weeks**
- 5) **Initial walkthroughs and pre-rehab photos – one week**
- 6) **Advertising for procurement of subcontractors – two weeks**

Summary:

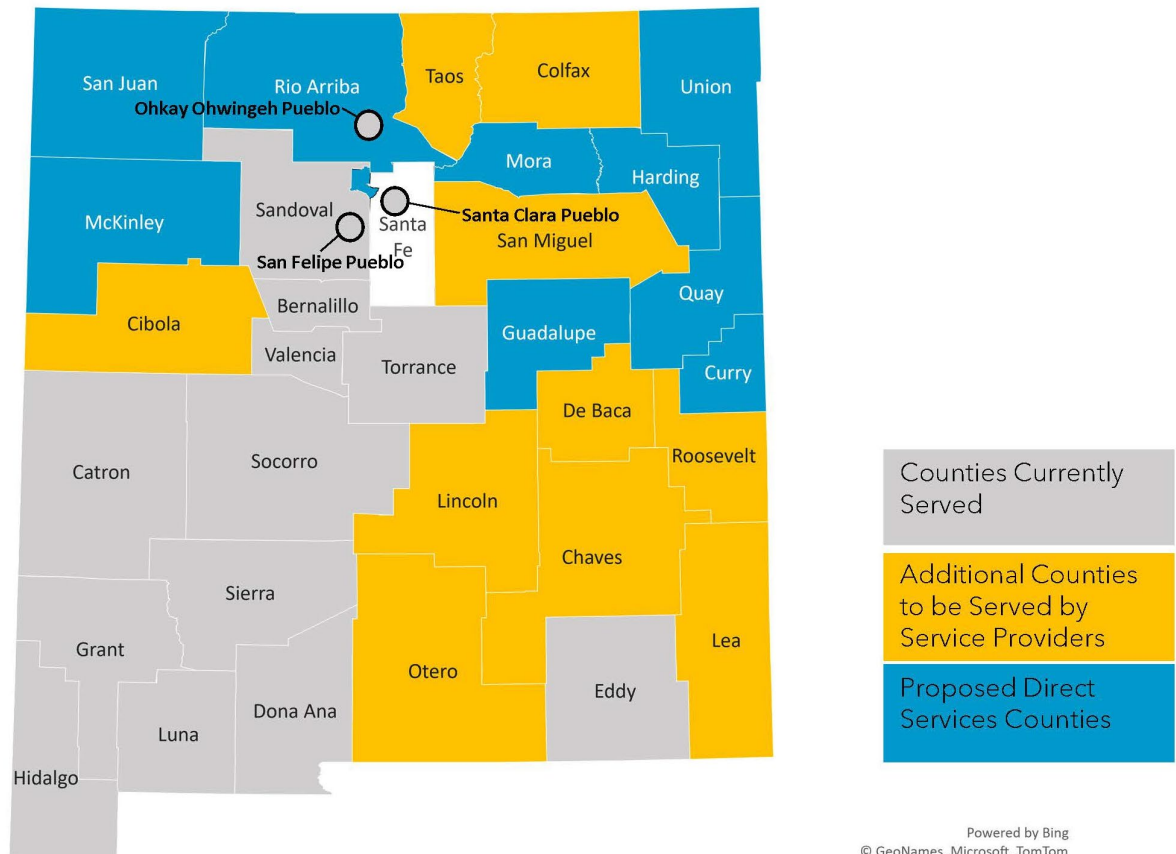
Staff are seeking approval to start the development and implementation of an MFA Direct Services Pilot Program (DSPP) for home rehabilitation.

The Direct Service Pilot Program (DSPP) is an exciting new opportunity and business model for MFA to provide much needed home rehabilitation services throughout the state. We look forward to this new venture to help underserved communities in New Mexico!

Current HOME REHAB Service Providers



HOME REHAB Service Providers and Direct Services





MEMO

TO: Board of Directors
 Through: Policy Committee on April 4, 2023
 New Mexico Housing Trust Fund Advisory Committee on April 10, 2023
 Contracted Services Committee on April 11, 2023

FROM: Theresa Laredo-Garcia, Program Development Manager

DATE: April 19, 2023

SUBJECT: Restoring Our Communities (ROC) Program and Notice of Funding Availability (NOFA) Approval

Recommendation

Staff recommends approval of the new Restoring Our Communities program (ROC) and corresponding NOFA.

Background

The New Mexico Mortgage Finance Authority (MFA) has developed the Restoring Our Communities (ROC) program to help meet New Mexico's need for affordable housing units while assisting communities in reducing vacant and abandoned properties that reduce values within the community. The program will provide funding for the acquisition, rehabilitation, and resale of single-family properties with a goal to increase homeownership opportunities for low-moderate- and middle-income households. The program also provides for homebuyer assistance for qualified homebuyers.

MFA will work with eligible agencies to administer the program under applicable program guidelines set forth in the Notice of Funding Availability (NOFA). An allocation of New Mexico Housing Trust funds in the amount of \$2,000,000 will be used initially to fund the program. The NOFA will remain open as long as there are available funds.

As the program expands, MFA may allocate additional funding sources to the program according to MFA's Delegation of Authority which may require changes to the NOFA. MFA's Policy Committee will approve changes to the NOFA.

Discussion

MFA will award ROC program funds to approved Service Providers who can assume contractual liability and legal responsibility under the program guidelines.

Eligible Applicants will be required to follow a two-step application process:

Service Provider Application – Applicants must complete and submit the Service Provider application form with all required documents included in the Service Provider application checklist. Under the provisions of this open NOFA, MFA staff will evaluate the application using the Minimum Qualifications and Requirements, and Service Provider evaluation and scoring criteria listed below. Upon approval, MFA and the Service Provider will enter into a Performance Agreement for a two-year term with an option for three additional one-year renewals. Upon execution of the Performance Agreement, project applications can be submitted for project awards.

Criteria	Maximum Score
Financial Strength	25
Experience Acquisition, Rehabilitation, and Sale	35
Implementation Plan	20
Agency Readiness to Proceed	20
Total Maximum Points	100

Project Applications – Upon execution of the Performance Agreement, a Service Provider can complete and submit individual project application forms with all required documents included in the Project application checklist. Under the provisions of the open NOFA, MFA staff will evaluate the project application using the Project evaluation scoring criteria listed below. Service Providers will be allowed up to three (3) open project awards at any one time, at MFA's discretion. Awards will be granted in order of receipt of complete project application(s) with all required documents, and availability of funds.

Criteria	Maximum Score
Project Application	10
Project Location	5
Project Budget	20
Project Management Plan	15
Project Building Standards and Energy Efficiency	15
Project Readiness to Proceed	15
Project Timeline	15
Project Funding Support	5
Total Maximum Points	100

Complete project applications will be accepted on a first come, first served basis, and will be evaluated in chronological order based on the date received. If applications are incomplete at the time of submission, they will not be considered until they are complete. If sufficient funds are not available to fund all submitted and approved projects, they will be awarded based on the date received.

Homebuyer assistance investment in the property will be in the form of a zero interest, non-amortizing, second mortgage loan which is due upon sale, transfer, or refinance of the property. MFA will record a lien on the property using a Mortgage and Restrictive Covenant and a Promissory Note

signed by the homebuyer at the sale/closing of the property. The project will remain affordable for a term determined on the amount invested in the project. (not less than five (5) and not more than fifteen (15) years) This will ensure compliance with the period of affordability and the forgivable terms of the loan. It also outlines provisions which, in the event of a sale of the property during the period of affordability, the loan may be transferred to a qualified homebuyer for the remaining term of the period of affordability.

The complete ROC Notice of Funding Availability is attached to this memo.

Summary

Staff recommends approval of the Restoring Our Communities program (ROC) and corresponding NOFA to promote much needed affordable housing throughout the state while improving communities impacted by vacant or abandoned homes.



Restoring Our Communities (ROC)

Notice of Funding Availability



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OVERVIEW INFORMATION

INTRODUCTION AND BACKGROUND

The New Mexico Mortgage Finance Authority (MFA) has developed the Restoring Our Communities (ROC) program to help meet New Mexico’s need for affordable housing units while assisting communities in reducing vacant and abandoned properties that reduce values within the community. The program will provide funding for the acquisition, rehabilitation, and resale of single-family properties with a goal to increase homeownership opportunities for low-moderate- and middle-income households. MFA will work with eligible agencies to administer the program under applicable guidelines set forth in this Notice of Funding Availability (NOFA). The program objectives are to 1. Provide funding for acquisition and rehabilitation of vacant or abandoned properties to increase affordable housing units in New Mexico, and 2. Create and preserve affordable housing and provide affordable housing opportunities for low-moderate- and middle-income homebuyers.

AGENCY CONTACTS

MFA will be responsible for administering the ROC Program for current and subsequent funding allocations which include but are not limited to fund management, reporting, and monitoring of the ROC activities to ensure program compliance.

Point of Contact: Theresa Laredo-Garcia, Program Development Manager
Programs Department
NM Mortgage Finance Authority
344 4th Street, Albuquerque, NM 87102
Office: (505) 767-2244
Email: tgarcia@housingnm.org

Questions pertaining to the NOFA and potential Applicants will be answered through the NOFA Q&A.

Questions must be submitted via the Q&A at MFA’s website <https://housingnm.org/resources/2023-restoring-our-communities-program> for Restoring Our Communities Program (ROC). Select the ROC 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

ACQUISITION OF REAL PROPERTY

The process of gaining ownership or control of real property (real estate) or an interest in real property.

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.

RESALE

The transfer of ownership of, and title to, property from current owner to an eligible homebuyer for a price.

AWARD INFORMATION

AWARD NOTICE

MFA shall provide electronic notice (e-mail) of project award(s) to successful Applicants within fifteen (15) days of the approval date of the award. The award shall be contingent upon signing final award documents.

FUNDING ALLOCATION

MFA's initial ROC Program allocation for FY2023 is \$2,000,000. MFA will provide notice of additional funding allocations to the program through MFA's website. The NOFA will remain open as long as there are available funds.

ROC Program rules and regulations are subject to change from time to time based on allocation of additional funding sources, program improvements and expansion of program activities. MFA's Policy Committee will approve changes to the NOFA.

FUNDING TERMS AND CONDITIONS

All awards will be subject to the availability of funds, applicable laws, and funding source regulations for the ROC Program. MFA will allocate only the minimum amount of funds that it determines to be necessary for the financial feasibility of a project and its viability.

Awards will be made to approved Service Providers on a project-by-project basis. The amount of the award will be based on the Service Provider's total project cost to complete the project. The terms and conditions for each award will be based on the financing needs of each project within the funding source regulations and limitations.

Awards will be secured by a Mortgage and Security Agreement and a Promissory Note recorded against the subject property for the amount of the award. The recording of the security instruments will be required for all awards to secure MFA disbursement for acquisition, rehabilitation, and eligible costs for the completion and sale of the project. The Mortgage and Security Agreement will be released upon the sale of the property to an eligible homebuyer.

At resale, homebuyer assistance may be provided in the form of a zero interest, non-amortizing, second mortgage loan which is due upon sale, transfer, or refinance of the property. MFA will have a lien on the property using a Mortgage and Restrictive Covenant and a Promissory Note signed by the homebuyer at the sale/closing of the property. This will ensure compliance with the period of affordability and outlines the forgivable terms of the loan. It also outlines provisions which, in the event of a sale of the property during the period of affordability, the loan may be transferred to a qualified homebuyer for the remaining term of the period of affordability.

Eligible homebuyers must be evaluated for qualification for MFA ROC Program homebuyer assistance for resale of the property.

Eligible homebuyer(s) must be presented with and if eligible, use current MFA first-time homebuyer programs for the purchase and/or permanent financing of the property unless a competing program has better terms and is more beneficial to the homebuyer.

METHOD OF DISTRIBUTION

MFA will award ROC funds to an eligible Service Provider through this NOFA for the acquisition, rehabilitation, and resale of eligible projects less eligible administrative costs. MFA will solicit qualitative and quantitative information from Applicants to demonstrate the project being proposed for ROC Program funding fulfills the program objectives.

ELIGIBILITY INFORMATION

ELIGIBLE APPLICANTS

MFA will award ROC 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, public housing authority, tribal governments, tribal housing agencies, or housing authorities, 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 MFA. Individual Applicants are not eligible for the ROC Program.

Eligible Applicants can be located in any geographic area(s) within the State of New Mexico.

ELIGIBLE ACTIVITIES

Approved Service Providers must comply with ROC Program rules and regulations for the **acquisition** and **rehabilitation** of vacant or abandoned properties throughout the state, then **resale** of the property to an eligible homebuyer.

ROC Program funds may be used for reasonable and customary costs related eligible activities.

ROC Program rules and regulations are subject to change from time to time based on future funding sources, program improvements and expansion of program activities.

ACQUISITION, REHABILITATION, AND RESALE OF REAL PROPERTY

ROC Program funds may be used for acquisition, rehabilitation, and resale of real property to increase affordable housing units, reduce vacant and abandoned properties that reduce values within the community, and create homeownership opportunities for low- moderate- middle income homebuyers.

Service Providers will identify vacant properties, owner(s) of record to confirm clear title of the property, and obtain an pre-purchase appraisal to negotiate the purchase of the property. In addition, the Service Provider will be required to perform an inspection and document the condition of the property and obtain/provide detailed cost estimates for improvements needed to meet Housing Quality Standards. (See HQS Checklist included in Project Application)

Upon completion of the rehabilitation, the Service Provider must obtain an after-rehab appraisal to market and list the property for the lesser of the total project cost or the after-rehab value. The property must be sold to an eligible homebuyer and must be the homebuyer's principal residence (owner-occupied).

Under this NOFA, the service provide is responsible for the entire process from the project acquisitions to disposition. The process includes but is not limited to the following major functions:

- Identify Potential Property
- Title Search
- Pre-Purchase Property Appraisal with “As Is” and “Subject to Repairs” values.
- Evaluation and cost estimates of rehabilitation activities (ROC Program Needs Assessment Field Report)
- Determine viability of project
- Acquisition
- Rehabilitation
- Certificate of Occupancy (if applicable)
- Updated Appraisal (after Rehabilitation)
- Marketing of the property for resale to an eligible homebuyer
- Resale
- Project Reporting/Close Out

PROJECT START UP PROCESS

Service Provider may request disbursement of ROC Program funds after the completion of pre purchase activities and after the purchase contract is fully executed. Service Provider must satisfy the following requirements (in order of priority) prior to beginning work on the project:

- ◆ Execute the purchase agreement.
- ◆ Ensure compliance with the conditions of the purchase agreement and all federal, state, and local laws and ROC Program guidelines such as:
 - Real property acquisition requirements
 - Lead-based paint (if applicable)
 - Asbestos and Radon evaluation
 - Termite Inspection
 - Ensure cost estimates are detailed and reasonable.

PROJECT APPLICATION/SET UP

Service Provider will utilize MFA’s ROC software system to submit project information and upload required documents when a project has been identified for purchase (Exhibit B – Project Application Form). This submission will reserve the total project cost/award amount. Any changes to the project information or project costs must be updated within 48 hours of change. Changes in costs, require an approved change order.

PROJECT COMPLETION

Service Provider will be required to update and finalize the project information in MFA’s ROC system before submitting the final invoice on a project. No exceptions will be allowed.

PROJECT FUNDING/REIMBURSEMENT

Service Provider may request funds by using MFA’s Request for Reimbursement form. (Exhibit C) Funds will be disbursed on a project-by-project basis for expenses. Disbursements must reflect only actual expenses. In the event of an overpayment through the reimbursement process, excess funds must be immediately returned to MFA. If, however, the disbursement is insufficient to cover increases in the cost to complete the project, the Service Provider must submit a written request for additional funds along with a revised project set up and if applicable a change order request form.

Acquisition Funding:

A Service Provider may choose to have MFA “table fund” the acquisition of the approved property. MFA will require sale/closing documents to include but not limited to the executed purchase agreement and all amendments, MFA ROC Program Reimbursement form, title policy, closing disclosure showing all closing costs/earnest payments and amount due at closing as well as wiring instructions to send funds at least three (3) business days prior to closing.

PROJECT MANAGEMENT FEE

Service Providers will receive a *project management fee* for completion of ROC Program projects. The fee will be paid through the reimbursement process at the completion of the project. Service Providers will submit the final reimbursement request along with a project completion form. Upon MFA approval of the project completion form, the final reimbursement request will be processed for payment. Rural Areas are outside Albuquerque, Las Cruces, Rio Rancho, and Santa Fe

Project Management Fees will pay as follows:

- Rural Projects – 15% of Total Project Cost, not to exceed \$25,000.
- Urban Projects – 10% of Total Project Cost, not to exceed \$15,000.

HOMEBUYER ASSISTANCE – PERIOD OF AFFORDABILITY

Homebuyer assistance investment in the property will be in the form of a zero interest, non-amortizing, second mortgage loan which is due upon sale, transfer, or refinance of the property. MFA will place a lien on the property using a Mortgage and Restrictive Covenant and a Promissory Note signed by the homebuyer at the sale/closing of the property. This will ensure compliance with the period of affordability and outlines the forgivable terms of the loan. It also outlines provisions which, in the event of a sale of the property during the period of affordability, the loan may be transferred to a qualified homebuyer for the remaining term of the period of affordability.

The Service Provider will determine the amount of the homebuyer assistance using the Project Feasibility Tool which establishes limits based on project viability.

As long as the homebuyer is in compliance with the requirements of the loan, the loan amount shall be reduced 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%) per year 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-point-seven percent (6.7%) for fifteen years.

ELIGIBLE BENEFICIARIES

Per ROC Program guidelines, only low- moderate- households or individuals are qualified beneficiaries. Low-income persons or families are those with income up to 80% of the Area Median Income (AMI). Moderate-income persons or families are those with income above 80% and up to 150% of the AMI adjusted for family size.

FUNDING LIMITS AND RESTRICTIONS

ROC Program awards are contingent on available funds. MFA, in its discretion, may set limits on the amount of funding to be awarded. Approved Service Providers are limited to three (3) open project awards at any one time, at MFA’s discretion.

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.

LEAD-BASED PAINT

Service Providers must certify and comply with applicable lead-based paint regulations. Fees for testing and abatement cannot be passed to the homebuyer and are allowable expenses under ROC.

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.

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 ROC Program.

APPLICATION, SUBMISSION, AND TIMELY RECEIPT OF INFORMATION

NOFA AVAILABILITY

The ROC Program NOFA release date is scheduled for mid to late May. MFA will provide notice for the actual release date.

The ROC Program NOFA applications and forms will be provided electronically and may be downloaded from MFA's website. [LINK](#)

APPLICATION FORMAT AND INSTRUCTIONS TO APPLICANTS

Eligible Applicants will be required to follow a two-step process. Applicant's *Service Provider Application* and *Project Application* submissions must be complete and include all information requested in the NOFA. All exhibits identified in this NOFA are included in their respective application checklists. Application checklists include but are not limited to the exhibits, documentation, schedules, audits, certifications, and disclosures.

Service Provider Application – Applicants must complete and submit the Service Provider application form with all required documents included in the Service Provider application checklist. Under the provisions of this open NOFA, MFA staff will evaluate the application using the Minimum Qualifications and Requirements, and Service Provider evaluation and scoring criteria listed in this NOFA. Upon approval, MFA and the Service Provider will enter into a Performance Agreement for a two-year term with an option for three additional one-year renewals. Upon execution of the Performance Agreement, project applications can be submitted for project awards.

Project Applications – Upon execution of the Performance Agreement, a Service Provider can complete and submit individual project application forms with all required documents included in the Project application checklist. Under the provisions of this open NOFA, MFA staff will evaluate the project application using the Project evaluation scoring criteria listed in this NOFA. Service Providers will be allowed up to three (3) open project awards at any one time, at MFA's discretion. Awards will be granted in order of receipt of complete project application(s) with all required documents and available funding.

A project application that is denied by MFA for failing to meet ROC Program requirements, may be resubmitted for award consideration if all defects are resolved. After a denial, a new application will be required and will be reviewed in order of receipt of resubmission in accordance with this NOFA.

MFA staff may contact Applicants for clarification of the information provided in each application process.

APPLICATION SUBMISSION

Complete project applications will be accepted on a first come, first served basis, and will be evaluated in chronological order based on the date received. If applications are incomplete at the time of submission, they will not be considered until they are complete. If sufficient funds are not available to fund all submitted and approved projects, they will be awarded based on date received. MFA will close the NOFA if funding is no longer available.

Please allow 4-6 weeks for the review and approval process.

The application forms will be provided electronically and may be downloaded from MFA's website at: [LINK](#)

Applications must be submitted via MFA's ROC system to submit project information and upload required documents

IRREGULARITIES IN APPLICATIONS

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.

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. MFA 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

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 MFA Inspection of Public Records policy and procedure.

APPLICATION REVIEW INFORMATION

EVALUATION OF APPLICANTS AND DOCUMENTATION

MFA 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. MFA will follow its own policies and procedures to obtain the necessary award approvals.

Upon approval, MFA and the Service Provider will enter into a Performance Agreement for a two-year term with an option for three additional one-year renewals.

The Performance Agreement will include provisions for adequate security against the loss of ROC 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 ROC Program funding. To promote participation, Applicants with no little or no experience, may be considered for approval at MFA's discretion and will be limited to one (1) open project award at any one time.

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

1. Organization 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 MFA, or otherwise; or if it has any such findings, it has a certified letter from the governmental entity, MFA, 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 been defaulted on any obligation covered by a surety or performance bond.

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

1. 501(c)(3) tax status;
2. Having no part of its net earnings inuring to the benefit of any member, founder, contributor or individual; and
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

Criteria	Maximum Score
Financial Strength	25
Experience Acquisition, Rehabilitation, and Sale	35
Implementation Plan	20

Agency Readiness to Proceed	20
Total Maximum Points	100

Financial Strength – 25 Possible Points	
<u>External Audit (10 possible points)</u>	
Unresolved findings	0
Independent Audit with management letter and auditor-cleared findings	5
Independent Audit with zero findings	10
<p>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.</p>	
<u>Financial Management (15 possible points)</u>	
Strength of internal control policy	10
Board of Director by-laws showing fiscal oversight	5
<p>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.</p> <p>Provide by-laws requiring Board of Director's/Owners fiscal oversight.</p>	

Experience of Acquisition, Rehabilitation, and Sale – 35 Possible Points

Complete the Field Experience and Capacity form and Project List In the ROC Project Application

<u>Names and years of experience for Individuals that will be managing the program</u>	<u>Years of Experience</u>	<u>Capacity/Role/Services Offered</u>
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Number of Acquisition, Rehabilitation, and Sale Projects Completed (10 possible points)

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

Number of Rehabilitation Projects (10 possible points)

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

Number of Years' Experience with Acquisition, Rehabilitation, and Sale Projects (15 possible points)

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

Implementation Plan – 20 Possible Points

Under this NOFA, the Service Provider is responsible for the entire process; from the project acquisition to disposition.

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

Implementation (20 possible points)

Timeline	5
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Implementation Plan	5
Detailed Process	10
Agency Readiness to Proceed – 20 Possible Points	
The Agency is evaluated on its readiness to proceed. Points will be allocated for the following documentation:	
<u>Number of days agency requires to begin using funds (up to 20 possible points)</u>	
More than 120 days	5
Between 61 and 120 days	10
Less than 60	20

PROJECT EVALUATION CRITERIA

Service Providers will submit a Project Application Form (Exhibit B) for each project which will be evaluated using Project scoring criteria listed below.

Projects must score a minimum of 80 points of the total points possible.

Staff may contact Applicants for clarification of the information provided.

PROJECT SCORING CRITERIA

Criteria	Maximum Score
Project Application	10
Project Location	5
Project Budget	20
Project Management Plan	15
Project Building Standards and Energy Efficiency	15
Project Readiness to Proceed	15
Project Timeline	15

Project Funding Support	5
Total Maximum Points	100

Project Application – 10 Possible Points

The ROC Project Application includes a complete application and all required documentation with date and signatures and is well organized according to the ROC Program Checklist.

Projects that do not meet this criterion will be rejected. The Service Provider will be required to re-submit a project application and it will be evaluated based on the date resubmitted.

Exceeds	10
Meets	5

Project Location – 5 Possible Points

The ROC Program encourages and awards additional points for projects located in rural areas throughout the State. For the purpose of the ROC Program, rural areas are outside the cities of Albuquerque, Farmington, Las Cruces, and Santa Fe.

Rural	5
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Project Budget – 20 Possible Points

Project Budget and Cost Reasonableness – Service Provider submitted a detailed project budget including all eligible costs to acquire, rehabilitate and resell the property to include homebuyer assistance if applicable. Describe the financial feasibility and sustainability of this project. Projects that demonstrate a viable plan for covering the cost of the project will receive full points. Utilize the **ROC Program Feasibility Tool (Exhibit D)** to enter project information to establish project viability. The project demonstrates financial feasibility for the following:

Rehabilitation costs should not exceed 75% of the total project costs and must be in line with the projected sales price of the completed project.

The total project costs should not exceed 110% of the projected final appraised value of the project after rehabilitation.

Service Providers will enter the project data and budget into the Project Feasibility Tool which will demonstrate financial feasibility and establish reasonable limits based on the projected budget:

Exceeds	20
Meets	15

Project Management Plan – 15 Possible Points

Service Provider submitted a comprehensive project management plan for the completion of the project.

Projects that do not meet this criterion will be rejected. The Service Provider will be required to re-submit a project application and it will be evaluated based on the date resubmitted.

Exceeds	15
Meets	10

Project Building Standards and Energy Efficiency – 15 Possible Points

Service Provider must submit the Building Standards and Energy Efficiency form with details on proposed project which is located in the Project Application – Project Building Standards and Energy Efficiency form with supporting documentation.

High	15
Medium	10
Low	5

Project Readiness to Proceed – 15 Possible Points

The project demonstrates project readiness. Upon award notification, the Service Provider will begin the project:

30 – 45 Days	15
46 – 90 Days	10

90+ Days	5
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Project Timeline – 15 Possible Points

The Project Application includes a projected completion date. Based on the Project Management Plan, the project will be completed within:

60 – 90 Days	15
91 – 180 Days	10
181+	5

Project Funding Support – 5 Possible Points

Service Provider has utilized other funding sources into the project. Please identify and include any and all additional funds in the Project Budget.

Other funding sources used	5
Other funding sources not used	0

OTHER INFORMATION

INCURRED EXPENSES

MFA shall not be responsible for any expenses incurred by an Applicant in applying for ROC 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 MFA. A protest must be based on an allegation of a failure to adhere to the evaluation process as designated in the NOFA, including MFA's evaluation of applications.

Protests received after the deadline will not be considered. The protest must be delivered to MFA via e-mail within five (5) business days after the preliminary notice of award. Upon the timely filing of a protest, MFA 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 MFA Policy Committee.

No appeal of the determination shall be allowed. Applicants or their representatives shall not communicate with members of MFA's Board of Directors, or any MFA staff member regarding any application under consideration, except when specifically permitted to present testimony to the MFA Policy Committee. 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 MFA Board of Directors or MFA 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 MFA's Third-Party Code of Conduct. A copy of the MFA Third Party Code of Conduct is posted on the MFA website for review at [https://housingnm.org/uploads/documents/Third Party Code of Conduct.pdf](https://housingnm.org/uploads/documents/Third_Party_Code_of_Conduct.pdf). Upon request by MFA, Applicant shall disclose information that 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 MFA, the version maintained by MFA will govern.

ROC NOTICE OF FUNDING AVAILABILITY (NOFA) FORMS

The ROC 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.

Restoring Our Communities (ROC) Program Service Provider Application (Exhibit A)

There is a two-step application process under the provisions of the Notice of Funding Availability (NOFA).

Step 1 – Application to become an approved Service Provider under the ROC Program – Applicants must complete and submit the Service Provider application form with all required documents included in the *Service Provider application checklist*. MFA staff will evaluate the application using the Minimum Qualifications and Requirements, and Service Provider evaluation and scoring criteria listed below. Upon approval, MFA and the Service Provider will enter into a Performance Agreement for a two-year term with an option for three additional one-year renewals. Upon execution of the Performance Agreement, project applications can be submitted for project awards.

MFA staff may contact Applicants for clarification of the information provided in the application process.

Date of Service Provider Application

Applicant

Agency Name

Physical Address

City, State Zip

Mailing Address ☐ Check if Same as above

City, State Zip

Website

Applicant Point of Contact

Name

Title

Telephone Number

Extension

E-Mail Address

Applicant Type:

- ☐ Non-Profit Organization (public or private)
- ☐ For-Profit Organization
- ☐ Governmental Housing Agency or Authority
- ☐ Governmental Entity
- ☐ Governmental Instrumentality
- ☐ Regional Housing Authority
- ☐ Public Housing Authority
- ☐ Tribal Government
- ☐ Tribal Housing Agency or Housing Authority
- ☐ Other

MINIMUM QUALIFICATIONS AND REQUIREMENTS

Please provide a detailed statement for each of the items listed below with supporting documentation as listed in the Service Provider application checklist.

1. Organization 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 MFA, or otherwise; or if it has any such findings, it has a certified letter from the governmental entity, MFA, 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 been defaulted on any obligation covered by a surety or performance bond.

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

1. 501(c)(3) tax status;
2. Having no part of its net earnings inuring to the benefit of any member, founder, contributor or individual; and
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.

The following criteria must be met by all Applicants to be considered an approved Service Provider to receive ROC Program funding. Applicants must score a ***minimum of 70 points*** of the total points possible. To promote participation, Applicants with little or no experience, may be considered for approval at MFA's discretion and will be limited to one (1) open project award at any one time.

SCORING CRITERIA

FINANCIAL STRENGTH – 25 Possible Points

External Audit – 10 Possible Points

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 – 10 Possible Points - Provide the policy for the applicant's system of internal controls for fiscal management as documented in a policies and procedure manual approved by the applicant's Board of Directors/Owner

Financial Management – 5 Possible Points - Provide by-laws requiring Board of Director's/Owner fiscal oversight.

Administrative and Financial Management Capacity

Program/Staff Name	Title	Yrs. of Experience	Capacity/Role/Services Offered

EXPERIENCE OF ACQUISITION, REHABILITATION, AND SALE – 35 Possible Points

Complete the following:

Number of Acquisition, Rehabilitation and Sale Projects Completed – 10 Possible Points

List Acquisition, Rehabilitation and Sale Projects

Please provide a list of Projects the Agency has completed in the last three years.

Project Location/Description	Date Completed

Number of Rehabilitation Projects – 10 Possible Points

List of Projects Rehabilitation Projects

Please provide a list of Projects the Agency has completed in the last three years.

Project Location/Description (Rehabilitation Only)	Date Completed

Number of Years Experience with Acquisition, Rehabilitation and Sale Projects – 15 Possible Points

Field Experience and Capacity

Please provide the Names and years of experience for individuals that will be managing the ROC Program

Name	Years of Experience	Capacity/Role

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IMPLEMENTATION PLAN – 20 Possible PointsTimeline – 5 Possible Points

Please provide a timeline to for implementation of ROC Program

Implementation Plan – 5 Possible Points

Please provide a comprehensive implementation plan for your agency

Detailed Process – 10 Possible Points

Please provide a detailed process for implementation of the ROC Program. Steps or explanation on how your agency will implement.

AGENCY READINESS TO Proceed – 20 Possible Points

Number of days agency requires to begin submitting project applications – 20 Possible Points

Service Provider Application Checklist (Please submit in order for applicable form)

Applicants Initials	Item Required
	Complete Service Provider Application with all requested information and Signature of Authorized Official on behalf of Applicant
	Article of incorporation to evidence the applicant is organized under State or local laws
	Current business license
	“GOOD STANDING” CERTIFICATION
	A notarized statement from the organization; documentation from a Certified Public Accountant; or an approved audit summary that evidences the applicant has sound financial and management stability with no significant outstanding or unresolved findings or its most recent independent financial audit
	Articles of incorporation, charter, by-laws, or resolution that evidences the applicant has among its purposes the provision decent housing that is affordable to low- to moderate- and middle-income individuals/families
	An independent Certified Public Accountant (CPA’s) auditor’s report (audit) conducted in accordance with Government Auditing Standards (GAS) or a recent MFA approved audit letter.
	Organizational Chart
	List of Board of Directors
	Resumes of the management and staff who will be administering the Restoring Our Communities Program
	Organization Mission Statement
	ROC PROGRAM APPLICANT’S CERTIFICATION
	ROC PROGRAM APPLICANT’S REPUTATION CERTIFICATION
	Fair Housing Policy and Procedures
Non-Profit Only	
	A 501 (c)(3) or (4) Certificate from the IRS
	Articles of incorporation or charter that evidence that no part of the non-profit’s net earnings inures to the benefit of any member, founder, contributor, or individual.
	Proof of current registration as a charitable organization with the New Mexico Attorney General’s Office for fiscal year ending in 2022 or proof of exemption therefrom (must include all pages of registration form)
Other if applicable	
	External Audit
	Internal controls, policies, and procedures
	Board of Director Bylaws showing fiscal oversight

“GOOD STANDING” CERTIFICATION

Applicant Name

I certify that _____ is in “good standing” with all applicable federal, state, and local and MFA rules and regulations as of the date this application. (Applicant must have no unresolved findings including but not limited to the State of New Mexico, funding sources, partners and MFA. This is not applicable for new agencies.)

Signature of Authorized Official on behalf of Applicant

Date

Printed Name

ROC PROGRAM APPLICANT'S CERTIFICATION

_____ (“Applicant”) is submitting an application to the Mortgage Finance Authority (“MFA”) to be considered for funding from the Restoring Our Communities Program (ROC)

Applicant certifies that:

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

It understands that MFA will monitor its performance and compliance. It is in good standing with all its funding sources.

It complies with MFA’s Third-Party Code of Conduct, Equal Employment Law, and all government regulations regarding nondiscriminatory employment practices.

It understands and represents that any performance agreement it enters into with MFA will be binding in all respects.

It is currently registered with the NM Attorney General’s Registry of Charitable Organizations, if applicable.

This proposal shall be valid until the performance agreement is awarded.

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

Name: _____

Title: _____

Date: _____

Signature: _____

ROC PROGRAM APPLICANT'S REPUTATION CERTIFICATION

Applicant: _____

Describe any current or pending litigation, allegations, administrative proceedings, or investigations by any party, including any regulatory agency or funding entity, which could potentially impact the reputation or financial viability of the Applicant.
(If none, write "None")

I HEREBY CERTIFY THAT ALL INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT, AND THAT I HAVE DISCLOSED ANY ISSUES THAT COULD IMPACT THE REPUTATION OF THE APPLICANT.

Name: _____

Title: _____

Date: _____

Signature: _____

Restoring Our Communities (ROC) Program Project Application Exhibit B

There is a two-step application process under the provisions of the Notice of Funding Availability (NOFA).

Step 2 – Project Application for ROC Program Award – Upon execution of the Performance Agreement, a Service Provider can complete and submit individual project application forms with all required documents included in the *Project application checklist*. MFA staff will evaluate the project application using the Project evaluation scoring criteria listed below. Service Providers will be allowed up to three (3) open project awards at any one time. Complete project applications will be accepted on a first come, first served basis, and will be evaluated in chronological order based on the date received. Awards will be granted in order of receipt of complete project application(s) with all required documents and available funding.

ROC Program awards are contingent on available funds. MFA, in its discretion, may set limits on the amount of funding to be awarded.

A project application that is denied by MFA for failing to meet ROC Program requirements, may be resubmitted for award consideration if all defects are resolved. After a denial, a new application will be required and will be reviewed in order of receipt in accordance with this NOFA.

MFA staff may contact Applicants for clarification of the information provided in each application process.

Date of Project Application

Servicer Provider Name
 Service Provider #
 Physical Address
 City, State Zip
 Mailing Address ☐ Check if Same as above
 City, State Zip
 Website

Service Provider Point of Contact
 Name
 Title
 Telephone Number Extension
 E-Mail Address

ACQUISITION, REHABILITATION, AND RESALE OF REAL PROPERTY

ROC Program funds may be used for acquisition, rehabilitation, and resale of real property to increase affordable housing units, reduce vacant and abandoned properties that reduce values within the community, and create homeownership opportunities for low- moderate-middle income homebuyers.

Service Providers will identify vacant properties, owner(s) of record to confirm clear title of the property and obtain an appraisal to negotiate the purchase of the property. In addition, the Service Provider will be required to perform an **ROC PROGRAM NEEDS ASSESSMENT FIELD REPORT** and document the condition of the property and obtain/provide detailed cost estimates for improvements needed to meet Housing Quality Standards. (See HQS Checklist included in Project Application)

Upon completion of the rehabilitation, the Service Provider must obtain an after-rehab appraisal to market and list the property for the lesser of the total project cost or the after-rehab value. The property must be sold to an eligible homebuyer and must be the homebuyer's principal residence (owner-occupied).

The service provide is responsible for the entire process from the project acquisitions to disposition. The process includes but is not limited to the following major functions:

- Identify Potential Property
- Title Search
- Pre-Purchase Property Appraisal with “As Is” and “Subject to Repairs” values.
- Evaluation and cost estimates of rehabilitation activities (ROC Program Needs Assessment Field Report)
- Determine viability of project

- Acquisition
- Rehabilitation
- Certificate of Occupancy (if applicable)
- Updated Appraisal (after Rehabilitation)
- Marketing of the property for resale to an eligible homebuyer
- Resale
- Project Reporting/Close Out

Service Provider must satisfy the following requirements (in order of priority) prior to beginning work on the project:

- ◆ Execute the purchase agreement.
- ◆ Ensure compliance with the conditions of the purchase agreement and all federal, state, and local laws and ROC Program guidelines such as:
 - Real property acquisition requirements
 - Lead-based paint (if applicable)
 - Asbestos and Radon evaluation
 - Termite Inspection
 - Ensure cost estimates are detailed and reasonable.

Service Provider will utilize MFA's ROC system to submit project information and upload required documents when a project has been identified for purchase (Exhibit B – Project Application Form). This submission will reserve the total project cost/award amount. Any changes to the project information or project costs must be updated within 48 hours of change. Changes in costs, require an approved change order.

The following criteria must be met by Service Provider to be considered an approved ROC Program Project Award. Applicants must score a ***minimum of 80 points*** of the total points possible.

SCORING CRITERIA

Criteria	Maximum Points
Project Application The ROC Project Application includes a complete application and all required documentation with date and signatures and is well organized according to the ROC Program Checklist. Projects that do not meet this criterion will be rejected. The Service Provider will be required to re-submit a project application and it will be evaluated based on the date resubmitted.	10
Project Location The ROC Program encourages projects located in rural areas throughout the State. (Rural Areas are outside Albuquerque, Las Cruces, Rio Rancho, and Santa Fe) Please provide a map of showing the property (google maps)	5
Project Budget Service Provider submitted a detailed project budget including all eligible costs to acquire, rehabilitate and resell the property to include homebuyer assistance if applicable. Describe the financial feasibility and sustainability of this project. Projects that demonstrate a viable plan for covering the cost of the project will receive full points. Utilize the ROC Program Feasibility Tool to enter project information to establish project viability.	20
Project Management Plan Service Provider submitted a comprehensive project management plan for the completion of the project.	15
Project Building Standards and Energy Efficiency Service Provider will describe in detail how they will incorporate building standards and energy efficiency into the project. ROC Program Building Standards and Energy Efficiency Plan	15
Project Readiness to Proceed Service Provider will provide a narrative on the project's readiness and the their ability to start the project immediately upon award. Please provide start date.	15

Project Timeline The Service Provider has submitted the projected completion date, based on the Project Management Plan and the ROC Program Completion Schedule	15
Project Funding Support Service Provider has utilized other funding sources into the project. Please identify and include all additional funding sources in the budget.	5
Total Possible Points	100

Project Application Checklist

Applicants Initials	Items Required
	Complete Project Application with all requested information
	ROC Program Set Up and Completion Form w/supporting documents (appraisal, cost estimates, etc.)
	Map of property
	ROC Program feasibility tool
	ROC Project Budget
	ROC Program Building Standards and Energy Efficiency Plan
	ROC Program Completion Schedule
	Project File Checklist – For Service Provider

ROC Program Project Set Up/Completion Form Exhibit E

The ROC Program Set Up/Completion Form is a separate form (Exhibit E)

ROC Program Feasibility Tool Guide

Any variables that are displayed in blue can be adjusted to see different project outcomes. The purpose of this is to measure the feasibility of projects based expected sale price, unrecoverable loss, and line of credit values for different acquisition prices, locations, and rehab investments. **The ROC Program Feasibility Tool is a separate form. Exhibit D**

Quick Legend

Good
Good
Caution
Not Viable

Rehab cost (% of acquisition cost) – This is the total projected rehab cost divided by the Acquisition cost of the property.

- Any rehab percentage displayed in yellow exceeds the National Association of Home Builders costs reasonableness (87% of home value) and should be adjusted accordingly.
 - More information on Reasonable Rehab Costs tab

Acquisition Cost – Acquisition cost must be at least a 1 percent discount of list price.

Actual Rehab Cost – Projected Rehab costs that will go into the house.

- Can be adjusted to see different project outcomes.
- \$85,000 Cap on Rehab for each project

Project Management Fee – Addition of Acquisition cost and rehab cost multiplied by PM Fee

- Rural Projects – 15% Project Management Fee with a cap at \$25,000
- Urban Projects – 10% Project Management Fee with a cap at \$15,000

Total Project Cost – Addition of Acquisition cost, actual rehab cost, and project management fee

% Price Increase – Derived from sample of 62 ROC PROGRAM Properties from 2000 – 2022

- 2nd Order Polynomial Forecast which explains the relationship between the amount of rehab work put into the house and the sale price increase.
- More information on Average Price Increase tab

Sale Price – Acquisition cost plus the % Price increase

Closing Costs – Projected at 3%

Realtor Fees – Projected at 7%

Net Proceeds – Closing Costs and Realtor Fees Subtracted from the Sale Price

0% Interest Line of Credit - Primero Loan to cover acquisition and rehab that the unrecoverable loss does not cover.

- Any project with Line of Credit showing red is not viable. Primero loan is larger than net proceeds.
- Any project displayed in yellow is uncertain. Line of credit is within \$10,000 of net proceeds which leaves for minimal error.

Unrecoverable Loss -

- Projects displayed in green meet the unrecoverable loss requirements.
- Projects displayed in yellow is uncertain. Unrecoverable loss is less than \$5,000 over set loss.
- Projects displayed in red are not viable. Projected unrecoverable loss is much greater than set unrecoverable loss.

Homebuyer Assistance – Amount left over after primero Loan is paid off and unrecoverable funds are used. If additional funds are available from the set unrecoverable loss, they are used for homebuyer assistance.

- Projects displayed in yellow have a projected homebuyer assistance lower than homebuyer assistance at 8 percent. Additionally, if a project has homebuyer assistance greater than 50,000 it is displayed in yellow. Set unrecoverable loss should be adjusted accordingly to bring homebuyer assistance below 50,000.
- Projects displayed in red do not have any homebuyer assistance, as the unrecoverable loss was too large and there is no money left over. This means that it is most likely not a viable project.

ROC PROGRAM PROJECT BUDGET FORM

Provide the project budget:

Project Budget			
Project Cost Activity	Construction Costs	Professional Services (inspections, assessments, title work, closing costs)	Total
Labor			
Total			

Optional budget narrative:

Cost Considerations:

Site Construction

- Earthwork
- Irrigation & Planting
- Exterior Improvements (except Irrigation & Planting)
- Site Utilities
- Existing Conditions (other – e.g., Unusual Site Conditions)

Building and Structures

- Concrete
- Masonry
- Metals
- Woods, Plastics, Composites
- Thermal Moisture Protection
- Openings
- Finishes
- Specialties
- Equipment
- Furnishings
- Special Construction
- Conveying Equipment
- Fire Suppression
- Plumbing
- Heating, Ventilating, and Air Conditioning
- Electrical

Other Costs

- Hard Costs Only – (i.e., divisions not included above)

Additional Considerations

- General Requirements
- Gross Receipts Tax (GRT) If applicable

Contractor's or Builder's Insurance

ROC Program Building Standards and Energy Efficiency Standards

COST REASONABLNESS

All projects must be evaluated and certified for cost reasonableness before proceeding. These three steps are crucial in the initial process of all rehab projects and must be performed with attention to detail, looking for any potential or suspected hidden issues or problems that could develop into expensive and time-consuming change orders. A contingency factor of at least 10 percent is a good precaution to help ensure against cost overruns and enable completing a project successfully within available funding, subsidy limits and time allotments.

AFTER REHABILITATION VALUE

To use ROC PROGRAM funds, the value of the ROC PROGRAM-assisted property *after rehabilitation* must not exceed 95 percent of the median purchase price for the area, as determined locally through market analysis.

GREEN BUILDING MEASURES FOR REHABILITATION

The Service Provider should carefully evaluate rehabilitation costs and budget to meet as many of the following green building measure as possible.

High Efficiency Toilets:

If replacing existing toilets with new models, they must be high efficiency toilets (HETs), which use less than 1.6 gpf, including pressure-assisted toilets that consume as little as 1.0 gpf, gravity-flush toilets that consume 1.28 gpf, and dual-flush toilets that offer two flush volumes. If possible, choose a toilet that has been through third-party MaP (maximum performance) testing and is rated in grams; look for MaP test results of 350 grams or higher or for toilets that meet the new Environmental Protection Agency WaterSense program requirements.

Low-Flow Fixtures:

If replacing faucets in the kitchen or bathroom, or showerheads in the bathroom, these fixtures must meet or exceed the following standard:

- ◆ Kitchen faucets – install a low-flow faucet aerator to 1.5 gpm. These can be of the fixed type or the flip type.
- ◆ Bathroom faucets – install a low-flow faucet aerator to 1.0 gpm. These should be fixed.
- ◆ Showerheads – install showerheads that use 2.0 gpm.

Appliances:

If replacing the following appliances, replacement units must carry Energy Star certification for the following:

- ◆ Refrigerators and freezers
- ◆ Dishwashers
- ◆ Clothes washers
- ◆ Room air conditioners
- ◆ Central air conditioners
- ◆ Ceiling and ventilating fans
- ◆ Boilers, furnaces, or heat pumps
- ◆ Programmable thermostats

HVAC:

If replacing components of the HVAC system of a home, new HVAC systems must be properly sized to ensure energy efficiency. To ensure proper sizing and installation, follow the Energy Star/ACCA Quality Installation Standards (www.acca.org/quality).

Water Line and Water Heater Insulation:

If replacing or repairing water lines or water heaters, provide proper insulation of these components to improve energy efficiency. Select durable pipe insulation and tightly insulate as many water lines, hot and cold, as possible. For water heaters, use water heater blankets, and ensure that the air flow beneath gas-fired natural draft water heaters is not blocked. Follow the manufacturer's instructions for installation of all water pipe and water heater insulation.

Wall and Roof Insulation:

If repairing or replacing wall or ceiling/attic/roof insulation, ensure that new insulation adheres to the following standards and is formaldehyde-free:

- ◆ Wood frame wall insulation:
 - 2006 IECC Climate Zone 3: ≥ 13 R-value
 - 2006 IECC Climate Zone 4: ≥ 13 R-value

- 2006 IECC Climate Zone 5: ≥ 19 R-value
- ◆ Ceiling/attic/roof insulation:
 - 2006 IECC Climate Zone 3: ≥ 30 R-value
 - 2006 IECC Climate Zone 4: ≥ 38 R-value
 - 2006 IECC Climate Zone 5: ≥ 38 R-value

Flooring:

Hard surfaced flooring – when replacing flooring, utilize hard-surfaced, resilient flooring materials, such as tile, wood, wood laminate, bamboo, cork, natural linoleum or finished concrete. When installing flooring using glues, use only low-VOC, formaldehyde-free adhesives.

Carpet – when removing carpet, replace it with hard-surfaced flooring when possible. When carpet is installed, it should be located only in low-moisture areas. All carpet should be tacked down, not glued. When possible, choose carpet products that are made from natural materials, such as wool, cotton, jute, or hemp, but which have not been treated with pesticides or contain residues from dyes and finishes used in manufacturing.

Windows and Exterior Doors:

When replacing windows and exterior doors, adhere to the following standards set by Energy Star for minimum National Fenestration Rating council ratings for U-Factor and Solar Heat Gain Coefficient (SHGC) for the particular geographic region:

- ◆ 2006 IECC Climate Zone 3: U-factor ≤ 0.40 and SHGC ≤ 0.40
- ◆ 2006 IECC Climate Zone 4: U-factor ≤ 0.40 and SHGC ≤ 0.55
- ◆ 2006 IECC Climate Zone 5: U-factor ≤ 0.35 and any SHGC

The following are the 2006 IECC Climate Zones in New Mexico:

2006 IECC Climate Zone	New Mexico Counties
CZ3 (south/central)	Chaves, Doña Ana, Eddy, Hidalgo, Lea, Luna, Otero
CZ4 (north/central)	Bernalillo, Curry, De Baca, Grant, Guadalupe, Lincoln, Quay, Roosevelt, Sierra, Socorro, Union, Valencia
CZ5 (northern)	Catron, Cibola, Colfax, Harding, Los Alamos, McKinley, Mora, Rio Arriba, San Juan, San Miguel, Sandoval, Santa Fe, Taos, Torrance

Paints and Finishes:

When painting or applying finishes, use only low- or zero-volatile organic compound (VOC) paints, primers, sealants, adhesives, coatings, and other finishes. Also, avoid plastic-coated paper and vinyl wall coverings.

Composite Wood:

When installing or replacing composite wood, such as particle board and medium-density fiberboard (MDF), ensure that products are free of urea-formaldehyde, and do not install these materials in high humidity or high moisture areas. When composite wood must be used, choose products that are moisture resistant, such as particle board and MDF produced with MDI (polyurethane) or phenol-formaldehyde binders. This standard also applies to cabinetry and furniture made with composite wood.

Integrated Pest Management:

Do not use any insecticides. Use integrated pest management methods to control pests. Seal all cracks, holes and crevices on interior surfaces and exterior surfaces to prevent access by pests. Use copper mesh to plug larger holes prior to finishing with plaster or drywall. Do not use steel wool. Place a thin dusting of 98 percent boric acid under kitchen cabinets, in wall cavities, cracks and crevices in the kitchen (www.doyourownpestcontrol.com).

Operations and Maintenance:

- ◆ Provide a guide for homeowners that explains the intent, benefits, use and maintenance of green building features, along with the location of transit stops and other neighborhood conveniences; and encourages additional green activities such as recycling, gardening and use of healthy cleaning materials, alternate measures for pest control and purchase of green power.
- ◆ Provide a walk-through and orientation to the homeowner or new resident using the guide for homeowners from above that reviews the building's green features, operations, and maintenance along with neighborhood conveniences.

ROC PROGRAM HUSING QUALITY STANDARDS WORKSHEET

HOUSING QUALITY STANDARDS

All units assisted with ROC Program funds must meet the housing quality standards **define in table in 24 CFR 982.401**. In rehabilitation projects where the work is performed on a portion of the home, the entire home must pass Housing Quality Standard inspection criteria. **The ROC Program HQS Unit Inspection Form is a separate form. Exhibit F**

ROC Program Project Completion Form

Provide the project completion schedule:

Project Budget	
Project Activity	Completion Date (month/year)

Optional schedule completion narrative:

ROC PROGRAM – PROJECT FILE PROCEDURE CHECKLIST

ROC Program Project #

Property Address:

Service Provider:

	SET UP
	Purchase Agreement (with any extensions, addenda)
	ROC Program setup form CHECK THE MATH, correct, if necessary, print in color, initial and date and deliver to Accounting
	Make ROC PROGRAM file folder (Red folder with label) <ul style="list-style-type: none"> All set up documents on right hand side, with post-its and pink paper dividers between documents. Print pages from internet for environmental package – see below
	Set up e-folders (insert link)
	Appraisal
	<ul style="list-style-type: none"> Assign ROC PROGRAM Loan number
	Make ROC PROGRAM file folder (Red folder with label)
	Settlement Statement (draft)
	Copies of invoices to be paid at closing
	ROC PROGRAM Request for Reimbursement <ul style="list-style-type: none"> To submit for purchase wire must verify costs listed on Settlement statement using Accounting approved reimbursement form. Must have original signed version, if all ok sign and date Attach copy of Settlement statement and wiring instructions and deliver to Accounting (electronically – at least 24 hours before closing)
	Wiring instructions from title company (one for each company_
	AFTER CLOSING
	Mortgagee Title Policy – MFA 1 st lien position w/ pending disbursement clause
	Certified Copies Mortgage and LURA. Original executed Note, recorded Mortgage and LURA
	Survey
	Final Settlement Statement
	REHAB/CONSTRUCTION
	Estimate of rehabilitation costs
	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)
	Copies of Contractor Payment Request and any material receipts
	FOR FINAL PAYMENT
	Copies of authorized change orders, if applicable
	HQS pass
	Punchlist (if applicable)
	Green Building Checklist
	Release of liens by contractor and subcontractors
	Request for Reimbursement with copy of contractor final invoice
	RESALE AND COMPLETION (SEE OTHER CHECKLIST)
NOTE:	If ROC PROGRAM financing, must follow directions for that activity and separate documentation package
	Purchaser signed Lead Based Paint Notification – Distribution of LBP Pamphlet, if applicable
	Housing Counseling Certificate and invoice (can be part of costs at closing)
	Purchaser income verification and copies of source documents
	Settlement Statement for sale of property
	ROC PROGRAM Completion Report
	203(b) After Rehab Value Certification
	Cost recovery Reimbursement form

ROC PROGRAM NEEDS ASSESSMENT FIELD REPORT

ROC Program Project #Enter ROC PROJECT#

ROC Program Project Address Enter the Project Address, City, State, Zip

Key	1=Standard	2=Substandard	3=Nonexistent
-----	------------	---------------	---------------

Exterior Unit Conditions:

<p>_____ Roof</p> <p>_____ Roof Structure</p> <p>_____ Foundation</p> <p>_____ Foundation Drainage</p>	<p>_____ Water System</p> <p>_____ Sewage Disposal System</p> <p>_____ Exterior Walls</p> <p>_____ Exterior Doors</p>
--	---

Interior Unit Conditions:

<p>_____ Wall Structural</p> <p>_____ Wall Finish</p> <p>_____ Floors</p> <p>_____ Ceilings</p> <p>_____ Kitchen Facilities</p>	<p>_____ Bathroom Facilities</p> <p>_____ Room Dimensions</p> <p>_____ Light and Ventilation</p> <p>_____ Separations and Exits</p> <p>_____ Smoke Detectors</p>
---	--

Electrical and Mechanical Systems:

<p>_____ Exterior Connections</p> <p>_____ Electrical Systems</p>	<p>_____ Heating System</p> <p>_____ Plumbing Equipment</p>
---	---

Site Conditions (check if present):

<p>_____ Nuisances as per Code</p> <p>_____ Improper Occupancy</p>	<p>_____ Hazardous/Unsanitary Premises</p> <p>_____ Faulty Materials of Construction</p>
--	--

Review performed by:

Date of Review: Click or tap to enter a date.

Signature: _____

**ROC PROGRAM
NEEDS ASSESSMENT FIELD REPORT**

Comments Section

Exterior Unit Conditions: [Click or tap here to enter text.](#)

Interior Unit Conditions: [Click or tap here to enter text.](#)

Electrical and Mechanical Systems: [Click or tap here to enter text.](#)

Site Conditions (check if present): [Click or tap here to enter text.](#)

Request for Reimbursement
New Mexico Mortgage Finance Authority

Restoring Our Communities Program (ROC)



ROC Program Project #
INVOICE # _____

Choose one: Check " Direct Deposit " Wire "

Service Provider _____
Contact Person: _____
Phone: _____

Tax ID: _____
Mailing Address: _____
Contract #: _____
CFDA # _____

Award Amount		Current Expenditures	YTD Expenditures			Balance
Proj. #	*Activity #	Address	If applicable, insert Closing Date	Interim?	Final?	Amount Requested
				<input type="checkbox"/>	<input type="checkbox"/>	\$0.00
				<input type="checkbox"/>	<input type="checkbox"/>	
				<input type="checkbox"/>	<input type="checkbox"/>	
				<input type="checkbox"/>	<input type="checkbox"/>	
				<input type="checkbox"/>	<input type="checkbox"/>	
				<input type="checkbox"/>	<input type="checkbox"/>	
				<input type="checkbox"/>	<input type="checkbox"/>	

*Activity: [1] Acquisition, Rehab, Resale

I hereby certify that the total amount due is \$0.00 is true, correct, and will be or was expended in the performance of services related to the completion of the Scope of Work

Authorized Official Signature	Date	MFA Approval	Date	MFA Processor	Date

For MFA Accounting Use Only

for the Agreement.

ROC Program - Exhibit D - Feasibility Tool

Acquisition Cost	\$ 80,000.00
Unrecoverable Loss (Initial Investment)	\$ 80,000.00
City Category	Urban
Project Management Fee (%)	10.0%
	Project
Rehab Cost (% of acquisition cost)	75%
Acquisition Cost	\$ 80,000.00
Actual Rehab Cost	\$ 60,000.00
Project Management Fee	\$ 14,000.00
Total Project Cost	\$ 154,000.00
% Price Increase	44%
Sale Price	\$ 115,583.50
Less Closing Costs @ 3%	\$ 3,467.51
Less Realtor Fees @ 7%	\$ 8,090.85
Net Proceeds	\$ 104,025.15
0% Interest Line of Credit	\$ 74,000.00
Unrecoverable Loss	\$ (49,974.85)
Homebuyer Assistance	\$ 30,025.15
Homebuyer Assistance @ 8%	\$ 9,246.68
Projected First Mortgage Loan	\$ 85,558.35
Homebuyer Assistance %	26%

Variables in blue
can be adjusted to see different
estimated project outcomes.

Urban Cities

Albuquerque Los Lunas
Farmington Santa Fe
Las Cruces

ROC Program Setup and Completion Report

☐ Setup☐ Completion

Check the appropriate box: <input type="checkbox"/> Original Submission <input type="checkbox"/> Revision	Name and Phone Number of Person Completing Form:
---	--

General Information

Contract #:

1. Name of Service Provider	2. County Code:	3. ROC Program Project #
-----------------------------	-----------------	--------------------------

Project Information

1. Activity Type (check one): [1] <input type="checkbox"/> Acquisition, Rehabilitation, Resale			
2. Name (homebuyer):		3. Street Address:	
4. City:	State: NM	5. Zip Code:	6. Estimated NSP Unit(s):
7. Name of Owner <input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms. <input type="checkbox"/> N/A		8. Owner/Developer Name (if applicable, company name)	
9. Mailing Address of Owner:	9a. City	9b. State	9c. Zip Code
10. Property Type (check one): (1) <input type="checkbox"/> 1-4 Single family (2) <input type="checkbox"/> Apartment (2) <input type="checkbox"/> Manufactured Home		11. Purchase Price:	12. Appraised Value:
13. Environmental Assessment Code: A-Exempt <input type="checkbox"/> C-Completed <input type="checkbox"/> D-Underway <input type="checkbox"/>		14. 504 Accessible <input type="checkbox"/> Yes <input type="checkbox"/> No	
15. Region Served: <input type="checkbox"/> Colonias <input type="checkbox"/> Tribal <input type="checkbox"/> Other		16. Green Building Measures final evaluation	
At setup, ESTIMATED Activity Costs (NSP Funds (including Program Income))		At completion, ACTUAL Activity Costs	

(1) Financing (total = a + b + c + d)	Closing Date:	\$	\$
(a) 1 st Mortgage		\$	\$
(b) Down Payment Assistance (non NSP 1 st mortgage)		\$	\$
(c) Soft Costs (closing costs, etc.)		\$	\$
(d) Rehabilitation Costs (hard costs)		\$	\$
(2) Acquisition/Rehab (total = a + b + c)		\$	\$
(a) Mortgage (acquire property)		\$	\$
(b) Soft Costs		\$	\$
(c) Rehabilitation Costs (hard costs)		\$	\$
(3) Housing Counseling		\$	\$
(4) Project Management		\$	\$
(5) Total NSP Funds (1 + 2 + 3 + 4)		\$	\$
(6) Leverage Funds (Type:)		\$	\$
(7) Total funds for Project (5 + 6)		\$	\$

MFA Approval	Date
--------------	------

FOR SINGLE FAMILY PROJECTS, start with Occupant space

FOR RENTAL PROJECTS, enter unit number first

Household Characteristics: (Refer to listed codes where applicable.) Complete one line for the unit to be occupied by an owner, OR ONE LINE PER UNIT IN THE RENTAL PROJECT.

of Bedrooms: Enter **0** for a single room occupancy (SRO) unit or for an efficiency unit, **1** for 1 bedroom, **2** for 2 bedrooms, **3** for 3 bedrooms, **4** for 4 bedrooms, and **5** for 5 or more bedrooms.

Occupant: enter code of **1** for tenant (rental), **2** for owner (single family) and **9** for vacant.

% Median: For each occupied residential unit, enter one code only based on the following definitions:

1. **0-50** percent of area median means a household whose adjusted income is at or below 50 percent of the median family income for the area.
2. **51-80** percent of area median means a household whose adjusted income exceeds 50 percent and does not exceed 80 percent of the median family income for the area.
3. **80-120** percent of area median means a household whose adjusted income exceeds 60 percent and does not exceed 80 percent of the median family income for the area.

Hispanic Y/N: for each occupied residential unit, enter the ethnicity for the head of household as either **Y** for Hispanic or Latino or **N** for not Hispanic or Latino. Hispanic or Latino race is defined as a person of Cuban, Mexican, Puerto Rican, South or Central American, other Spanish culture or origin, regardless of race. The term, "Spanish origin," can be used in addition to "Hispanic or Latino."

Race: for each occupied residential unit, enter one code only for the head of the household based on the following definitions:

11. **White:** a person having origins in any of the original peoples of Europe, North Africa or the Middle East.
12. **Black or African American:** a person having origins in any of the black racial groups of Africa. Terms such as "Haitian" or "Negro" can be used in addition to "Black or African American."
13. **Asian:** a person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand and Vietnam.
14. **American Indian or Alaska Native:** a person having origins in any of the original peoples of North and South America (including Central America), and who maintains affiliation or community attachment.
15. **Native Hawaiian or Other Pacific Islander:** a person having origins in any of the original people of Hawaii, Guam, Samoa or other Pacific Islands.
16. **American Indian or Alaska Native & White:** a person having these multiple race heritages as defined above.
17. **Asian & White:** a person having these multiple race heritages as defined above.
18. **Black or African American & White:** a person having these multiple race heritages as defined above.
19. **American Indian or Alaska Native & Black or African American:** a person having these multiple race heritages as defined above.
20. **Other Multi Racial:** for reporting individual responses that are not included in any of the other categories listed above.

Size: enter the appropriate number of persons in the household: **1, 2, 3, 4, 5, 6, 7, or 8** or more persons (for households of more than 8 enter **8**).

Type: for each occupied unit, enter one code only based on the following definitions:

1. **Single/Non-Elderly:** one-person household in which the person is not elderly.
2. **Elderly:** one or two-person household with a person at least 62 years of age.
3. **Related/Single Parent:** a single parent household with a dependent child or children (18 years old or younger).
4. **Related/Two Parent:** a two-parent household with a dependent child or children (18 years old or younger).
5. **Other:** any household not included in the above four definitions, including two or more unrelated individuals.

Female Head of Household? If the head of the household is female enter **Y**, otherwise enter **N**.

Is Head Disabled? If the head of the household is disabled, enter **Y**, otherwise enter **N**.

New Mexico Mortgage Finance Authority

ROC Program HQS FINAL DRAW INSPECTION Exhibit F

Address		Date of Inspection
Service Provider:	Service Provider Staff:	
Inspector:		

HQS	EE	COMMENTS	HQS	EE	COMMENTS
ENTIRE UNIT			BEDROOM 1		
Smoke Detectors			Windows/screens		
Doors and lock (front)			Electrical fixtures		
Doors and lock (back)			Walls		
Windows/screens			Ceiling		
Heating/AC			Floor		
Ventilation/air quality			Closet doors		
Access to fire escape			Closet rods		
Free of vermin/rodents			Door		
LIVING ROOM			Other/Hazards?		
Walls/interior door			BEDROOM 2		
Ceiling			Windows/screens		
Floors			Electrical fixtures		
Elec. fixtures/outlets			Walls		
Windows and hardware			Ceiling		
Other			Floor		
Hazards?			Closet doors		
KITCHEN			Closet rods		
Walls/Ceiling			Door		
Floors			Other/Hazards?		
Cabinets			BEDROOM 3		
Range			Windows/screens		
Sink			Electrical fixtures		
Refrigerator			Walls		
Garbage Disposal			Ceiling		
Electrical Fixtures (GFI)			Floor		
Other			Closet doors		
BATHROOM			Closet rods		
Electrical Fixtures (GFI)			Door		
Commode			Other/Hazards?		
Medicine chest			BUILDING EXTERIOR		
Lavatory			Condition of Foundation		
Towel Racks			Stairs, Rails, Porches		
Bath Tub			Condition of Roof & Gutters		
Shower Rods			Condition of Exterior Surface		
Walls			Lead Paint: Exterior Surfaces		
Ceiling			Landscaping		
Floor			GENERAL		
Door			Housekeeping		
Soap Dish			Shrubbery		
Tissue Holder			Refuse Disposal		
Stoppers			Site/Neighborhood Conditions		
Other					

Hazards?							
COMMENTS:							
SIGNATURE OF INSPECTOR:							



MEMO

DATE: April 19, 2023

TO: Board of Directors

FROM: Julie Halbig and Sherry Stephens, Compliance and Initiatives

SUBJECT: Approval of Draft 2023 Action Plan

Recommendation:

Staff recommends approval of the draft 2023 Annual Action Plan.

Background:

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

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

MFA's thirty (30) day public comment began March 20, 2023 and ends April 20, 2023. HUD regulations stipulate that all planning documents are due to HUD forty five (45) days before the beginning of the program year of July 1.

Discussion:

Formula allocations for CDBG, HOME, ESG, and HOPWA have been released. NHTF allocation is different from the other four formulas this year. NHTF is based on funding through mandatory set aside amounts from Fannie Mae and Freddie Mac. The allocation is projected to be public in late April 2023. It is customary to enter into the phases of citizen participation plan and Board presentation to ensure timelines are met and then adjust funding percentages when allocations are provided by Treasury. This will not result in a substantial amendment.

Program	FY 2022 Allocations	FY 2023 Allocations
CDBG	11,362,886	11,231,021
HOME	5,975,945	5,967,476
HOPWA	1,227,236	1,423,600
ESG	1,226,151	1,208,579
NHTF	3,521,165	TBD
Total	\$23,731,598	19,830,676

The draft 2023 Annual Action Plan illustrates New Mexico's priority needs, goals, outcome measures and proposed distribution of funds across the goals. Funding amounts and outcome measures for goals were determined on actual allocations with the exception of NHTF is an estimate based on prior year data.

Summary:

Compliance and Initiatives staff request Board approval of the 2023 draft Annual Action Plan to progress towards meeting HUD regulations and formal submittal forty five (45) days prior to the July 1, program year.



DRAFT

2023 Annual Action Plan

New Mexico Mortgage Finance Authority

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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 Sherry Stephens at New Mexico Mortgage Finance Authority at:

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TTY: 800-659-8331

Voice: 800-659-1779

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

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Spanish: 800-327-1857

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

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Executive Summary

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

1. Introduction

In 1994, the U.S. Department of Housing and Urban Development (HUD) issued new rules consolidating the planning, application, reporting and citizen participation processes for four formula grant programs: Community Development Block Grants (CDBG), HOME Investment Partnerships (HOME), Emergency Solutions Grants (ESG) and Housing Opportunities for Persons with AIDS (HOPWA). The new single-planning process was intended to more 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 their size, are able to receive federal funding directly. These areas must complete a Consolidated Plan separately from the State's to receive funding. For purposes of this report, non-entitlement refers to cities and towns that do not file Consolidated Plans individually and are not able to receive funding from the HUD programs directly. 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 involvement. 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 overseeing the 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 2022. 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.

The 2021 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 2022 CAPER will be compiled in July 2023 and submitted in September 2023 any evaluation findings will be added as considerations to goals and projects for 2024 Annual Action Plan.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

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

A thirty-day public comment period was held from March 20, 2023 to April 20, 2023 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, ESG, and HOPWA programs. HTF is an estimate based on funding amounts from prior year allocation. The proposed budget will be proportionally increased or decreased from estimated funding levels to match actual allocation amounts. Once the final HTF allocation is made, the State will adjust funding 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 Con 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 2023 Annual Action Plan.

A thirty day public comment period began on March 20, 2023 and ended on April 20, 2023 with a hybrid (virtual/in-person) public hearing held on April 17, 2023. The 2023 Annual Action Plan is the fourth annual implementation plan under the State of New Mexico 2020-2024 Consolidated Plan for Housing and Community Development.

The notice was published in seven different newspapers throughout the state to cover 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 will accept written comments by email or mail for those who do not have access to virtual platforms for verbal comments or prefer alternative communication methods.

To be completed after public hearing.

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

To be completed after public hearing and gathering comments. All public comments received were accepted by MFA.

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	
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

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 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 assisted 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 persons were solicited to discuss housing and community development needs in New Mexico, including the ranking of those needs and activities that MFA and DFA might consider in better addressing needs throughout the State. Further, individuals were asked to provide additional insight into prospective barriers and constraints 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(l)).

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 serve on the Colonias Infrastructure Board, which was created by the Colonias Infrastructure Act. The Acts 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 the HMIS; (2) ensure consistent participation of recipients and sub-recipients in the HMIS; and (3) ensure the 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 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.
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 consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Participate in focus groups which helped determine priority needs and strategies.
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 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.

8	Agency/Group/Organization	Southwest New Mexico Council of Governments
	Agency/Group/Organization Type	Other government - Local Regional organization Business and Civic Leaders Persons, low income living where CDBG funds are purposed
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Economic Development Colonias Set-aside Strategy Non-housing community development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Survey and interview conducted which helped to shape priority needs and strategies.
9	Agency/Group/Organization	EASTERN PLAINS COUNCIL OF GOVERNMENTS
	Agency/Group/Organization Type	Other government - Local Regional organization Business Leaders Business and Civic Leaders Persons, low income living where CDBG funds are proposed
	What section of the Plan was addressed by Consultation?	Homelessness Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Survey and interview conducted which helped to shape priority needs and strategies.

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

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Survey and interview conducted which helped to shape priority needs and strategies.
13	Agency/Group/Organization	LOS ALAMOS HOUSING PARTNERSHIP
	Agency/Group/Organization Type	Housing
	What section of the Plan was addressed by Consultation?	Homelessness Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Survey and interview conducted which helped to shape priority needs and strategies.
14	Agency/Group/Organization	UNIVERSITY OF NEW MEXICO BUREAU OF BUSINESS AND ECONOMIC RESEARCH
	Agency/Group/Organization Type	Other government - State
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Survey and interview conducted which helped to shape priority needs and strategies.
15	Agency/Group/Organization	INDEPENDENT LIVING RESOURCE CENTER
	Agency/Group/Organization Type	Social Services
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Housing and Social Services
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Member of planning team; requested to distribute surveys, which helped to shape priority needs and strategy

16	Agency/Group/Organization	NEW MEXICO COUNCIL AGAINST DOMESTIC VIOLENCE
	Agency/Group/Organization Type	Services-Victims of Domestic Violence Services-Education Services - Victims Statewide organization
	What section of the Plan was addressed by Consultation?	Housing and supportive services
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Survey and interview conducted which helped to shape priority needs and strategies.
17	Agency/Group/Organization	Catholic Charities
	Agency/Group/Organization Type	Child Welfare Agency Statewide Organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Member of planning team. Requested to distribute survey which helped to shape priority needs and strategies.
18	Agency/Group/Organization	MESILLA VALLEY COMMUNITY OF HOPE
	Agency/Group/Organization Type	Regional organization
	What section of the Plan was addressed by Consultation?	Supportive Service
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Member of planning team. Requested to distribute survey which helped to shape priority needs and strategies.
19	Agency/Group/Organization	APARTMENT ASSOCIATION OF NEW MEXICO
	Agency/Group/Organization Type	Statewide Organization

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

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

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

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

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

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

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

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

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

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

Table 3 – Other local / regional / federal planning efforts

Narrative

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

MFA 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 2023 Annual Action Plan. A thirty day public comment period began on March 20, 2023, and ended on April 20, 2023 with a hybrid (virtual/in-person) public hearing held on April 17, 2023. The 2023 Annual Action Plan is the fourth annual implementation plan under the State of New Mexico 2020-2024 Consolidated Plan for Housing and Community Development.

The notice was published in seven different newspapers throughout the state to cover 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 will accept written comments by email or mail for those who do not have access to virtual platforms for verbal comments or prefer alternative communication methods.

To be completed after public hearing and comment period.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Public Hearing	<p>Minorities</p> <p>Non-English Speaking - Specify other language: Spanish</p> <p>Persons with disabilities</p> <p>Non-targeted/broad community</p> <p>Residents of Public and Assisted Housing</p>	<p>To be completed after public hearing</p>	<p>To be completed after public comment.</p>	<p>To be completed after receipt of comments. All public comments received were accepted by MFA.</p>	
2	Newspaper Ad	<p>Minorities</p> <p>Non-English Speaking - Specify other language: Spanish</p> <p>Non-targeted/broad community</p>	<p>To be completed after public hearing and comment period.</p>	<p>To be completed after public comment.</p>	<p>To be completed after receipt of comments. All public comments received were accepted by MFA.</p>	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
3	Website MFA and DFA	Non-English Speaking - Specify other language: Spanish Non-targeted/broad community Interested parties	To be completed after public hearing and comment period.	To be completed after public comment.	To be completed after public hearing and comment period. All public comments received were accepted by MFA.	

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 the ESG regulation 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.

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

PROGRAM	POTENTIAL ADDITIONAL SOURCES 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

	Federal Housing Administration (FHA) loan programs			
HOME - Rental	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 for CDBG, HOME, ESG, and HOPWA programs. HTF is an estimate based on funding amounts from prior year allocation. The proposed budget will be proportionally increased or decreased from estimated funding levels to match actual allocation amounts. Once the final HTF allocation is made, the State will adjust funding amounts accordingly. This will not require a substantial amendment.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 4				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Admin and Planning Acquisition Economic Development Housing Public Improvements Public Facilities Homelessness Prevention	11,231,021	0	132,275	11,363,296	11,740,697	The State will set aside 10 percent of its regular CDBG allocation for Colonias. Regular CDBG funds are not used on tribal reservations.

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

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 4				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services	1,208,579	0	0	1,208,579	1,1164,006	Funds may be used statewide.
Housing Trust Fund	public - federal	Multifamily rental new construction Multifamily rental rehab	3,521,165 Estimate	3,000	3,191,955	4,632,294	5,292,706	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.

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

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

Goals Summary Information

The citizen participation process was conducted with final FY 2023 allocations for CDBG, HOME, ESG, and HOPWA programs. HTF is an estimate based on funding amounts from prior year allocation. The proposed budget will be proportionally increased or decreased from estimated funding levels to match actual allocation amount. Once the final HTF allocation is made, the State will adjust funding amounts accordingly. This will not require a substantial amendment.

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

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
4	2C. Develop Affordable Rental Housing	2020	2024	Affordable Housing	Statewide	Preserve & Develop Affordable Housing	HOME: \$9,584,432	Rental units constructed: 16 Household Housing Units Rental units rehabilitated: 16 Household Housing Units
5	2D. Develop Housing for Vulnerable Populations	2020	2024	Affordable Housing	Statewide	Preserve & Develop Affordable Housing	Housing Trust Fund: \$4,632,294 Estimate	Rental units constructed: 8 Household Housing Units Rental units rehabilitated: 8 Household Housing Units
6	3A. Provide Assistance for Job Creation	2020	2024	Non-Housing Community Development	Statewide	Economic Development Opportunities	CDBG: \$1,500,000	Jobs created/retained: 14 Jobs Businesses assisted: 3 Businesses Assisted

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

Table 2 – Goals Summary

AP-25 Allocation Priorities – 91.320(d)

Introduction

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

Funding Allocation Priorities

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

Table 3 – Funding Allocation Priorities

Reason for Allocation Priorities

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

For the regular State CDBG program, the allocation percentages are based on totals given the 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 allocated to activities as indicated above on an annual basis, after MFA learns the amount of funding 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.

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.

Regular 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 the objectives designed to meet those needs. The funds allocated to different goals are designed to effectively meet needs across the State as distributed through the various 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.	<p>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.</p> <p>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.</p>

	<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>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).</p> <p>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.</p> <p>All CDBG-CV funds will be used as part of a needs-based response to COVID-19.</p>
	<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>DFA maintains CDBG applications, manuals and other necessary information on its website at https://www.nmdfa.state.nm.us/local-government/community-development-bureau/cdbg-information/</p>
	<p>Describe how resources will be allocated among funding categories.</p>	<p>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.</p>

	Describe threshold factors and grant size limits.	<p>Regular CDBG Funds (Non-CARES Act CDBG Funding)</p> <ul style="list-style-type: none"> • 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. <p>CDBG-CV</p> <ul style="list-style-type: none"> • Eligible subrecipients of CDBG-CV funding will receive assistance relative to the size of the organization and impact upon low and moderate income persons.
	What are the outcome measures expected as a result of the method of distribution?	<ul style="list-style-type: none"> • Number of persons assisted with public infrastructure 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 below-market-rate loans to developers to finance the production, acquisition and/or rehabilitation of rental units for households whose incomes do not exceed 60 percent of Area Median Income (AMI). Forgivable loans may be awarded for projects targeting 30 percent AMI.

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Projects must have demonstrated financial feasibility and will be subject to underwriting standards that, among other criteria, verify that HOME funds are needed and will enhance affordability. This assessment includes a subsidy layering review. Market studies, or other evidence of market need, are required at MFA's discretion. Projects using HOME funds in conjunction with Low Income Housing Tax Credits (LIHTCs) must meet all conditions and requirements set forth in the application LIHTC Qualified Allocation Plan.
	Describe how resources will be allocated among funding categories.	<p>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.</p> <p>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.</p>
	Describe threshold factors and grant size limits.	Awards of HOME funds to projects that receive 9 percent LIHTCs are generally limited to the lowest of (a) \$15,000 per unit for CHDOs/\$7,500 for non-CHDOs, (b) \$1,000,000 per project for CHDOs/\$400,000 for non-CHDOs or (c) 80 percent of the project's total development cost. Awards of HOME funds to all other projects are generally limited to the lesser of (a)\$15,000 per residential unit for CHDOs/\$7,500 for non-CHDOs, (b)\$1,000,000 per project for CHDOs/\$800,000 for non-CHDOs, or (c) 80 percent of the project's total development cost. However, depending on fund availability, higher awards may be allowed, at MFA's discretion.
	What are the outcome measures expected as a result of the method of distribution?	<ul style="list-style-type: none"> • 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 resulting from COVID-19.
	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.	Resources will be allocated on a first-come, first-served basis for development activities and developers receiving loan awards are eligible to receive grants for principal reduction of homebuyers' mortgages. MFA conducts outreach to CHDOs to encourage to application.
	Describe threshold factors and grant size limits.	Underwriting will take place to ensure that homebuyers are not over-subsidized; grant amounts will vary based on financial need.
	What are the outcome measures expected as a result of the method of distribution?	<ul style="list-style-type: none"> • 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

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>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.</p>
<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>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:</p> <ol style="list-style-type: none"> 1. Certification by the individual or head of household that no subsequent residence has been identified, OR 2. 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.
	What are the outcome measures expected as a result of the method of distribution?	<ul style="list-style-type: none"> • 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 and ESG-CV
	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.

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Regular ESG Funds (Non-CARES Act ESG Funding)</p> <p>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.</p> <p>ESG-CV</p> <p>Sub-recipients were selected from the competitive EHAP RFP were awarded ESG-CV funding thus eliminating the process of completing another RFP. Additionally, eligible shelters that were not selected in the EHAP RFP will be offered a portion of the ESG-CV funding. These eligible shelters received a portion of ESG-CV funding because they have previously received EHAP funding and have successful adherence to ESG regulations.</p>
<p>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)</p>	<p>Regular ESG Funds (Non-CARES Act ESG Funding)</p> <p>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.</p> <p>ESG-CV</p> <p>Sub-recipients that are selected from the competitive EHAP RFP are awarded ESG-CV funding thus eliminating the process of completing another RFP. Additionally, eligible shelters that were not selected in the EHAP RFP were offered a portion of the ESG-CV funding as described above.</p>

	Describe how resources will be allocated among funding categories.	<p>Regular ESG Funds (Non-CARES Act ESG Funding)</p> <p>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.</p> <p>ESG-CV</p> <p>ESG-CV awards for EHAP sub-recipients are determined by the size of each shelter which is based on their number of available beds. Shelters that did not receive the additional EHAP program funding were offered ESG-CV funding based on a list of specific eligible items and their ability to spend this money within six months.</p> <p>The maximum amount of administrative funds available for this grant is 10 percent of total funding, which will be used for eligible administrative costs incurred by MFA.</p>
	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?	<ul style="list-style-type: none"> • 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.	<p>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 incomes do 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.</p>

	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 incomes 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?	<p>The housing stability performance outcome measures for those diagnosed with HIV/AIDS include:</p> <ul style="list-style-type: none"> • maintain stable housing • reduce risk of homelessness • improve access to care

8	State Program Name:	National Housing Trust Fund (HTF)
	Funding Sources:	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.	<p>All projects must meet the following threshold criteria:</p> <ul style="list-style-type: none"> • 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. <p>All projects that meet the threshold criteria will be evaluated according to the following criteria:</p> <ul style="list-style-type: none"> • 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?	<ul style="list-style-type: none"> • 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 for CDBG, HOME, ESG, and HOPWA programs. HTF is an estimate based on funding amounts from prior year allocation. The proposed budget will be proportionally increased or decreased from estimated funding levels to match actual allocation amounts. Once the final HTF allocation is made, the State will adjust funding amounts accordingly. This will not require a substantial amendment.

AP-35 Projects – (Optional)

Introduction

MFA and DFA wait to allocate funding on the project level until HUD has published FY formula allocations. When DFA receives notice of CDBG allocation, this is when the allocation/funding decisions commence, which DFA will enter projects into IDIS through AP-35 screen by DFA. 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 can be made 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 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.

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 shelter's 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 not enough funding to meet the full need and service provider capacity, especially in remote rural areas. MFA and DFA will remove barriers to affordable housing by prioritizing and/or incentivizing existing providers and new providers to work in Colonias; strengthening delivery channels 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 will not help 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 the 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 not direct allocations to the State, they are not included in the percentage distributions for State allocations below. The table below represents regular CDBG funds only.

Geographic Distribution

Target Area	Percentage of Funds
COLONIAS NEIGHBORHOOD	10
Statewide	90

Table 6 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

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

Discussion

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

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

Introduction

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

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

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

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

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

Discussion

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

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

Introduction

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

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

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

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

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

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

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

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

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

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

changed until their Audited Financial Statements have been completed and approved by HUD. The anticipated completion date is April 2023.

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 the Albuquerque and Balance of State CoCs, MFA contributes to the CoCs' outreach planning. In addition, MFA requires that outreach be conducted by service providers receiving ESG funds under MFA's Rental Assistance Program (RR/HP), which provides Rapid Re-Housing services. These outreach efforts may include street outreach, outreach at shelters, outreach to clients receiving services targeted toward those experiencing homelessness and outreach to clients of behavioral health providers. MFA serves on the New Mexico Coordinated Entry System (NMCES) Governing Committees (the two NM CoCs have separate, though parallel, CES systems and administration), which meet quarterly to address issues and strategies for the NMCES, which was launched in June 2014 by the New Mexico Coalition to End Homelessness (NMCEH). The NM Balance of State CoC NMCES supports dedicated administration for both DV and Youth subpopulations. The NMCES has identified and assessed over 75,000 individuals since its inception (appx. 27,800 of these have been prioritized and entered in HMIS), using the Vulnerability Index - Service Prioritization Decision Assistance Tool (VI-SPDAT), which helps to determine each applicant's acuity, relative need for housing and the type of housing that would be most appropriate to assist their needs. The assessments are done at the 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. Our goals for ESG funds are to:

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

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

Addressing the emergency shelter and transitional housing needs of homeless persons

MFA provides ESG funds for:

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

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

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

MFA provides ESG funds for:

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

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

NMCEH is working in the three largest communities of Santa Fe, Albuquerque and Las Cruces to use the by-name lists created through coordinated entry along with regular case conferencing meetings to house chronically homeless persons as quickly as possible and to determine what changes need to be made in existing programs to shorten or facilitate the time between identification of a chronically homeless household and placement into appropriate housing. Likewise, the community of Taos is participating in regular by-name list conferencing with the focus on services to homeless youth. NMCEH is working with programs to lower any artificial barriers that lengthen the time it takes to get housed. They use the by-name lists to help communities plan for additional permanent supportive housing to meet the need. For many years NMCEH has been helping programs adopt a housing first approach that serves to keep people housed by avoiding unhelpful evictions from programs. In FY2020 – FY2021, the system-wide average length of time persons were homeless prior to housing move-in increased by 73 days (to 310 days) in the Albuquerque metro area and by 48 days (to 188 days) in the Balance of State. The overall increase is likely due to a number of factors including increased numbers of persons exiting temporary COVID accommodations, competition for reduced rental opportunities, and higher acuity/chronicity clients accessing the system.

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

The previously reported trend of decreasing PIT counts has continued. 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% 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.

The most recent unsheltered PIT count was conducted in New Mexico in January 2022, and it is now conducted annually in both New Mexico CoCs (next scheduled for 30 January 2023). Between 2018 and 2021, the PIT incidence of homelessness increased by a remarkable 225 percent (from 1753 total identified persons statewide in 2018 to 3927 in 2021). Much of this increase is attributed to the social and economic impacts of COVID-19 during this time in our State and was expected to decline as the epidemic resolves. That seems to be the case. In 2022 the PIT incidence of homelessness decreased to a statewide total of 2556, a 35% decrease from the previous PIT measure.

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	206
Tenant-based rental assistance	117
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	0
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	0
Total	323

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

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

Introduction

Public policies are meant to address the 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 it 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 will continue its efforts to expand the 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.

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/MFA allocate and prioritize funds for underserved areas. MFA will seek to apply for 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 will continue 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 preeminent 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. Due to the COVID-19 pandemic and state public health orders, MFA created virtual trainings and outreach to potential service providers.

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

As part of its biannual 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 2024. 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 other improvements.

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

Introduction

In implementation of programs and activities under the 2023 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.	0
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
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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.

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

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

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

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

project can be met and that the feasibility of serving the targeted population over an extended affordability period can be demonstrated. The required period of affordability will be at least fifteen years. HOME funds for this purpose may be used statewide. However, HOME funds cannot be used to refinance multifamily loans made or insured by any federal program, including CDBG. 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, 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 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 the funding in 2020 for both the City of Albuquerque allocation and the New Mexico non-entitlement allocation, and project sponsors were awarded one-year contracts with the option to renew for two additional years, which will end in 2023. The HOPWA one-year goals are described in AP-20 and AP-70.

Project Sponsors establish waitlist policies for households eligible for assistance. The policy may be unique to that Project Sponsor 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.

The one year goals for program year 2023 include:

- Tenant-based rental assistance / Rapid Rehousing: 117 Households Assisted
- Homelessness Prevention: 206 Households Assisted

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 NHTF assistance:

- Applicant must not currently be suspended, debarred or otherwise restricted by any department or agency of the federal government or state government from doing business with such department or agency because of misconduct or alleged misconduct.
- Applicant and all members of the development team (developer, general partner, contractor, management company, consultant(s), architect, attorney and accountant, etc.) of the proposed project must be in good standing with MFA and all other state and federal affordable housing agencies or departments. For example, debarment from HUD, MFA, or other federal housing programs, bankruptcy, criminal indictments or convictions, poor performance on prior MFA or federally-financed projects (for example, late payments within the 18-month period prior to the application deadline, misuse of reserves and/or other project funds, default, fair housing violations, non-compliance (e.g. with the terms of Land Use Restriction Agreements on other projects), or failure to meet development deadlines or documentation requirements) on the part of any proposed development team member or project owner or other principal may result in rejection of an application by MFA.
- MFA will require CPA audited or reviewed financial statements of the developer's organization and analyze to determine if the developer has sufficient capacity and financial management systems to account for use of Federal funds. The audit system review can help to determine if the financial systems are adequate.

- If applicant has an audited financial statement, the following types of audit findings may disqualify applicant from funding:
 - Repeat of unresolved audit findings, as determined by MFA;
 - If applicant has received greater than \$750,000 in federal funds during its most recent fiscal year and its single audit did not meet the requirements of 2 CFR 200 Subpart F;
 - For any such single audit, no proof of Federal Audit Clearinghouse submission (FOR SF-SAC);
 - If referenced in audit as a separate communication, no submission of management; response letter and management response to concerns noted in the management letter; and
 - If any findings, no submission of management response to findings.
- MFA will evaluate developers awarded funding for capacity to carry out the project based on the following:
 - Developer's technical and managerial experience
 - Developer's staff's knowledge and skills to successfully implement the project
 - Developer's ability to meet its financial obligations and absorb the financial risk of the project
- MFA will evaluate developers awarded funding for financial capacity based on the following:
 - Developer's financial management systems and practices
 - Developer's financial resources to determine they are sufficient to carry the project to completion and through the required affordability period
- Private non-profit entities involved in property acquisition must evidence the following:
 - Proof that the non-profit is organized under state or local law with either a charter or articles of incorporation
 - Proof that no part of its net earnings benefit of any member, founder, contributor, or individual with either a charter or articles of incorporation
 - A 501 (c)(3) or (4) Certificate from the IRS
- Finally, developers and other entities carrying out NHTF funded projects must also evidence good standing in the System for Award Management (SAM) (<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 2023 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
<p>Geographic diversity</p> <p><i>No other Low Income Housing Tax Credit, public housing, or federally-subsidized housing projects within:</i></p> <ul style="list-style-type: none"> • $\frac{1}{4}$ mile radius = 3 points • $\frac{1}{2}$ mile radius = 5 points 	3 or 5
<p>Duration of the affordability period beyond the required 30 years</p> <p><i>Projects committed to an additional five or more years</i></p>	5
<p>Energy efficiency</p> <p><i>Home Energy Rating System (HERS) score exceeds a sufficient HERS rating as stipulated in the then-current MFA Design Standards</i></p>	5
<p>Organization type</p> <p><i>Developer/general partner is a New Mexico nonprofit organization, a Tribal Designated Housing Entity (TDHE), or a public housing authority</i></p>	5
<p>Absence of project-based rental assistance</p> <p><i>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</i></p>	5
<p>Transit-oriented development</p> <p><i>Projects within 1/2-mile walking distance of public transportation</i></p> <p><i>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</i></p>	10

	<i>form of transportation is acceptable to MFA. A future promise to provide service does not satisfy this scoring criterion.</i>	
	<p>Tribal or Rural location</p> <p><i>Tribal or Rural Housing projects, defined as follows:</i></p> <p><i>A. Tribal – Projects located on tribal lands, or</i></p> <p><i>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.</i></p>	10
	<p>Creation of new units serving ELI households, through new construction, adaptive reuse or conversion of market-rate units</p> <p>Examples:</p> <ul style="list-style-type: none"> • 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 <p><i>Each new ELI unit = 1 points (Capped at 10 points)</i></p>	Up to 10
	<p>Readiness</p> <p>Applicant's ability to obligate NHTF funds and undertake eligible activities in a timely manner</p> <p><i>Projects that have</i></p> <p><i>(1) evidence of site control =5 points</i></p> <p><i>(2) evidence that the current zoning of the proposed site does not prohibit multifamily housing = 5 points</i></p> <p><i>(3) evidence of all other non-MFA funding sources</i></p> <p><i>a.) letters of interest from all other non-MFA funding = 5 points</i></p>	Up to 20

	<i>b.) commitment letters from all other non-MFA funding sources = 10 points</i>	
	<p>Leverage</p> <p>Use of state, local and private funding sources</p> <p><i>Projects that have funding sources outside of federal funding sources, low-income housing tax credits, bond financing, and MFA funding sources, as follows:</i></p> <p><i>10% of NHTF funds requested = 4 points</i></p> <p><i>20% of NHTF funds requested = 8 points</i></p> <p><i>30% of NHTF funds requested = 12 points</i></p> <p><i>40% of NHTF funds requested = 16 points</i></p> <p><i>50% of NHTF funds requested = 20 points</i></p>	Up to 20
	<p>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:</p> <p><i>10% of NHTF units targeted to any priority housing need = 4 points</i></p> <p><i>20% of NHTF units targeted to any priority housing need = 8 points</i></p> <p><i>30% of NHTF units targeted to any priority housing need = 12 points</i></p> <p><i>40% of NHTF units targeted to any priority housing need = 16 points</i></p> <p><i>50% of NHTF units targeted to any priority housing need = 20 points</i></p>	Up to 20
	<p>Total Possible Points = 115</p> <p>Minimum Points Required = 40</p>	

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".

☒ 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".

☒ 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.

☒ 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 see the 2023 HTF Allocation Plan in the Grantee Unique Appendices.

Data Sources

1	Data Source Name 2012-2016 ACS 5-Yr Estimates
	List the name of the organization or individual who originated the data set. US Census Bureau

	<p>Provide a brief summary of the data set.</p> <p>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.</p> <p>What was the purpose for developing this data set?</p> <p>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.</p> <p>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</p> <p>The State of New Mexico</p> <p>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</p> <p>2012-2016 ACS 5-Year Estimates</p> <p>What is the status of the data set (complete, in progress, or planned)?</p> <p>Complete</p>
2	<p>Data Source Name</p> <p>2011-2015 CHAS</p> <p>List the name of the organization or individual who originated the data set.</p> <p>US Census Bureau, American Community Survey (ACS) and U.S. Department of Housing and Urban Development (HUD)</p>

	<p>Provide a brief summary of the data set.</p> <p>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.</p> <p>What was the purpose for developing this data set?</p> <p>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.</p> <p>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</p> <p>The State of New Mexico</p> <p>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</p> <p>2011-2015 CHAS</p> <p>What is the status of the data set (complete, in progress, or planned)?</p> <p>Complete</p>
3	<p>Data Source Name</p> <p>2000 Census, 2012-2016 ACS</p> <p>List the name of the organization or individual who originated the data set.</p> <p>US Census Bureau</p>

	<p>Provide a brief summary of the data set.</p> <p>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.</p> <p>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.</p>
	<p>What was the purpose for developing this data set?</p> <p>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.</p> <p>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.</p>
	<p>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</p> <p>The State of New Mexico</p>
	<p>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</p> <p>2000 Census</p> <p>2012-2016 ACS 5-Year Estimates</p>
	<p>What is the status of the data set (complete, in progress, or planned)?</p> <p>Complete</p>

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. <p>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.</p> <p>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.</p>
	What was the purpose for developing this data set? <p>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.</p> <p>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.</p>
	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

	<p>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</p> <p>2011-2015 ACS (Workers), 2015 LEHD (Jobs)</p>
	<p>What is the status of the data set (complete, in progress, or planned)?</p> <p>Complete</p>
5	<p>Data Source Name</p> <p>2018 CoC PIT</p>
	<p>List the name of the organization or individual who originated the data set.</p> <p>The City of Albuquerque CoC and the Balance of State CoC.</p>
	<p>Provide a brief summary of the data set.</p> <p>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.</p>
	<p>What was the purpose for developing this data set?</p> <p>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.</p>
	<p>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</p> <p>The State of New Mexico is covered by the City of Albuquerque CoC and the Balance of State CoC.</p>
	<p>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</p> <p>January 2018</p>
	<p>What is the status of the data set (complete, in progress, or planned)?</p> <p>Complete</p>

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

	<p>List the name of the organization or individual who originated the data set.</p> <p>MFA Community Development Department</p>
	<p>Provide a brief summary of the data set.</p> <p>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.</p>
	<p>What was the purpose for developing this data set?</p> <p>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.</p>
	<p>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</p> <p>The State of New Mexico</p>
	<p>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</p> <p>2018</p>
	<p>What is the status of the data set (complete, in progress, or planned)?</p> <p>Complete</p>
8	<p>Data Source Name</p> <p>HUD 2019 Fair Market Rents (FMR)</p>
	<p>List the name of the organization or individual who originated the data set.</p> <p>US Department of Housing and Urban Development (HUD)</p>

	<p>Provide a brief summary of the data set.</p> <p>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.</p> <p>What was the purpose for developing this data set?</p> <p>Fair Market Rents (FMRs) are set by HUD and used to determine payment standard amounts for HUD Programs such as HOME.</p> <p>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</p> <p>The State of New Mexico</p> <p>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</p> <p>2019</p> <p>What is the status of the data set (complete, in progress, or planned)?</p> <p>Complete</p>
9	<p>Data Source Name</p> <p>HUD 2018 CoC Homeless Assistance Programs, Housing Inventory Count Report</p> <p>List the name of the organization or individual who originated the data set.</p> <p>This data is provided to HUD by the two CoCs in New Mexico: Albuquerque CoC and the New Mexico Balance of State CoC.</p> <p>Provide a brief summary of the data set.</p> <p>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.</p>

	<p>What was the purpose for developing this data set?</p> <p>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.</p>
	<p>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</p> <p>The State of New Mexico</p>
	<p>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</p> <p>2018</p>
	<p>What is the status of the data set (complete, in progress, or planned)?</p> <p>Complete</p>

Grantee Appendices

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

PART A

**NOTICE OF PUBLIC HEARING AND PUBLIC COMMENT PERIOD
FOR THE DRAFT 2023 ANNUAL ACTION PLAN**

New Mexico Mortgage Finance Authority (MFA) and the Department of Finance and Administration, Local Government Division (DFA) are seeking public comment on the proposal of the 2023 Draft Annual Action Plan. The public comment period will begin on March 20, 2023, and end on April 20, 2023. A hybrid virtual and in-person public hearing will be held on April 17, 2023, at 10:00 a.m. The action plan governs administration of federal funding appropriated for housing and community development activities that benefit low and moderate income persons throughout the State of New Mexico.

This federal funding includes the following programs: HOME Investment Partnerships (HOME), Community Development Block Grant (CDBG), Emergency Solutions Grants (ESG), Housing Opportunities for Persons with AIDS (HOPWA) and Housing Trust Fund (HTF). The 2023 Annual Action Plan outlines one year goals for the period beginning July 1, 2023 and ending June 30, 2024. These funds may be used for activities including but not limited to public facilities, infrastructure improvements, affordable housing development or preservation, economic development, homelessness prevention, rapid rehousing and program administration. The HOME, ESG, HOPWA and HTF programs are administered by MFA, and CDBG program is administered by DFA.

The draft 2023 Annual Action Plan is available on MFA's website at:

<https://housingnm.org/resources/plans-and-reports/nm-annual-action-plan>

and on DFA's website at:

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

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

Citizens, interested agencies, and for-profit and nonprofit organizations may attend a virtual or in-person public hearing on April 17, 2023, at 10:00 a.m. via webcast at <https://housingnm.org/meetings-events-notice> or in person at MFA's office to provide comments.

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

Citizens, interested agencies, and for-profit and nonprofit organizations may provide comments at any time during the public comment period, which will begin on March 20, 2023, and end at 11:59 p.m. MDT, April 20, 2023. Written comments and/or questions may be directed to Sherry Stephens 505-767-2250 or toll free 1-800-444-6880; fax: 505-243-3289; e-mail: sstephens@housingnm.org; or mail: New Mexico Mortgage Finance Authority, 344 Fourth St. SW, Albuquerque, NM 87102. After receipt of public comments, MFA staff will prepare a summary of all comments received in writing and, in cases where any citizen views are not accepted, provide reasons for the decision. This documentation will be attached to the 2023 Action Plan and submitted to HUD.

ATENCIÓN DE AUDIENCIA PÚBLICA Y PERÍODO DE COMENTARIOS PÚBLICOS PARA EL PROYECTO DE PLAN DE ACCIÓN ANUAL 2023

La Autoridad de Financiamiento Hipotecario de Nuevo México (MFA) y el Departamento de Finanzas y Administración, División de Gobierno Local (DFA) están buscando comentarios públicos sobre la propuesta del Borrador del Plan de Acción Anual 2023. El período de comentarios públicos comenzará el 20 de marzo de 2023 y finalizará el 20 de abril de 2023. Una audiencia pública híbrida virtual y en persona se llevará a cabo el 17 de abril de 2023 a las 10:00 a.m. El plan de acción rige la administración de los fondos federales asignados para actividades de vivienda y desarrollo comunitario que benefician a personas de ingresos bajos y moderados en todo el estado de Nuevo México.

Este financiamiento federal incluye los siguientes programas: HOME Investment Partnerships (HOME), Community Development Block Grant (CDBG), Emergency Solutions Grants (ESG), Housing Opportunities for Persons with AIDS (HOPWA) y Housing Trust Fund (HTF). El Plan de Acción Anual 2023 describe los objetivos de un año para el período que comienza el 1 de julio de 2023 y finaliza el 30 de junio de 2024. Estos fondos pueden usarse para actividades que incluyen, entre otras, instalaciones públicas, mejoras de infraestructura, desarrollo o preservación de viviendas asequibles, desarrollo económico, prevención de personas sin hogar, realojamiento rápido y administración de programas. Los programas HOME, ESG, HOPWA y HTF son administrados por MFA, y el programa CDBG es administrado por DFA.

El borrador del Plan de Acción Anual 2023 está disponible en el sitio web de MFA en:

<https://housingnm.org/resources/plans-and-reports/nm-annual-action-plan>

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

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

Los ciudadanos, las agencias interesadas y las organizaciones con fines de lucro y sin fines de lucro pueden asistir a una audiencia pública virtual o en persona el 17 de abril de 2023 a las 10:00 a.m. a través de webcast a las <https://housingnm.org/meetings-events-notice> o en persona en la oficina de MFA para proporcionar comentarios.

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

Los ciudadanos, las agencias interesadas y las organizaciones con fines de lucro y sin fines de lucro pueden proporcionar comentarios en cualquier momento durante el período de comentarios públicos, que comenzará el 20 de marzo de 2023 y finalizará a las 11:59 p.m. MDT, 20 de abril de 2023. Los comentarios y / o preguntas por escrito pueden dirigirse a Sherry Stephens 505-767-2250 o al número gratuito 1-800-444-6880; fax: 505-243-3289; correo electrónico: sstephens@housingnm.org; o por correo: New Mexico Mortgage Finance Authority, 344 Fourth St. SW, Albuquerque, NM 87102. Después de recibir los comentarios públicos, el personal de MFA preparará un resumen de todos los comentarios recibidos por escrito y, en los casos en que no se acepten las opiniones de los ciudadanos, proporcionará las razones de la decisión. Esta documentación se adjuntará al Plan de Acción 2023 y se presentará a HUD.

PART B

ALBUQUERQUE JOURNAL

THE SUNDAY JOURNAL

ALBUQUERQUE PUBLISHING COMPANY

7777 Jefferson St. NE, Albuquerque, NM 87109

Ad Proof/Order Confirmation

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ALBUQUERQUE, NM 87102 USA

Account Number
1011094

Ad Order Number
0001566172

Ordered By Xavier Perez
Customer Email gvillella@housingnm.org
Ad Cost \$448.56
Tax Amount \$34.76
Total Amount \$483.32
Amount Due \$483.32
Affidavits 0

Customer Phone 5058436880
PO Number
Sales Rep wschult
Order Taker wschult
Payment Method Credit Card
Payment Amount \$0.00

Joint Ad #**Pick Up #**

Product Albuquerque Journal
Ad Number 0001566172-01
Ad Type 0 Legals Multi Col
Ad Size 2 X 17.55"
Color

Placement 0Legal Notices
Classification 0Government
Sort Text NOTICEOFPUBLICHEARINGANDPUBL
ICCOMMENTPERIODFORTHE DRAFT2
023ANNUALACTIONPLANNEWMEXIC
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Run Date
03/12/2023
03/12/2023
03/12/2023

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HEARING AND PUBLIC COMMENT PERIOD
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Journal: March 12, 2023

AFFIDAVIT OF LEGAL PUBLICATION

Legal 10044

STATE OF NEW MEXICO
COUNTIES OF CURRY
AND ROOSEVELT:

The undersigned, being dully sworn, says:
That she is a Legal Clerk of
The Eastern New Mexico News
Newspaper of general circulation,
Published in English at Clovis and Portales,
said counties and state, and that the
hereto attached



3/17/23

2023 Action Plan Public Notice
Legal 10044

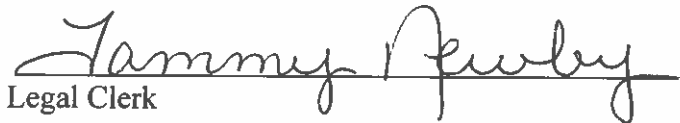
was published in The Eastern New Mexico News
a daily newspaper duly qualified for that purpose
within the meaning of Chapter 167 of the 1937
Session Laws of the State of New Mexico for
1 Days/weeks on the same days as follows:

First Publication March 12, 2023


Second Publication

Third Publication

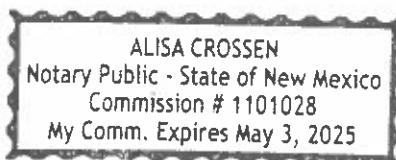
Fourth Publication


Legal Clerk

Subscribed and sworn to before me,
March 13, 2023


Notary Public

My commission expires on May 3, 2025



Legal 10044
March 12, 2023

**NOTICE OF PUBLIC
HEARING AND PUBLIC
COMMENT PERIOD
FOR THE DRAFT 2023
ANNUAL ACTION PLAN**

New Mexico Mortgage Finance Authority (MFA) and the Department of Finance and Administration, Local Government Division (DFA) are seeking public comment on the proposal of the 2023 Draft Annual Action Plan. The public comment period will begin on March 20, 2023, and end on April 20, 2023. A hybrid virtual and in-person public hearing will be held on April 17, 2023, at 10:00 a.m. The action plan governs administration of federal funding appropriated for housing and community development activities that benefit low and moderate income persons throughout the State of New Mexico.

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**ATENCIÓN DE
AUDIENCIA PÚBLICA Y
PERÍODO DE
COMENTARIOS
PÚBLICOS PARA EL
PROYECTO DE PLAN
DE ACCIÓN ANUAL 2023**

La Autoridad de

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Farmington Daily Times

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0005621786

This is not an invoice**NM MORTGAGE FINANCE AUTHORITY**
344 4 TH STREET SW**ALBUQUERQUE, NM 87102**

I, being duly sworn say: **Farmington Daily Times**, a daily newspaper of general circulation published in English at Farmington, said county and state, and that the hereto attached Legal Notice was published in a regular and entire issue of the said DAILY TIMES, a daily newspaper duly qualified for the purpose within the State of New Mexico for publication and appeared in the internet at The Daily Times web site on the following days(s):

03/10/2023

Legal Clerk

Subscribed and sworn before me this March 10, 2023:

State of WI, County of Brown
NOTARY PUBLIC

1-7-25

My commission expires

KATHLEEN ALLEN
Notary Public
State of Wisconsin

Ad # 0005621786

PO #:

of Affidavits 1

This is not an invoice

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Las Cruces Sun News.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0005622490

This is not an invoice

NM MORTGAGE FINANCE AUTHORITY
344 4 TH STREET SW

ALBUQUERQUE, NM 87102


I, a legal clerk of the **Las Cruces Sun News**, a newspaper published daily at the county of Dona Ana, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

03/13/2023

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


Legal Clerk

Subscribed and sworn before me this March 13, 2023:


State of WI, County of Brown
NOTARY PUBLIC


My commission expires

KATHLEEN ALLEN
Notary Public
State of Wisconsin

Ad # 0005622490

PO #: DRAFT 2023 ANNUAL ACTION PLAN
of Affidavits 1

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ATENCIÓN DE AUDIENCIA PÚBLICA Y PERÍODO DE COMENTARIOS PÚBLICOS PARA EL PROYECTO DE PLAN DE ACCIÓN ANUAL 2023

AFFIDAVIT OF PUBLICATION

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

Phil Scherer, Editor, being first duly sworn, on oath states that he is a Manager of the Las Vegas Optic, a semi-weekly newspaper of general paid and general circulation in San Miguel and Mora Counties, New Mexico, and that this newspaper is duly qualified to publish legal notices or advertisements within the meaning of the provisions of Chapter 167, session Laws of 1937, and that payment therefor has been made and assessed as court costs. That the notice of which a copy as published is hereto attached and hereby made a part hereof was published in said newspaper once each week for 1 consecutive insertion(s). That the first publication being on the 10th day of March, 2023 and the subsequent consecutive publications on the ___n/a___ day(s) of _____, 20__.

Price: \$ 285.75.

Account Number: 32516.



Editor

Subscribed and sworn to before me this
10th day of March, 2023.



Notary Public

STATE OF NEW MEXICO
NOTARY PUBLIC
CYNTHIA MARIE FITCH
COMMISSION NUMBER 1095967
EXPIRATION DATE 09-20-2023

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AND PUBLIC COMMENT
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ATENCIÓN DE AUDIENCIA PÚBLICA Y PERÍODO DE COMENTARIOS PÚBLICOS PARA EL PROYECTO DE PLAN DE ACCIÓN ANUAL 2023

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El período de comentarios públicos comenzará el 20 de marzo de 2023 y finalizará el 20 de abril de 2023. Una audiencia pública híbrida virtual y en persona se llevará a cabo el 17 de abril de 2023 a las 10:00 a.m. El plan de acción rige la administración de los fondos federales asignados para actividades de vivienda y desarrollo comunitario que benefician a personas de ingresos bajos y moderados en todo el estado de Nuevo México.

Este financiamiento federal incluye los siguientes programas: HOME Investment Partnerships (HOME), Community Development Block Grant (CDBG), Emergency Solutions Grants (ESG), Housing Opportunities for Persons with AIDS (HOPWA) y Housing Trust Fund (HTF). El Plan de Acción Anual 2023 describe los objetivos de un año para el período que comienza el 1 de julio de 2023 y finaliza el 30 de junio de 2024.

Estos fondos pueden usarse para actividades que incluyen, entre otras, instalaciones públicas, mejoras de infraestructura, desarrollo o preservación de viviendas asequibles, desarrollo económico, prevención de personas sin hogar, realojamiento rápido y administración de programas. Los programas HOME, ESG, HOPWA y HTF son administrados por MFA, y el programa CDBG es administrado por DFA.

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

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PUB: Las Vegas Optic, Mar 10, 2023
#23030080

Publish March 15, 2023

**NOTICE OF PUBLIC HEARING AND PUBLIC
COMMENT PERIOD FOR THE DRAFT
2023 ANNUAL ACTION PLAN**

New Mexico Mortgage Finance Authority (MFA) and the Department of Finance and Administration, Local Government Division (DFA) are seeking public comment on the proposal of the 2023 Draft Annual Action Plan. The public comment period will begin on March 20, 2023, and end on April 20, 2023. A hybrid virtual and in-person public hearing will be held on April 17, 2023, at 10:00 a.m. The action plan governs administration of federal funding appropriated for housing and community development activities that benefit low and moderate income persons throughout the State of New Mexico.

This federal funding includes the following programs: HOME Investment Partnerships (HOME), Community Development Block Grant (CDBG), Emergency Solutions Grants (ESG), Housing Opportunities for Persons with AIDS (HOPWA) and Housing Trust Fund (HTF). The 2023 Annual Action Plan outlines one year goals for the period beginning July 1, 2023 and ending June 30, 2024. These funds may be used for activities including but not limited to public facilities, infrastructure improvements, affordable housing development or preservation, economic development, homelessness prevention, rapid rehousing and program administration. The HOME, ESG, HOPWA and HTF programs are administered by MFA, and CDBG program is administered by DFA.

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AFFIDAVIT OF PUBLICATION
STATE OF NEW MEXICO

I, Merle Alexander
Legals Clerk

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

One time with the issue dated

March 15th, 2023

Merle Alexander

Clerk

Sworn and subscribed to before me

this 15th day of March, 2023

Sarah E. Fajardo

Notary Public



SANTA FE NEW MEXICAN

Founded 1849

NM MORTGAGE FINANCE
AUTHORITY
344 4th St SW
Albuquerque, NM 87102-3206

ACCOUNT:	S2041	
AD NUMBER:	51702	
LEGAL NO	90956	P.O.#:
1 TIME(S)	193.12	
AFFIDAVIT	10.00	
TAX	16.88	
TOTAL	220.00	

AFFIDAVIT OF PUBLICATION

STATE OF NEW MEXICO
COUNTY OF SANTA FE

I, Veronica Gonzalez, being first duly sworn declare and say that I am Legal Advertising Representative of THE SANTA FE NEW MEXICAN, a daily newspaper published in the English language, and having a general circulation in the Counties of Santa Fe, Rio Arriba, San Miguel, and Los Alamos, State of New Mexico and being a newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 on Session Laws of 1937; that the Legal No a copy of which is hereto attached was published in said newspaper 1 day(s) between 03/10/2023 and 03/10/2023 and that the notice was published in the newspaper proper and not in any supplement; the first date of publication being on the 10th day of March, 2023 and that the undersigned has personal knowledge of the matter and things set forth in this affidavit.

IS/

LEGAL ADVERTISEMENT REPRESENTATIVE

Subscribed and sworn to before me on this 10th day of March, 2023

Notary

Susan Larine Cahoon

Commission Expires:

11/30/2024

STATE OF NEW MEXICO
NOTARY PUBLIC
SUSAN LARINE CAHOON
COMMISSION #1132046
EXPIRES: 11/20/2024

LEGAL #51702

LEGAL #90956

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Pub: Mar 10, 2023

SANTA FE NEW MEXICAN

Founded 1849

NM MORTGAGE FINANCE
AUTHORITY
344 4th St SW
Albuquerque, NM 87102-3206

ACCOUNT:	S2041	
AD NUMBER:	51703	
LEGAL NO	90957	P.O.#:
1 TIME(S)	228.20	
AFFIDAVIT	10.00	
TAX	19.80	
TOTAL	258.00	

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Commission Expires: 11/20/2024

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NOTARY PUBLIC
SUSAN LARINE CAHOON
COMMISSION #1132046
EXPIRES: 11/20/2024

LEGAL #51703

LEGAL #90957

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Pub: Mar 10, 2023

PART C

New Mexico Citizen Participation Plan

I. INTRODUCTION

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

The Consolidated Plan involves a three-part planning process required by HUD. It comprises developing a five-year strategic plan, preparing annual action plans and submitting annual performance reports. These three parts are intended to furnish the framework whereby New Mexico can identify housing, homeless, community, and economic development needs, identify resources (under the above named HUD programs) that will be utilized and actions to be taken to address the needs, as well as look back and evaluate the state's progress toward achieving strategic goals. Programs and activities range widely from public facilities to housing development, homeless shelters or services and many other actions designed to meet the strategic goals. Completing these documents on time and in a manner that is acceptable to HUD ensures program funding. In addition, HUD guidelines require New Mexico to analyze impediments to fair housing choice, publish the study and report on actions taken to address those impediments. The Analysis of Impediments to Fair Housing Choice demonstrates the state's efforts to affirmatively further fair housing during a period covered by the Consolidated Plan.

The precursor to the Consolidated Plan is the Citizen Participation Plan (CPP). The objectives of the CPP are to ensure that the citizens of New Mexico, particularly persons of low and moderate income, persons living in slum and blight areas, units of local government, housing agencies and other interested parties, are provided with the opportunity to participate in the planning and preparation of the Consolidated Plan, the Annual Action Plan, any amendments to the Consolidated Plan or Annual Action Plan, and the Consolidated Annual Performance and Evaluation Report, as well as the Analysis of Impediments to Fair Housing Choice.

The CPP sets forth general policies and procedures for implementing and carrying out the Consolidated Plan process and the fair housing study's preparation, such as how the Consolidated Plan will be developed, dates and milestones along which the process will proceed and methods for citizens to offer the state assistance and guidance in the formulation of the Plan. Furthermore, the provisions of the CPP fulfill statutory and regulatory requirements for citizen participation specified in HUD's rules for the Consolidated Plan, the HOME program, the CDBG program, the ESG program, the HOPWA program, and the National Housing Trust Fund (HTF) program. New Mexico Mortgage Finance Authority (MFA) administers HOME, ESG, HOPWA, and HTF funds. Local Government Division, Community Development Bureau within the New Mexico Department of Finance and Administration (DFA) administers CDBG resources. MFA is the lead agency for developing the Consolidated Plan, Action Plan, and Consolidated Annual Performance and Evaluation report.

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

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

II. TYPES OF PARTICIPATION

A. CONSOLIDATED PLAN AND ANNUAL ACTION PLAN

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

1. Preparation

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

- Create and utilize a survey to obtain community input on the state's housing and community development needs for the Consolidated Plan process.
- Conduct stakeholder interviews for the Consolidated Plan process with local public agencies that assist low-income persons and areas, including MFA and DFA staff and government agencies; as well as with private agencies, including local non-profit service providers and advocates such as health agencies, homeless service providers, non-profit housing developers and social service agencies (including those focusing on services to children, the elderly, persons with disabilities, persons with HIV/AIDS, persons with substance abuse problems, etc.).
- Conduct one (1) or more focus group meetings for the Consolidated Plan process to solicit input on needs and priorities.
- Solicit proposals from local governments for CDBG funded infrastructure projects that meet local community needs based partly on community outreach by applicants for such funding. (Applicants must hold at least two publicly advertised citizen participation meetings prior to submitting an application to DFA for CDBG infrastructure funds. Public notices must include a print notice published in at least one (1) local newspaper of general circulation or post notices in prominent locations at least ten (10) days prior to the citizen participation meetings.)
- Issue a public notice for a public hearing on the needs of the community to inform the Consolidated Plan and/or Annual Action Plan.
- Develop an assessment of needs in the state of New Mexico as well as a strategic plan to address those needs as part of the Consolidated Plan process.
- Issue a public notice announcing the release of a complete draft of the Consolidated Plan and/or Annual Action Plan, a thirty (30) day review and comment period of the complete draft, and a public hearing to take place during the review and comment period.
- Take appropriate actions to encourage participation of all New Mexico residents, including minorities and non-English speaking persons, as well as persons with disabilities.

2. Adoption

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

- One (1) or more focus group meetings on needs and priorities for the Consolidated Plan process.
- A public notice for the public hearing on the needs of the community to inform the Consolidated Plan and/or Annual Action Plan and a separate public notice announcing the release of a complete draft of the Consolidated Plan and/or Annual Action Plan, a thirty (30) day review and comment period of the complete draft, and a public hearing to take place during the review and comment period. Published notices will be in the Albuquerque Journal, the Santa Fe New Mexican, Roswell Daily, Farmington Daily Times, Las Vegas Optic, Eastern New Mexico News and Las Cruces Sun News, and on MFA's website (<http://www.housingnm.org/>) and DFA's website (<https://www.nmdfa.state.nm.us/local-government/community-development-bureau/new-mexico-action-plan/>) at least seven (7) days in advance of the hearing. The notice will list the locations where the document(s) will be available for review.
- The Draft Consolidated Plan and/or Draft Annual Action Plan will be available at MFA and DFA offices and on MFA's and DFA's websites.
- The Draft Consolidated Plan and/or Draft Annual Action Plan will be made accessible to persons with disabilities upon request.
- In preparing the Final Consolidated Plan and/or Annual Action Plan, careful consideration will be given to all comments and views expressed by the public, whether given as verbal testimony at the public hearings or submitted in writing during the review and comment period. The final documents will have a section that presents all comments and explains why any comments were not accepted.
- At the end of the thirty (30) day comment period, the state of New Mexico will consider any comments and finalize the Consolidated Plan and/or Annual Action Plan.

3. Amendments

The Consolidated Plan and Annual Action Plan will be amended whenever there is a change in one (1) of the priorities presented on the HUD-required Priority Table; a change in the use of money to an activity not mentioned in the final Annual Action Plan; or a change in the purpose, location, scope or beneficiaries of an activity (described more fully later). The public will be notified whenever there is a "substantial" amendment as defined below:

- Changing the priorities contained in the Five (5) Year Strategic Plan of the Consolidated Plan.
- Funding of a goal not described in the Annual Action Plan.
- Any change in the described method of distributing funds in the Annual Action Plan to local governments or nonprofit organizations to carry out activities. Elements of a method of distribution are:
 - Application process;
 - Resource allocation method;
 - Threshold factors;

- Grant size limits; and
- Criteria selection.

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

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

- Issue a public notice upon release of the proposed substantial amendment announcing a thirty (30) day review and comment period and a public hearing regarding the proposed substantial amendment after the review and comment period. Published notices will be in the Albuquerque Journal, the Santa Fe New Mexican, Roswell Daily, Farmington Daily Times, Las Vegas Optic, Eastern New Mexico News and Las Cruces Sun News, and on MFA's website (<http://www.housingnm.org/>) and DFA's website (<https://www.nmdfa.state.nm.us/local-government/community-development-bureau/new-mexico-action-plan/>) at least seven (7) days in advance of the hearings.
- Include a section in the final substantial amendment that presents all comments, plus explanations why any comments were not accepted.

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

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

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

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

B. CONSOLIDATED ANNUAL PERFORMANCE REPORT

Every year, the state of New Mexico must submit to HUD a Consolidated Annual Performance and Evaluation Report (CAPER) within ninety (90) days of the close of the program year. In general, the CAPER

must describe how funds were actually used and the extent to which these funds were used for activities that benefited low-income people.

- There will be seven (7) days advance public notice of the availability of the CAPER prior to a public hearing.
- There will be a public hearing regarding the CAPER after a fifteen (15) day public review period.
- The final CAPER will have a section that presents all comments, plus explanations why any comments were not accepted.

C. ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

HUD guidelines require New Mexico to analyze impediments to fair housing choice, publish the study and report on actions taken to address those impediments. The Analysis of Impediments to Fair Housing Choice demonstrates the state's efforts to affirmatively further fair housing during a period covered by the Consolidated Plan. MFA will publish Analysis of Impediments and reporting on actions to address those impediments to the website at <http://www.housingnm.org/>.

III. PUBLIC NOTICE

A. PUBLIC NOTICE REQUIREMENTS

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

B. FORMS OF PUBLIC NOTICE

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

- Printing notices in newspapers representative of the state of New Mexico's population and geography at least seven (7) days prior to the public hearings.
- Posting notices on MFA's website (<https://housingnm.org/meetings-events-notices>) and DFA's website (<https://www.nmdfa.state.nm.us/local-government/community-development-bureau/new-mexico-action-plan/>).

IV. PUBLIC HEARINGS

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

V. PUBLIC ACCESS TO INFORMATION

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

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

A. HUD DOCUMENTS

HUD Documents described in this section include:

- Annual Action Plan;
- Consolidated Plan;
- Consolidated Annual Performance Evaluation Report (CAPER);
- Substantial amendments to the Annual Action Plans, the Consolidated Plan, the Consolidated Annual Performance and Evaluation Reports or the Citizen Participation Plan; and
- The Analysis of Impediments to Fair Housing Choice.

B. AVAILABILITY OF HUD DOCUMENTS

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

C. LOCATION OF DOCUMENTS

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

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

VI. COMMENT PROCEDURES

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

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

VII. COMPLAINTS AND GRIEVANCES

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

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

Residents may also present complaints and grievances orally or in writing at the community meetings and/or public hearings. All public comments, including complaints and grievances, made either orally or in writing within the 30-day public comment period, will be included in the final Consolidated Plan or Annual Action Plan. Such complaints or grievances for HOME, HOPWA, HTF or ESG shall be directed to the Consolidated Plan representative at MFA. Such complaints or grievances regarding CDBG shall be directed to the Bureau Chief by contacting DFA at 505-827-4974 or 505-827-4950. MFA or DFA will respond to all complaints, in writing, within fifteen (15) days.

VIII. ACCOMMODATION OF PERSONS WITH SPECIAL NEEDS

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

PART D

National Housing Trust Fund

Notice of Funding Availability (NOFA)

Introduction and Background

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

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

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

Contact Person

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

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

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

Application Submission

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

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

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

Eligible Applicants

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

- Applicant must not currently be suspended, debarred or otherwise restricted by any department or agency of the federal government or state government from doing business with such department or agency because of misconduct or alleged misconduct.
- Applicant and all members of the development team (developer, general partner, contractor, management company, consultant(s), architect, attorney, and accountant, etc.) of the proposed project must be in good standing with MFA and all other state and federal affordable housing agencies or departments. For example, debarment from HUD, MFA, or other federal housing programs, bankruptcy, criminal indictments or convictions, poor performance on prior MFA or federally-financed projects (for example, late payments within the 18-month period prior to the application deadline, misuse of reserves and/or other project funds, default, fair housing violations, non-compliance (e.g. with the terms of Land Use Restriction Agreements on other projects), or failure to meet development deadlines or documentation requirements) on the part of any proposed development team member or project owner or other principal may result in rejection of an application by MFA.
- MFA will require CPA audited or reviewed financial statements of the developer's organization and analyze to determine if the developer has sufficient capacity and financial management systems to account for use of Federal funds. The audit system review can help to determine if the financial systems are adequate.

- If applicant has an audited financial statement, the following types of audit findings may disqualify applicant from funding but not limited to:
 - Repeat of unresolved audit findings, as determined by MFA;
 - If applicant has received greater than \$750,000 in federal funds in the prior fiscal year and its single audit did not meet the requirements of 2 CFR 200 Subpart F;
 - For any such single audit, no proof of Federal Audit Clearinghouse submission (FOR SF-SAC);
 - If referenced in audit as a separate communication, no submission of management, response letter and management response to concerns noted in the management letter; and
 - If any findings, no submission of management response to findings.
- MFA will evaluate developers awarded funding for capacity to carry out the project based on the following:
 - Developer's technical and managerial experience
 - Developer's staff's knowledge and skills to successfully implement the project
 - Developer's ability to meet its financial obligations and absorb the financial risk of the project
- MFA will evaluate developers awarded funding for financial capacity based on the following:
 - Developer's financial management systems and practices
 - Developer's financial resources to determine they are sufficient to carry the project to completion and through the required affordability period
- Private non-profit entities involved in property acquisition must evidence the following:
 - Proof that the non-profit is organized under state or local law with either a charter or articles of incorporation
 - Proof that no part of its net earnings benefit of any member, founder, contributor, or individual with either a charter or articles of incorporation
 - A 501 (c)(3) or (4) Certificate from the IRS
- Finally, developers and other entities carrying out NHTF funded projects must also **evidence good standing in the System for Award Management (SAM)** (<https://www.sam.gov>).

Eligible Activities

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

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

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

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

Beneficiary Income Limits and Rent Restrictions

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

Affordability Period

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

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

Limitation on Beneficiaries or Preferences

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

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

- Ex-offenders.

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

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

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

Environmental Requirements

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

Other Federal Requirements

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

Property Standards

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

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

Funding Limits and Restrictions

Awards of NHTF funds are contingent on sufficient appropriations and authorization being made by HUD and the state of New Mexico and are further subject to applicable law. If these are not available, any loan or other agreement between MFA and any successful, eligible applicant shall terminate upon written notice being given by MFA to the applicant. MFA's decision as to whether sufficient appropriations are available or whether NHTF assistance may be awarded subject to applicable law shall be accepted by any applicant and shall be final.

Awards of NHTF funds are limited by the maximum per-unit subsidy limits and the MFA's underwriting guidelines. Awards of NHTF funds to projects that receive 9% low-income housing tax credits are limited to a maximum of \$400,000 per project. Awards of NHTF funds to all other projects are limited to a maximum of \$1,500,000 per project. Projects that will include accommodations for individuals with disabilities are likely to have higher development costs. Projects will be evaluated separately for cost-efficiency.

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

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

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

Project Readiness Standards

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

Funding Terms and Conditions

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

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

NHTF financing that will be used as a financing resource in a property that will **not** use LIHTC will be in the form of a non-interest bearing "compliance loan." If all of the regulatory and contractual requirements are completed, the loan will be forgiven at the end of the NHTF Period of Affordability, and MFA's secured interest released. MFA would have the right to foreclose on the security deed in the event of a determination of nonperformance or substantial noncompliance with the NHTF program requirements.

Loans will be secured by mortgages and/or other appropriate liens. Land Use Restriction Agreements (LURAs) will be required for all loans. LURAs will remain in place throughout the required affordability period (30 years) regardless of the status of the loan or changes in ownership, unless equal or more restrictive restrictions are in place from other funding sources or are imposed through permanent affordability mechanisms such as deed restrictions or land trusts.

Evaluation of Applications and Documentation

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

Scoring Criteria

All projects must meet the following threshold criteria:

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

	Scoring Criteria	Points
	Geographic diversity <i>No other Low Income Housing Tax Credit, public housing, or federally-subsidized housing projects within:</i> <ul style="list-style-type: none"> • $\frac{1}{4}$ mile radius = 3 points • $\frac{1}{2}$ mile radius = 5 points 	3 or 5
	Duration of the affordability period beyond the required 30 years <i>Projects committed to an additional five or more years</i>	5
	Energy efficiency <i>Home Energy Rating System (HERS) score exceeds a sufficient HERS rating as stipulated in the then-current MFA Design Standards</i>	5
	Organization type <i>Developer/general partner is a New Mexico nonprofit organization, a Tribal Designated Housing Entity (TDHE), or a public housing authority</i>	5
	Absence of project-based rental assistance <i>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</i>	5
	Transit-oriented development <i>Projects within 1/2-mile walking distance of public transportation</i>	10

	<i>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.</i>	
	<p>Tribal or Rural location</p> <p><i>Tribal or Rural Housing projects, defined as follows:</i></p> <p><i>A. Tribal – Projects located on tribal lands, or</i></p> <p><i>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.</i></p>	10
	<p>Creation of new units serving ELI households, through new construction, adaptive reuse or conversion of market-rate units</p> <p>Examples:</p> <ul style="list-style-type: none"> • 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 <p><i>Each new ELI unit = 1 points (Capped at 10 points)</i></p>	Up to 10
	<p>Readiness</p> <p>Applicant's ability to obligate NHTF funds and undertake eligible activities in a timely manner</p> <p><i>Projects that have</i></p> <p><i>(1) evidence of site control = 5 points</i></p> <p><i>(2) evidence that the current zoning of the proposed site does not prohibit multifamily housing = 5 points</i></p> <p><i>(3) evidence of all other non-MFA funding sources</i></p> <p><i>a.) letters of interest from all other non-MFA funding = 5 points</i></p> <p><i>b.) commitment letters from all other non-MFA funding sources = 10 points</i></p>	Up to 20
	<p>Leverage</p> <p>Use of state, local and private funding sources</p> <p><i>Projects that have funding sources outside of federal funding sources, low-income housing tax credits, bond financing, and MFA funding sources, as follows:</i></p> <p><i>10% of NHTF funds requested = 4 points</i></p> <p><i>20% of NHTF funds requested = 8 points</i></p> <p><i>30% of NHTF funds requested = 12 points</i></p> <p><i>40% of NHTF funds requested = 16 points</i></p> <p><i>50% of NHTF funds requested = 20 points</i></p>	Up to 20
	<p>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:</p> <p><i>10% of NHTF units targeted to any priority housing need = 4 points</i></p> <p><i>20% of NHTF units targeted to any priority housing need = 8 points</i></p> <p><i>30% of NHTF units targeted to any priority housing need = 12 points</i></p>	Up to 20

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

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

Application Format and Instructions to Applicants

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

The application fee for NHTF will be \$250.

Incurred Expenses

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

Award Notice

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

Application Confidentiality

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

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

Irregularities in Applications

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

Responsibility of Applicants

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

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

Protest

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

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

Code of Conduct

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

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

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

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

Use of Electronic Versions of this NOFA

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

Definitions

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

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

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

Individuals with severe mental illnesses - Serious mental illness (SMI) as defined by the Substance Abuse and Mental Health Services Administration (SAMHSA) - adults aged 18 or older who currently or at any time

in the past year have had a diagnosable mental, behavioral, or emotional disorder (excluding developmental and substance use disorders) of sufficient duration to meet diagnostic criteria specified within the 4th edition of the Diagnostic and Statistical Manual of Mental Disorders (DSM-IV) that has resulted in serious functional impairment, which substantially interferes with or limits one or more major life activities. Treatment Severe mental illness is often defined by its length of duration and the disability it produces. These illnesses include disorders that produce psychotic symptoms, such as schizophrenia and schizoaffective disorder and severe forms of other disorders such as major depression and bipolar disorder.

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

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

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

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

PART E

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

Part A

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

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

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

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

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

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

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

NEW CONSTRUCTION

A. GENERAL DESIGN

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

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

B. SITE DESIGN AND DEVELOPMENT

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

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

C. BUILDING DESIGN AND CONSTRUCTION

1. Exterior Building Design

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

2. Integrated Pest Management

- a. Building construction shall also include sealing all walls, floor and joint penetrations with low-VOC caulking or other appropriate nontoxic sealing methods to prevent pest entry.

D. UNIT DESIGN AND CONSTRUCTION

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

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

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

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

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

REHABILITATION

A. GENERAL DESIGN

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

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

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

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

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

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

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

- HUD/EPA Disclosure Regulations (Title 24, Part 35, Subpart A) – Requires owners of target housing to disclose all lead paint records and related information to potential buyers and/or tenants. More information is available at: http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_12347.pdf
- OSHA Lead in Construction Rule (29 CFR Part 1926.62) - Proscribes personal protection measures to be taken when workers are exposed to any lead during construction projects. More information is available at: https://www.osha.gov/pls/oshaweb/owadisp.show_document?p_table=STANDARDS&p_id=10641

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

B. SITE DESIGN AND DEVELOPMENT

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

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

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

C. BUILDING DESIGN AND CONSTRUCTION

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

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

D. UNIT DESIGN AND CONSTRUCTION

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

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

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

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

SPECIAL PROJECTS

A. SINGLE ROOM OCCUPANCY (SRO) DEVELOPMENTS

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

B. ADAPTIVE REUSE PROJECTS

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

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

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

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

SITE INFORMATION

The Preliminary Architectural Documentation shall include the following:

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

Current color photographs of the Project site (images obtained from a website are not acceptable); include images looking out toward each of the cardinal directions. If a rehabilitation Project, include images of each façade of the existing structure(s) as well as existing amenities.
6. Preliminary Site Plan
 - a. The site plan shall show the extents of the site and shall label adjacent roadways.
 - b. The site plan shall include a north arrow and scale.
 - c. The site plan shall show the buildings and identify the number of units to be included in each building.

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

- iv. Building signage
- v. Building lighting
- vi. Vertical circulation if provided

10. Preliminary Unit Plans

- a. Unit plans shall be provided for each typical unit type.
- b. Unit plans shall be provided for all accessible units.
- c. Unit plans shall describe the following attributes:
 - i. The overall layout of the rooms or spaces
 - ii. Bedroom locations, numbers and square footage
 - iii. Linear dimensions for bedrooms
 - iv. Storage closets
 - v. Mechanical systems to be used with space requirements and space locations
 - vi. Lighting layout
 - vii. Kitchen cabinetry and appliances
 - viii. Doors and swings
 - ix. Laundry equipment and/or hook ups if provided
 - x. Accessible features, clear floor spaces and clear turning spaces

11. Preliminary Specifications:

- a. Preliminary specifications shall be provided for all Projects.
- b. The preliminary specifications shall describe the following aspects of the work:
 - i. Proposed building systems, including but not limited to:
 - a) The exterior envelope including windows, doors, roofing and wall surface finishes
 - b) The building insulation systems
 - c) The structural systems
 - d) The mechanical systems
 - e) The plumbing and hot water systems
 - f) The electrical systems
 - g) The lighting systems
 - i. Proposed interior fixtures, finishes and installations, including but not limited to:
 - a) Cabinetry
 - b) Appliances
 - c) Wall and ceiling finishes
 - d) Floor finishes
 - e) Plumbing fixtures and trim
 - f) Electrical fixtures and trim
 - g) Interior doors

12. Rehabilitation Scope of Work Narrative: (Required for all rehabilitation projects)

- a. A rehabilitation scope of work shall be provided for all rehabilitation Projects.
- b. The rehabilitation scope of work shall describe the following:
 - i. Proposed changes to the site to remove barriers to accessibility
 - ii. Proposed changes to the buildings to provide a minimum 5 percent accessible units
 - iii. Proposed strategy to achieve a maximum HERS certification of 75 or better

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

CAPITAL NEEDS ASSESSMENT (CNA) REQUIREMENTS

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

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

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

Supplement A

State of New Mexico National Housing Trust Fund Rehabilitation Standards

I. PURPOSE OF STANDARDS

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

II. QUALITY OF WORK

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

III. SCOPE OF WORK DETERMINATION

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

IV. EXPECTED USEFUL LIFE / REHABILITATION SCOPE & CAPITAL PLANNING

- A. In developing scopes of work on housing rehabilitation projects, MFA NHTF grantees and developers will consider the remaining expected useful life of all building components with regard to building long-term sustainability and performance. Specifically, each building component with a remaining expected useful life of less than the applicable NHTF period of affordability (30 years) will be considered for replacement, repair or otherwise updated. Additionally, new building components with an expected useful life of less than 30 years will be considered for future replacement.
- B. Project CNAs will be required. The industry standard period for CNAs is 20 years; however, project CNAs must be updated every five years during the life of the project to ensure projected capital needs through the 30 year NHTF affordability period are anticipated and planned for. The initial CNA will cover years 1-20. The first five year update will be done in year 5 and cover years 6-25. The second 5-year update will be done in year 10 and will cover years 11-30.
- C. Once a scope of work has been developed by the grantee and their development team, the grantee must also develop a Capital Plan. Whether or not a particular building component has been replaced, repaired or otherwise updated as part of the rehabilitation scope of work, all building components and major systems must demonstrate adequate funding to be viable for at least 20 years, the length of the capital plan, with subsequent updates every five years during the 30-year affordability period.
 - Example #1: Kitchen cabinets with a remaining useful life of eight years may be permitted to be left in place and not included in the rehabilitation scope. However, adequate funding must be demonstrated in the building capital plan to replace those cabinets in year 8 of the post-rehabilitation capital plan.
 - Example #2: If a building component such as a new roof is installed during the rehabilitation and this roof has an expected useful life of 25 years, it will not show up on the initial CNA as needing replacement during that 20-year period. However, since MFA requires updates of CNA's for NHTF projects to be performed every 5 years, it will show up on the next 20-year CNA which will be performed in year 5 of the project and cover years 6 to 25. During these 5- year CNA updates, the project reserve contributions will be reviewed to ensure all future capital expenditures articulated in the CNA are adequately funded through the 30-year affordability period.
- D. Annual replacement reserves contributions of at least \$250 per unit per year (pupy) for senior projects and \$300 pupy for general occupancy projects are required through the 30-year affordability period. If the initial 20-year CNA and capital plan (and/or any subsequent five year updates) indicate that replacement costs for the period exceed the amount generated by the respective pupy contributions, a higher pupy contribution will be required.
- E. Grantees and their development teams should ensure that all site and building systems and components are analyzed to ensure that they will remain viable and serviceable throughout the affordability period. The analysis of some systems (the structural system for example), may require professional investigation, review and documentation.

VII. DISASTER MITIGATION

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

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

B. Specifically regarding flood hazards:

1. Projects must meet FEMA federal regulation, and HUD's floodplain management requirements at 24 CFR 55, including the 8-Step Floodplain Management Process (when applicable) at 24 CFR 55.20.
2. Projects must meet fluvial erosion prevention requirements per local municipality regulations.

C. Specifically regarding earthquakes:

1. Projects located in earthquake prone regions must be assessed by a registered structural engineer for compliance with Section 707 of the 2009 International Existing Building Code.
2. Projects located in earthquake-prone regions must further complete soils testing and grading of the soils by a registered soils engineer in accordance with the 2009 International Building Code Requirements. Such soils classifications will be used to determine if voluntary improvements of the seismic force-resisting system (Section 707.6 2009 IEBC) will be voluntary or compulsory.

D. Specifically regarding wildfires:

1. Projects located in wildfire-prone areas or which are located next to large expanses of forest, brush, open fields, or within predominantly natural landscapes will make efforts to reduce exposure to wildfires.
2. Projects located in wildfire-prone areas will utilize best practices to protect the project including readily available information provided through the U.S. Forest Service and NFPA Firewise Community Program. Such efforts toward preparation will include basics of defensible space and sound landscaping techniques. Additional information can be found at www.firewise.org/wildfire-preparedness.aspx.

PART F

MFA RECAPTURE/AFFORDABILITY GUIDELINES

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

Maintaining Affordability

In general, all HOME activities require the borrower or beneficiary to execute, at a minimum, a Restrictive Covenants Agreement or Tribal Land Award Agreement. Loans are due upon sale or transfer of the property, with some exceptions in owner-occupied rehabilitation. In the case of the DPA program, mortgage liens are placed in second position behind MFA's first-time homebuyer mortgage backed security (MBS) program loans. In MFA's Owner-Occupied Rehabilitation program, these liens can assume a variety of positions, including first. Finally, in the case of MFA's Rental New Construction and Rehabilitation programs, a Land Use Restriction Agreement is executed along with the note and mortgage to ensure long term compliance with HUD guidelines. All guidelines under which repayment must be made are spelled out in the note, mortgage and/or restrictive covenant documents, depending upon the activity.

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

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

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

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

In the case of foreclosure on the property during the period of affordability, MFA files an answer and monitors the foreclosure. If there are any excess funds at the foreclosure sale, MFA will file a claim for those funds. This demonstrates that MFA has made every effort to recover the HOME funds on behalf of HUD. For all homeowner activities, recapture provisions must be limited to net proceeds, and MFA's repayment obligation is limited to the amount of the HOME subsidy, if any, that it is able to recover. For rental activities, per §92.252(e)(4), the termination of the restrictions on the project does not terminate the participating jurisdiction's repayment obligation under §92.503(b). However, in §92.252(e)(2), though, "the participating jurisdiction may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure or deed in lieu of foreclosure in order to preserve affordability." After the period of affordability, MFA files a disclaimer to the property.

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

Recapture guidelines:

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

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

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

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

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

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

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

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

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

PART G

MFA Emergency Solutions Grant (ESG) Written Standards



| *Housing New Mexico*

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INTRODUCTION

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

BACKGROUND

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

PROGRAM OVERVIEW

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

STANDARDS APPLICABLE TO ALL PROGRAMS

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

PROGRAM ELIGIBILITY BY HOMELESS STATUS

Every participant served with ESG funds must qualify for assistance according to HUD standards. Sub-recipients are responsible for determining eligibility status for all ESG program participants and are required to obtain documentation at intake of homelessness, imminent risk or at-risk of homelessness status. This documentation must show that the “Order of Priority for Obtaining Evidence of Homelessness” was followed at intake, as defined in Appendix D and in 24 CFR 576.500. A copy of the documentation must be kept in the participant file and made available to MFA, the NM CoCs and HUD for monitoring or risk analysis purposes. Complete details regarding participant eligibility for ESG-funded programs are outlined in Appendix B and C.

STREET OUTREACH

Street Outreach services shall target unsheltered, homeless individuals and families, defined as those with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground.

EMERGENCY SHELTER

Individuals and families eligible for Emergency Shelter assistance must meet HUD’s Definition of Homelessness. (See Appendix B)

RAPID RE-HOUSING

Individuals and families eligible for Rapid Re-Housing assistance must meet HUD’s Definition of Homelessness. (See Appendix B)

There is no income limit upon intake for this program. All participants must meet the ESG income limits of at or below 30% of the area median income (AMI) for the area upon annual recertification

HOMELESS PREVENTION

Individuals and families eligible for Homeless Prevention assistance must meet HUD’s Definition of Imminent Risk or At-Risk of Homelessness. (See Appendix C)

Additionally, Homeless Prevention projects must only serve individuals and families that meet the ESG income limits of below 30% of the area median income (AMI) for the area.

Income limits can be found at <https://www.huduser.gov/portal/datasets/fmr.html>

THE NEW MEXICO COORDINATED ENTRY SYSTEM (NMCES)

To ensure homeless households receive immediate housing and to minimize barriers to housing access, all sub-recipients will be required to assist program participants in accessing resources through the New Mexico Coordinated Entry System (NMCES) and accept (where applicable) all referrals for housing from the NMCES. Coordinated Entry is a state-wide process for facilitating access to all resources designated for individuals and families experiencing homelessness. This system ensures that every homeless individual or family is known by name and is provided assistance based on the individual or family's unique needs and matches them to the most appropriate service strategy or housing intervention. The NMCES ensures system coordination among emergency shelters, essential service providers, homeless prevention providers, rapid re-housing providers, other homeless assistance providers, and mainstream services and housing providers.

Sub-recipients will have, at a minimum, one staff member who is trained and certified in conducting the common assessment tool used by the NMCES. The NMCES uses the Vulnerability Index - Service Prioritization Decision Assistance Tool (VI-SPDAT) as its common assessment tool. To the maximum extent practicable, households presenting for assistance will be assessed using the VI-SPDAT. All completed assessments must be entered into the NMCES, in accordance with NMCES Policies and Procedures. (See nmceh.org or email info@nmceh.org for more information.)

Where the sub-recipient is unable to administer the VI-SPDAT, households that present for service will be provided appropriate referrals to NMCES.

Note: A victim services provider may choose not to use the CoC's centralized or coordinated assessment system. (24 CFR 576.400(d))

FAIR HOUSING

Sub-recipients will not prohibit access to ESG funded programs to anyone who would otherwise be eligible for assistance based on race, color, religion, national origin, sex, age, familial status, disability type, actual or perceived sexual orientation, gender identity or marital status. Sub-recipients will post publicly a HUD-issued Fair Housing notice, in a place that is visible to all program participants and persons who present for assistance or services.

EQUAL ACCESS

Units of general local government and nonprofit organizations shall make it known that facilities and services supported by this grant are available to any person (who otherwise meets the eligible criteria for the program) in accordance with the Equal Access Rule (24 CFR 5.105(a)(2)) which prohibits discriminatory eligibility determinations in HUD-assisted or HUD-insured housing programs based on actual or perceived sexual orientation, gender identity, or marital status, including any projects funded by ESG Programs. The ESG Interim Rule also contains a Fair Housing Provision at 24 CFR 576.407(a)(b).

It is allowable for shelters or housing programs to exclusively serve families with children, but they must serve all types of families with children including both male and female headed households. The housing or shelter may also be limited to one sex where such housing consists of a single structure with shared bedrooms or bathing facilities such that the considerations of personal privacy and the physical limitations of the configuration of the housing make it appropriate for the housing to be limited to one sex.

Providers that operate single-sex projects must provide all individuals, including transgender individuals and other individuals who do not identify with the sex they were assigned at birth, with access to programs, benefits, services, and accommodations in accordance with their gender identity without being subjected to intrusive questioning or being asked to provide documentation.

AFFIRMATIVE OUTREACH

Sub-recipients must make known that use of the facilities, assistance, and services are available to all on a nondiscriminatory basis. To this end, the sub-recipient must take appropriate steps to ensure effective communication with persons with disabilities including, but not limited to, adopting procedures that will make available to interested persons information concerning the location of assistance, services, and facilities that are accessible to persons with disabilities. Consistent with Title VI and Executive Order 13166, sub-recipients are also required to take reasonable steps to ensure meaningful access to programs and activities for limited English proficiency (LEP) persons.

Sub-recipients will market their program in an ongoing effort to assure that potential participants who are least likely to access the program, (without regard to race, color, national origin, sex, religion, familial status, sexual orientation, and disability) have access to the program. Sub-recipients will document efforts to conduct outreach to educate those least likely to access resources. Affirmative marketing strategies will include efforts to communicate information regarding services and resources available through the program, eligibility requirements, and information about how the program participates in the NMCES.

Methods outlined in the sub-recipient's marketing strategy may include:

- Distributed printed materials
- Postings to agency website and/or social media accounts
- Public listings through community resource services
- Education provided to community partners

COORDINATION WITH OTHER TARGETED HOMELESS SERVICES

ESG-funded programs must coordinate and integrate, to the maximum extent practicable, eligible activities with other programs targeted to homeless people in their geographical region. Efforts to coordinate with other targeted homeless services must be documented by sub-recipients. These programs may include, but are not limited to:

- Continuum of Care Program (24 CFR 578)
- Section 8 Moderate Rehabilitation Program for Single Room Occupancy Program for Homeless Individuals (24 CFR 882)
- HUD—Veterans Affairs Supportive Housing (HUD—VASH) (division K, title II, Consolidated Appropriations Act, 2008, Pub. L. 110–161 (2007), 73 FR 25026 (May 6, 2008))
- Education for Homeless Children and Youth Grants for State and Local Activities (title VII–B of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 et seq.))
- Grants for the Benefit of Homeless Individuals (section 506 of the Public Health Services Act (42 U.S.C. 290aa– 5))
- Healthcare for the Homeless (42 CFR part 51c)
- Programs for Runaway and Homeless Youth (Runaway and Homeless Youth Act (42 U.S.C. 5701 et seq.))
- Projects for Assistance in Transition from Homelessness (part C of title V of the Public Health Service Act (42 U.S.C. 290cc–21 et seq.))
- Services in Supportive Housing Grants (section 520A of the Public Health Service Act)
- Emergency Food and Shelter Program (title III of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11331 et seq.))
- Transitional Housing Assistance Grants for Victims of Sexual Assault, Domestic Violence, Dating Violence, and Stalking Program (section 40299 of the Violent Crime Control and Law Enforcement Act (42 U.S.C. 13975))
- Homeless Veterans Reintegration Program (section 5(a)(1)) of the Homeless Veterans Comprehensive Assistance Act (38 U.S.C. 2021)
- Domiciliary Care for Homeless Veterans Program (38 U.S.C. 2043)
- VA Homeless Providers Grant and Per Diem Program (38 CFR part 61)
- Health Care for Homeless Veterans Program (38 U.S.C. 2031)
- Homeless Veterans Dental Program (38 U.S.C. 2062)

- Supportive Services for Veteran Families Program (38 CFR part 62)
- Veteran Justice Outreach Initiative (38 U.S.C. 2031)

OTHER FEDERAL, STATE, LOCAL, AND PRIVATE ASSISTANCE

ESG-funded programs must support each program participant, as needed, in obtaining other federal, state, local, and private assistance, the end goal being housing stability. Assistance provided to program participants must be documented by sub-recipients. Assistance programs include:

- Medicaid
- Supplemental Nutrition Assistance Program (SNAP)
- Women, Infants and Children (WIC)
- Federal-State Unemployment Insurance Program
- Social Security Disability Insurance (SSDI)
- Supplemental Security Income (SSI)
- Child and Adult Care Food Program
- Public housing programs
- Housing programs receiving tenant-based or project-based assistance
- Supportive Housing for Persons with Disabilities
- HOME Investment Partnerships Program
- Temporary Assistance for Needy Families (TANF)
- Health Center Program
- State Children's Health Insurance Program
- Mental Health and Substance Abuse Block Grants
- Services funded under the Workforce Investment Act

HOMELESS MANAGEMENT INFORMATION SYSTEM (HMIS) 24 CFR 576.107

All ESG funded programs are required to enter participants in the NM Homeless Management Information System (NM-HMIS) at first contact, reassessment, and exit, per current HMIS Data Standards. Programs that are specifically forbidden by other statutes or regulations to participate in HMIS, (e.g., victim service providers) must participate utilizing an approved comparable database to meet reporting requirements. New Mexico victim service providers currently utilize the Osnium database for this purpose.

All participating agencies must collect and maintain common data fields as determined by current HUD data standards and as applicable to all relevant federal regulations. This requirement helps to ensure coordination between service providers through NMCES while avoiding duplication of services and client data and provides an opportunity to document eligibility for assistance. Sub-recipients must enter and maintain all data required to complete all reporting requirements established by HUD, MFA, and the NM CoCs. All NM-HMIS participating agencies must also adhere to the policies and procedures outlined in the

NM-HMIS Standard Operating Procedures, including timely, accurate, and complete data quality management.

CONFIDENTIALITY OF RECORDS

All ESG-funded programs must uphold all privacy protection standards established by the NM-HMIS Standard Operating Procedures and relevant federal and state of New Mexico confidentiality laws and regulations that protect client records. Confidential client records may only be released with the participant's or the participant's guardian's consent, unless otherwise provided for in the pertinent laws and regulations. All required HMIS forms can be found within the NM-HMIS database program.

VERBAL EXPLANATION

Prior to every participant's initial assessment, ESG-funded programs must provide a verbal explanation to the participant of how their personal information will be entered into an electronic database that stores client information. The participant must also be given a verbal explanation of the NM-HMIS Client Consent Form terms.

WRITTEN CONSENT

After being provided a verbal explanation, each participant who agrees to have their personally identifiable information (PII) entered into the NM-HMIS must sign the NM-HMIS Client Consent Form. (Exception: verbal consent to enter PII into the NM-HMIS may be obtained during a phone screening, outreach, or diversion, provided that the sub-recipient obtains the participant's written consent at the next available opportunity.) Participants must be informed that they may be removed from the database at any time at their request. Those who do not sign the Consent Form are entered into NM-HMIS using only an identifier number.

TERMINATION OF ASSISTANCE

Sub-recipients may terminate assistance to participants who violate program requirements as outlined below, in accordance with 24 CFR 576.402(a)(b)(c).

If a program participant violates written program requirements, the sub-recipient may terminate assistance in accordance with a formal process established by the sub-recipient that recognizes the rights of individuals affected. The sub-recipient must exercise judgment and examine all extenuating circumstances in determining when violations warrant termination so that a program participant's assistance is terminated only in the most severe cases.

When terminating rental assistance or housing relocation and stabilization services, the required formal process shall minimally consist of:

- A written notice to the program participant containing a clear statement of the reasons for termination; and
- A review of the decision, in which the program participant is given the opportunity to present written or oral objections before a person other than the person (or a subordinate of that person) who made or approved the termination decision; and
- Prompt written notice of the final decision to the program participant.

Termination does not bar the sub-recipient from providing further assistance at a later date to the same family or individual.

GRIEVANCE PROCEDURES

All ESG sub-recipients must create a formal standardized grievance process which they must incorporate into their internal policies and procedures and at a minimum include:

- An established escalation process if no resolution is found through initial efforts
- A designated grievance liaison within the agency
- A standard grievance form that can be filled out and returned to a grievance liaison

Participants are informed, at initial intake, of their right to file a grievance and that no services will be denied based on complaints or grievances. In the event that a grievance is filed, participants must be provided with contact information for the agency's director, the MFA program manager, and/or a HUD representative, if applicable. The signed grievance form is to be kept in the participant's permanent file. (Refer to the MFA Performance Agreement (contract), Article 20, "Maintenance of Grievance System).

FAITH-BASED ACTIVITIES

Minimum standards for faith-based activities (24 CFR 576.406) are:

- Providers receiving ESG funding shall not engage in inherently religious activities as part of the ESG-funded programs or services. Such activities must be offered separately from ESG-funded programs and services and participation must be voluntary.
- A religious organization receiving ESG funding retains independence from the government and may continue with its mission provided that ESG funds are not used to support inherently religious activities. An ESG-funded organization retains its authority over its internal governance.
- An organization receiving ESG funding shall not discriminate against a participant or prospective participant based on religion or religious beliefs.
- ESG funding shall not be used for the rehabilitation of structures used specifically for religious activities but may be used for rehabilitating structures that are used for ESG eligible activities.

HOMELESS REPRESENTATION

Sub-recipients must ensure that, to the maximum extent practicable, not less than one homeless individual or formerly homeless individual participates on the board of directors or other equivalent policymaking entity of the agency, to the extent that the entity considers and makes policies and decisions regarding any facilities, services, or other assistance that receive ESG funds. (24 CFR 576.405)

If the sub-recipient is unable to meet requirements outlined in the above paragraph, it must instead develop and implement a plan to consult with homeless or formerly homeless individuals in considering and making policies and decisions regarding any facilities, services, or other assistance that receive ESG funds. This plan must be included in the annual action plan, as required at 24 CFR 91.220.

To the maximum extent practicable, the provider must also involve homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under ESG, in providing services assisted under ESG, and in providing services for occupants of facilities assisted under ESG. This involvement may include employment or volunteer services.

PROGRAM EVALUATION

MFA will provide assistance to NMCEH in developing annual performance standards for evaluating the effectiveness of ESG program funded activities. Sub-recipient performance will be evaluated annually, and performance outcomes will be considered in allocating funding.

At a minimum, the performance standards will address the degree to which ESG sub-recipients are succeeding in:

- Targeting those who most need assistance; and
- Reducing the number of people living on the streets or in emergency shelter; and
- Reducing the time people spend homeless; and
- Reducing program participants' housing barriers or housing stability risks; and
- Improving HUD System Performance Measures; and
- Submitting an accurate and timely annual CAPER

STREET OUTREACH STANDARDS

Street Outreach should be principally focused on one goal: supporting persons experiencing homelessness in achieving some form of permanent, sustainable housing. While Street Outreach teams may use incentives to encourage trust and build relationships, or to ensure that homeless households' emergency needs are met, the awards should be used with permanent housing as the end goal rather than simply seeking to alleviate the burden of living on the streets.

ESG street outreach funds may be used for the costs of providing essential services necessary to reach out to unsheltered persons, connecting them with emergency shelter, housing, or critical services and providing urgent, non-facility-based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing, or an appropriate health facility. Individuals and families shall be offered the following eligible Street Outreach activities, as needed and appropriate: engagement, case management, emergency health services, mental health services and transportation (24 CFR 576.101).

TARGET POPULATION

Providers of Street Outreach services shall target unsheltered homeless individuals and families, meaning those with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including but not limited to a car, park, abandoned building, bus or train station, airport, or camping ground, and who would not otherwise access homeless services.

NM COORDINATED ENTRY SYSTEM

All individuals and families served through street outreach programs should be assessed using a comprehensive, universal assessment tool, the Vulnerability Index Service Prioritization Decision Assistance Tool (VI-SPDAT), in order to make an informed and objective decision on the level of need of each family and streamline eligibility determinations. All completed assessments must be submitted to the NMCES program or entered into the NM-HMIS database in accordance with NMCES Policies and Procedures.

EMERGENCY SHELTER STANDARDS

ESG funds may be used for the following costs:

- Essential Services
- Shelter Operations
- HMIS/Osnium

An emergency shelter is any facility with the primary purpose of providing temporary shelter for the homeless in general or for a specific population of the homeless. Emergency shelters will not require occupants to sign leases or occupancy agreements.

Shelter stays should be avoided, if possible, and when not possible, limited to the shortest time necessary to help participants regain permanent housing. Households should only be referred to ESG-funded emergency shelters after exhausting all available options for diversion. Emergency shelter programs should be closely linked to the New Mexico Coordinated Entry System (NMCES) to ensure residents are referred to the most appropriate housing resources including, but not limited to, rapid re-housing and permanent supportive housing

ELIGIBLE PARTICIPANTS

ESG-funded emergency shelter programs serve individuals and families who meet the Definition of Homelessness as defined in 24 CFR 576.2 (see also Appendix B). This includes those who lack a fixed, regular, and adequate nighttime residence; cannot be served by other programs or resources; and have no other options for overnight shelter.

ADMISSION

Sub-recipients must develop clear and standard policies and procedures regarding admission to the shelter when need exceeds available resources. Admission policies and procedures must be applied consistently for all households presenting for assistance and take into account the varying needs of people who are homeless. Emergency shelters will prioritize individuals/families in the following situations:

- Those who cannot be diverted; and
- Those who are literally homeless; and
- Those who can be safely accommodated in the shelter; and
- Those who are not in need of emergency medical or psychiatric services, including those who do not appear to pose a danger to themselves or others

No shelter may deny entry based on disability status. Victims of domestic violence who are actively fleeing a domestic violence situation should be referred to a specialized domestic violence shelter, when possible, regardless of where they first access the shelter system.

RECORDKEEPING REQUIREMENTS

Sub-recipients may document homeless status through a certification by the individual or head of household as the primary method of establishing homeless eligibility. (See Appendix D for complete list of requirements)

NMCES

Sub-recipients must offer all individuals/families that enter the shelter an opportunity to complete the common assessment tool for the NM Coordinated Entry System (NMCES) within the first seven days of their stay. The NMCES uses the VI-SPDAT as its common assessment tool. This will allow shelters to connect families and individuals experiencing homelessness to the most appropriate long-term housing option available through the Coordinated Entry System. All ESG-funded programs must also post notice providing information about the NMCES in a place that is visible to all persons presenting for services.

PROHIBITION AGAINST INVOLUNTARY FAMILY SEPARATION

Any group of people that present together for assistance and identify themselves as a family, regardless of age or relationship or other factors, is considered to be a family and must be served together as such. Further, any shelter receiving funds under the ESG programs, including faith-based organizations, cannot discriminate against a group of people presenting as a family based on the composition of the family (e.g., adults and children or adults only), the age of any family member, the disability status of any member of the family, marital status, actual or perceived sexual orientation, or gender identity. Further, the age and gender of a child under age 18 must not be used as a basis for denying any family admission to any shelter receiving ESG funds.

Child School Enrollment and Connection to Services

Emergency Shelters will designate a staff person to be responsible for ensuring that children being served in the program are enrolled in school and connected to appropriate services in the community, including Title 1, early childhood programs such as Head Start, and parts B and C of the Individuals with Disabilities Education Act. Sub-recipients that serve households with children will post publicly, and/or provide for households with children at intake, notice of education services available within the community, and document efforts to verify that children are enrolled in school and connected to appropriate services.

SAFETY AND SECURITY

Emergency Shelter programs must create policies and procedures that minimize barriers and follow harm-reduction methods to the maximum extent practicable, while also creating a safe environment for shelter participants and staff. Policies and procedures may vary depending on the shelter population being served.

LENGTH OF STAY

Emergency shelters must develop clear, standard policies and procedures regarding length of stay. Policies and procedures must be applied consistently for all program participants and take into account the varying needs of people who are homeless. When possible, people with long-term, serious disabilities should be allowed to stay until they are able to access permanent supportive housing.

SUPPORTIVE SERVICES

While shelter staff may encourage trust and build relationships by discussing non-housing related topics with shelter residents, the primary purpose and ultimate goal of all resident interactions should be to ensure that participants obtain permanent housing as quickly as possible. Emergency shelter programs will connect shelter residents to other federal, state, local, and private assistance as outlined under “Standards Applicable to All Programs.” Interactions that include discussion of setting or making progress towards housing goals and connection to other resources must be documented by the emergency shelter and kept in the participant file.

HABITABILITY STANDARDS FOR EMERGENCY SHELTERS

Shelters receiving ESG program funds must meet HUD’s Minimum Habitability Standards for Emergency Shelters. A Minimum Habitability Standards Inspection must be conducted at the shelter annually. The inspection may be completed by a shelter employee and documentation provided to MFA. This may be done prior to contract renewal or as a part on an on-site monitoring visit.

LEAD-BASED PAINT REQUIREMENTS

All ESG-funded housing programs must incorporate lead-based paint remediation and disclosure requirements. Generally, these provisions require the sub-recipient to screen for, disclose the existence of, and take reasonable precautions against the presence of lead-based paint in buildings built prior to 1978. However, there are specific requirements for shelters that are outlined in detail in the EHAP Program Manual as well as the annual EHAP Performance Agreement. Shelters must have a detailed policy to ensure that this process is followed and meets all applicable federal guidelines.

HOMELESS PREVENTION & RAPID RE-HOUSING STANDARDS

Homeless Prevention (HP) assistance includes housing relocation and stabilization services and/or short- and/or medium-term rental assistance necessary to prevent an individual or family from moving into an emergency shelter or another place described in paragraph 1 of the homeless definition in 24 CFR 576. The costs of homelessness prevention are only eligible to the extent that the assistance is necessary to help the program participant regain stability in the program participant’s current permanent housing or move into other permanent housing and achieve stability in that housing.

Rapid Re-Housing (RRH) assistance includes housing relocation and stabilization services and short- and/or medium-term rental assistance to help a homeless individual or family move as quickly as possible into permanent housing and achieve stability in that housing.

Financial assistance cannot be provided to a program participant who is receiving the same type of assistance through other public sources or to a program participant who has been provided with replacement housing payments under the Uniform Relocation Act (URA), during the period of time covered by the URA payments.

ESG-CV funding must be used to prevent, prepare for, and respond to Coronavirus. The act of keeping individuals and families out of shelters or out of places not meant for human habitation by providing Homeless Prevention assistance meets the funding requirements.

Housing those that are literally homeless also meets the ESG-CV for the same reasons.

PRIORITIZATION

HOMELESS PREVENTION

Programs must target households at greatest risk of homelessness and assist participants to increase household income during enrollment. Households must be prioritized using a standardized assessment policy that is applied consistently for all households presenting for need.

RAPID RE-HOUSING

Assistance targets and prioritizes homeless families who are most in need of temporary assistance and are most likely to achieve and maintain stable housing, whether subsidized or unsubsidized, after the program concludes. All sub-recipients are required to select program participants through the NMCS, in accordance with the prioritization system outlined in CoC RRH Written Standards that cover their program area.

ELIGIBLE PARTICIPANTS

HOMELESSNESS PREVENTION

- Individuals or families who meet HUD's definition of imminent risk or at-risk of homelessness. (See Appendix C)
- Homeless Prevention sub-recipients must only serve individuals and families that meet the ESG income limits of **below** 30% of the area median income (AMI) for the area. The income limit for ESG-CV recipients is at or below 50% of the area median income

RAPID RE-HOUSING

- Individuals or families who meet HUD's definition of homelessness. (See Appendix B)
- Income limits are not imposed for Rapid Re-Housing individuals or families upon intake however they must be **at or below** 30% of the area median income (AMI) for the area at annual recertification. The income limit for ESG-CV recipients is at or below 50% of area median income at annual recertification.
- ESG-CV assistance is limited to 12 months therefore an annual recertification would not apply to participants using this funding source.

RECORD KEEPING REQUIREMENTS

Sub-recipients must establish and follow written intake procedures to ensure compliance with HUD's Definition of Homelessness, Imminent Risk and At-Risk of Homelessness and recordkeeping requirements.

EVIDENCE OF HOMELESS STATUS

Sub-recipients must make effort to obtain documentation providing evidence of homeless status as stated in the Order of Priority for Obtaining Evidence of Homelessness (see Appendix D)

1. Individuals Residing in an Institution: For individuals residing in an institution (including a jail, substance abuse or mental health treatment facility, or hospital) for fewer than 90 days, acceptable evidence includes:
 - a) Discharge paperwork or a written or oral referral from a social worker, case manager, or other appropriate official of the institution, stating the beginning and end dates of the time residing in the institution that demonstrates the person resided there for less than 90 days. All oral statements must be recorded by the intake worker; or
 - b) Certification from the person seeking assistance. Where the evidence above is not obtainable, a written record of the intake worker's due diligence in attempting to obtain the evidence described in the paragraph above and a certification by the individual seeking assistance that states that they are exiting or have just exited an institution where they resided for less than 90 days: and
 - c) Evidence of literally homeless status prior to entry. Evidence that the individual was homeless and living in a place not meant for human habitation, a safe haven, or in an emergency shelter, and was chronically homeless prior to entry into the institutional care facility (as defined in paragraph (1) of 25 CFR 578.3) (acceptable documentation listed above).

EVIDENCE OF AT-RISK OR IMMINENT RISK OF HOMELESSNESS STATUS

Sub-recipients must make effort to obtain documentation providing evidence of at-risk or imminent risk of homeless status in the order of priority listed below:

1. Source Documents: Notice of termination from employment, unemployment compensation statement, bank statement, health care bill showing arrears, utility bill showing arrears, a Notice to Quit or Notice to Terminate (see MFA RAP Program Manual).
2. Third Party Documentation: To the extent that source documents are unobtainable, a written statement by the relevant third party (e.g., former employer, public administrator, relative) or written certification by the intake staff of the oral verification by the relevant third party that the applicant meets one or both of the criteria of the definition of “at risk of homelessness.”
3. Intake Worker Observation: If source documents and third-party verification are unobtainable, a written statement by intake staff describing the efforts taken to obtain the required evidence.

SECURING AND MAINTAINING HOUSING

Sub-recipients will assist participants, to the maximum extent practicable, in reducing barriers to securing or maintaining housing, including connection to appropriate resources, efforts to resolve matters related to poor rental history or bad credit, and obtaining identification.

Sub-recipients will follow Housing First Principles. Participants will not be screened out for having too little or no income, a history of or active substance abuse, a criminal record (except for state mandated restrictions, or a history of victimization from domestic violence, sexual assault, or childhood abuse. Participants will not be terminated from the program for failure to participate in supportive services outside of the required monthly meeting with a case manager, failure to make progress on a service plan, loss of income or failure to improve income, or any other activity not covered in a lease agreement typically found for unassisted persons in the area.

RAPID RE-HOUSING

Sub-recipients will assist rapid re-housing program participants, to the maximum extent practicable, in identifying potential housing opportunities. Participants will select their own housing. Sub-recipients will not restrict housing choices, or deny assistance or services based on the participant’s choice to accept or deny a housing opportunity.

Sub-recipients will establish clear and consistent policies and procedures that outline length of time that rapid rehousing program participants have to secure housing after program intake. Sub-recipients may grant extensions for a specific amount of time, for program participants that are actively addressing barriers to securing housing.

At program intake, sub-recipients will provide rapid re-housing program participants, in writing, of time limits for securing housing. If program participants do not secure housing within the established timeframe, they will be terminated from the program, in accordance with the sub-recipient's termination policy.

CONTINUED ELIGIBILITY

At a minimum, Homeless Prevention sub-recipients must re-evaluate program participant's eligibility and the types and amounts of assistance the program participant receives prior to the end of the second full month of rental assistance, and then not less than once every three months for the remainder of program enrollment.

The re-evaluation period for HP has been extended to not less than once every six months for the remainder of the program enrollment.

Rapid Re-Housing sub-recipients must re-evaluate program participant's eligibility and the types and amounts of assistance the program participant needs at least once annually. Annual re-evaluation for rapid rehousing will occur prior to the end of the eleventh full month of rental assistance. To continue to receive assistance, a program participant's re-evaluation must demonstrate eligibility based on:

LACK OF RESOURCES AND SUPPORT NETWORKS

The program participant's household must continue to lack sufficient resources and support networks to retain housing without ESG program assistance.

INCOME LIMITS

In addition, both HP & RRH re-evaluation must demonstrate that the program participant's annual household income is at or below the ESG limits of **below** 30% of the AMI for Homeless Prevention and **at or below** 30% of AMI for Rapid Re-Housing.

If ESG-CV funds are used for HP or RRH assistance, the income limit is at or below 50% AMI.

If a household is determined to be able to maintain permanent housing without assistance from the RRH program, the program will provide written and verbal notice to both the household and the landlord at a minimum of 30 days prior to program assistance ending.

CASE MANAGEMENT

Homelessness Prevention and Rapid Re-Housing program participants must meet with a case manager not less than once per month to assist the program participant in ensuring long-term housing stability. Additional case management will be provided on a case-by-case basis based on demonstrated need. (24 CFR 576.401)

Case managers should work with the program participant to develop a plan to assist the program participant in retaining permanent housing after the assistance ends, taking into account all relevant considerations, such as the program participant's current or expected income and expenses, other public or private assistance for which the program participant will be eligible and likely to receive, and the relative affordability of available housing in the community. Identification of housing goals outlined in their plan should be led by the participant, with support and information provided by the case manager.

While case managers may encourage trust and build relationships by discussing non-housing related topics with participants, the primary purpose and ultimate goal of all participant interactions should be to ensure that the participant maintains permanent housing once assistance ends. Case managers will connect HP & RRH program participants to other federal, state, local, and private assistance as outlined under Standards Applicable to All Programs. Interactions with participants will be documented in participant files and include details about progress towards housing goals and connection to other resources.

If program participants do not meet with a case manager not less than once per month, it is the responsibility of the sub-recipient to continue to attempt in engaging with the participant, in an effort to identify the cause and begin meeting with the participant. If efforts to engage the participant are unsuccessful, this must be documented in the participant's file.

Case management assistance may not exceed 30 days during the period in which the program participant is seeking permanent housing and may not exceed 24 months during the period in which the program participant is living in permanent housing. Case management assistance will also be documented in NM-HMIS, in accordance with the NM-HMIS Standard Operating Procedures, or in the Osnum database (victim service providers).

CHILD SCHOOL ENROLLMENT AND CONNECTION TO SERVICES

Sub-recipients will designate a staff person to be responsible for ensuring that children being served in the program are enrolled in school and connected to appropriate services in the community, including Title 1, early childhood programs such as Head Start, and parts B and C of the Individuals with Disabilities Education Act. Sub-recipients that serve households with children will post publicly, and/or provide for households with children at intake, notice of education services available within the community, and document efforts to verify that children are enrolled in school and connected to appropriate services.

Rapid Re-Housing programs will also take the educational needs of children into account when families are placed in housing and will, to the maximum extent practicable, place families with children as close as possible to their school of origin so as not to disrupt such children's education.

RENTAL ASSISTANCE

Sub-recipients may provide program participants with up to 24 months of tenant-based or project-based rental assistance during any 3-year period. No program participant shall receive more than 24 months of rent during any 3-year period, administered by any CoC or ESG program within the state of New Mexico. Assistance may include any combination of short-term rental assistance (up to 3 months) and medium-term rental assistance (more than 3 months but less than 24 months). Applicants can return for rental assistance if they have received less than 24 months of rent during any 3-year period. In addition, program participants may receive funds for security deposits in an amount not to exceed two months of rent.

Assistance limits when using ESG-CV funds is limited to 12 months.

Each sub-recipient must meet the RFP or renewal criteria set by MFA each program year therefore funding is not automatically awarded beyond June 30. This should be taken into consideration when providing assistance that crosses over between program years.

Program participants receiving rental assistance may move to another unit or building and continue to receive rental assistance, as long as they continue to meet the program requirements.

Financial assistance cannot be provided to a program participant who is already receiving the same type of assistance through other public sources however, ESG funds may be used to provide different types of assistance from that being provided to the program participant. Program participants must still meet all of the eligibility requirements for ESG HP & RR.

Note: Rental arrears can be paid on behalf of a household receiving a subsidy from another public source (e.g., Section 8) because it represents a different time period and cost type than the rental subsidy (i.e., the arrears represent a back payment of the household portion, and the current rental assistance is a forward payment).

AMOUNT OF RENTAL ASSISTANCE

It is expected that the level of assistance will be based on the goal of providing only what is necessary for each household to achieve housing stability in the long-term. Sub-recipients may provide up to 100% of the cost of rent to program participants and the maximum share of rent a program participant may pay is 100%.

INCOME VERIFICATION

All program participants will provide proof of income, or to certify that they have no income at program enrollment, when they provide notice that their income has changed, or at re-evaluation of program eligibility. HP & RRH sub-recipients will complete the HUD rent calculation form to determine the maximum portion that the participant may pay toward rent, to meet utility reimbursement requirements, and to

support the completion of a needs assessment. Sub-recipients must follow guidelines found under 24 CFR 5.609 when calculating income.

Sub-recipients must require program participants to notify them regarding changes in their income or other circumstances that affect their need for assistance (e.g., changes in household composition, stability, or support).

RECORD KEEPING REQUIREMENTS

The following order of priority will be followed in collecting documentation to verify income:

1. **Source Documents.** Source documents for the assets held by the program participant and income received over the most recent period for which representative data is available before the date of the evaluation (e.g., wage statement, unemployment compensation statement, public benefits statement, bank statement).
2. **Third Party Verification.** A written statement by the relevant third party (e.g., employer, government benefits administrator, or the written certification by the sub-recipient's intake staff of the oral verification by the relevant third party of the income the program participant received over the most recent period for which representative data is available.
3. **Self-Certification.** If source documents and third-party verification are unobtainable, a written certification by the program participant of the amount of income the program participant received for the most recent period representative of the income that the program participant is reasonably expected to receive over the 3-month period following the evaluation.

PARTICIPANT CONTRIBUTION TOWARD RENT

Program participants that have income are expected to contribute 30% of their monthly adjusted income (adjustment factors include the number of people in the family, age of family members) toward the rent. However, if the first month's rent is prorated, clients are not required to contribute 30% towards the rent. It is acceptable for service providers to contribute the full amount of the prorated rent. This only applies to Rapid Rehousing clients.

If a household has a monthly income that covers more than the entire rental amount, they should be graduated from the program.

Sub-recipients must establish clear policies and procedures for determining the participant's contribution toward rent. Policies and procedures must be applied consistently to all program participants.

VAWA EMERGENCY TRANSFER PLAN

In accordance with HUD VAWA protections (24 CFR 5.2005), sub-recipients will develop a written VAWA Emergency Transfer Plan, based on HUD's [model emergency transfer plan](#) (HUD form 5381), that provides

participants who report that they are under actual or imminent threat with the opportunity to secure safe housing. The VAWA Emergency Transfer Plan must include the following:

1. Unit Transfer - Program participants who have complied with all program requirements during their residence and who have been a victim of domestic violence, dating violence, sexual assault, or stalking, and who reasonably believe they are imminently threatened by harm from further domestic violence, dating violence, sexual assault, or stalking (which would include threats from a third party, such as a friend or family member of the perpetrator of the violence), if they remain in the assisted unit, and are able to document the violence and basis for their belief, may retain the rental assistance and will be moved, at their request, to another unit as quickly as possible. See recordkeeping requirements to ensure proper documentation of imminent threat of harm (24 CFR 5.2005).
2. Notice of Occupancy Rights - Program participants must be provided with a “Notice of Occupancy Rights under the Violence Against Women Act” under the following circumstances:
 - a) at the time the applicant is denied assistance or admission under a covered housing program;
 - b) At the time the individual is provided assistance or admission under the covered housing program;
 - c) With any notification of eviction or notification of termination of assistance.
 (The “Notice of Occupancy Rights under the Violence Against Women Act” must be made available in multiple languages).
3. Prohibited Basis for Denial or Termination of Assistance or Eviction - An applicant for assistance through an ESG housing program may not be denied admission to, denied assistance under, terminated from participation in, or evicted from the housing on the basis or as a direct result of the fact that the applicant or tenant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, if the applicant or participant otherwise qualifies for admission, assistance, participation, or occupancy.
4. Program participants may not be denied tenancy or occupancy rights solely on the basis of criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking if:
 - a) The criminal activity is engaged in by a member of the household of the tenant or any guest or other person under the control of the tenant, and
 - b) The tenant or an affiliated individual of the tenant is the victim or threatened victim of such domestic violence, dating violence, sexual assault or stalking.

FAIR MARKET RENT

Household rent for participants receiving ESG-funded rental assistance must not exceed the Fair Market Rent established by HUD. Current FMR and guidelines for calculating rent are available online through the following link: <https://www.huduser.gov/portal/datasets/fmr.html>.

FMR requirements do not apply when a program participant receives only financial assistance or services under HUD's Housing Stabilization and Relocation Services. This includes rental application fees, security deposits, an initial payment of "last month's rent," utility payments/deposits, and/or moving costs, housing search and placement and housing stability case management.

The FMR requirement has been waived by HUD for until 9/30/2022 however all units must meet Rent Reasonableness

RENT REASONABLENESS

For participants receiving assistance rental assistance including rental arrears, household rent must comply with HUD's standard of rent reasonableness, meaning that the rent charged for a unit must be reasonable in relation to rents currently being charged for comparable units in the private unassisted market and must not be in excess of rents currently being charged by the owner for comparable unassisted units. These rent restrictions are intended to help ensure that program participants can remain in their housing after their assistance ends. To make the determination, sub-recipients must consider (a) the location, quality, size, and age of the unit and (b) any amenities, housing services, maintenance and utilities provided by the owner. Sub-recipients will evaluate rent reasonableness at program intake and at least once annually. Documentation of rent reasonableness evaluations must be kept in participant files. (24 CFR 576.106(d)). This requirement applies to HP and RR assistance.

As with FMR, rent reasonableness requirements do not apply when a program participant receives only financial assistance or services under HUD's ESG Housing Stabilization and Relocation Services.

MINIMUM HABITABILITY STANDARDS

Housing for all program participants receiving any type of ESG assistance to move into or remain in housing must meet HUD Minimum Habitability Standards for Permanent Housing. Sub-recipients must document compliance with this standard by signing and completing a current Minimum Habitability Standards Checklist before the participant signs the lease and before the sub-recipient provides any ESG rental assistance or services specific to the unit. In addition, sub-recipients must inspect all units at least annually upon recertification to ensure that the units continue to meet the minimum habitability standards. Inspection forms must be kept in the participant file. MFA may also inspect the unit as part of the monitoring process. (24 CFR 576.403(a))

LEAD-BASED PAINT REQUIREMENTS

All HUD-funded housing programs occupied by program participants are required to incorporate lead-based paint remediation and disclosure requirements. Generally, these provisions require the recipient to screen for, disclose the existence of, and take reasonable precautions for the presence of lead-based paint in leased or assisted units constructed prior to 1978. (24 CFR 576.403(a))

ESG-funded programs are required to incorporate the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4846), and 24 CFR part 35, subparts A, B, H, J, K, M, and R in the unit.

LEASE AGREEMENT

Each program participant receiving rental assistance must have a legally binding, written lease for the rental unit. The program participant must be the tenant on a lease and is renewable and terminable only for cause. The lease must be renewable for terms that are a minimum of one month. (24 CFR 576.106(g))

RENTAL ASSISTANCE AGREEMENT

In addition to a lease between the program participant and the owner, the ESG interim rule also requires a Rental Assistance Agreement between the sub-recipient and the property owner. The sub-recipient may make rental assistance payments only to an owner with whom the sub-recipient has entered into a rental assistance agreement. (24 CFR 576.106(e))

The rental assistance agreement must set forth the terms under which rental assistance will be provided, including the requirements of ESG assistance. In addition, the rental assistance agreement must provide the following:

1. During the term of the agreement, the owner gives the sub-recipient a copy of any notice to the program participant to vacate the housing unit, or any complaint used under state or local law to commence an eviction against the program participant.
2. Agreement must contain the same payment due date, grace period, and late payment penalty requirements as the program participant's lease. The rental assistance agreement with the owner must terminate and no further rental assistance payments under that agreement may be made if:
 - a) The program participant moves out of the housing unit for which the program participant has a lease; or
 - b) The lease terminates and is not renewed; or
 - c) The program participant becomes ineligible to receive ESG rental assistance.

RENT PAYMENTS

Program participants receiving rental assistance funds pay their portion of rent directly to the landlord. The difference between the total rent and the amount paid by the program participant is then paid by the sub-recipient. Sub-recipients may not use ESG funds to cover the cost of the program participant's rent, if the program participant fails to pay his or her portion of rent.

Sub-recipients must make timely payments to each landlord or property owner in accordance with the rental assistance agreement. All rent payments must go directly to a third-party (directly to landlord). ESG funds may not be used for late penalties incurred by the sub-recipient or the participant once they are in the program.

APPENDIX A: ELIGIBLE ACTIVITIES BY ESG COMPONENT

STREET OUTREACH

ENGAGEMENT

Unsheltered persons are engaged for the purpose of providing immediate support, intervention, and connections with homeless assistance programs and/or mainstream social services and housing programs. Eligible engagement activities include:

- Making an initial assessment of needs and eligibility using the Vulnerability Index Service Prioritization Decision Assistance Tool (VI-SPDAT)
- Providing crisis counseling
- Addressing urgent physical needs, such as providing meals, blankets, clothes, or toiletries
- Actively connecting and providing information and referrals to programs targeted to homeless people and mainstream social services and housing programs, including emergency shelter, transitional housing, community-based services, permanent supportive housing, and rapid re-housing programs

CASE MANAGEMENT

Case management includes assessing housing and service needs, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant. Eligible services and activities include:

- Utilizing the NMCES
- Conducting the initial VI-SPDAT

- Verifying and documenting program eligibility
- Counseling
- Developing, securing, and coordinating services
- Obtaining federal, state, and local benefits
- Monitoring and evaluating program participant progress
- Providing information and referrals to other providers
- Developing an individualized housing and service plan, including planning a path to permanent housing stability.
- If service workers use their own vehicles, mileage reimbursement is allowed to visit or assist program participants with eligible program activities.

SERVICES FOR SPECIAL POPULATIONS

Services for special populations include services for homeless youth, victim services, and services for people living with HIV/AIDS, as long as the costs of providing these services are one of the above eligible Street Outreach activities. The term “victim services” refers to services that assist program participants who are victims of domestic violence, dating violence, sexual assault, or stalking, including services offered by rape crisis centers and domestic violence shelters, and other organizations with a documented history of effective work concerning domestic violence, dating violence, sexual assault, or stalking.

ESSENTIAL SERVICES

ESG funds may be used for the costs of providing essential services to homeless families and individuals in emergency shelters and may include:

Case Management

Case management includes assessing housing and service needs, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant. Eligible services and activities include:

- Utilizing the NMCES
- Conducting the initial VI-SPDAT
- Verifying and documenting program eligibility
- Counseling
- Developing, securing, and coordinating services
- Obtaining federal, state, and local benefits
- Monitoring and evaluating program participant progress
- Providing information and referrals to other providers
- Developing an individualized housing and service plan, including planning a path to permanent housing stability

Child Care

Childcare includes the costs of providing meals and snacks and comprehensive and coordinated sets of appropriate developmental activities. Children must be under the age of 13 unless they have a disability. Children with a disability must be under the age of 18. In addition, the childcare center must be licensed by the jurisdiction in which it operates in order for its costs to be eligible.

Education Services

When necessary for the program participant to obtain and maintain housing, the costs of improving knowledge and basic educational skills are eligible. Services include instruction or training in consumer education, health education, substance abuse prevention, literacy, English as a Second Language, and General Educational Development (GED).

Eligible services or activities may include:

- Screening
- Assessment and testing
- Individual or group instruction
- Tutoring
- Provision of books, supplies, and instructional material
- Counseling
- Referral to community resources

Employment Assistance and Job Training

- Classroom, online, and/or computer instruction
- On-the-job instruction
- Services that assist individuals in securing employment including:
 - Employment screening, assessment, or testing
 - Structured job skills and job-seeking skills
 - Special training and tutoring, including literacy training and pre-vocational training
 - Books and instructional material
 - Counseling or job coaching
 - Referral to community resources
 - Acquiring learning skills that can be used to secure and retain a job, including the acquisition of vocational licenses and/or certificates
 - Increasing earning potential
 - Reasonable stipends to program participants in employment assistance and job training

Outpatient Health Services

Outpatient health services include the direct outpatient treatment of medical conditions that are provided by licensed medical professionals. ESG funds may be used only for these services to the extent that other appropriate health services are unavailable within the community. Eligible treatment options may include:

- Assessing a program participant's health problems and developing a treatment plan
- Assisting program participants to understand their health needs
- Providing directly or assisting program participants to obtain appropriate medical treatment, preventative care, and health maintenance services, including emergency medical services
- Providing medication and follow-up services
- Providing preventative and non-cosmetic dental care

Legal Services

Legal services include the hourly fees for legal advice and representation by attorneys licensed and in good standing with the bar association of the state in which the services are provided, and by person(s) under the supervision of the licensed attorney, regarding matters that interfere with the program participant's ability to obtain and retain housing. ESG funds may be used only for these services to the extent that other appropriate legal services are unavailable or inaccessible within the community. Eligible subject matters include:

- Child support
- Guardianship
- Paternity
- Emancipation
- Legal separation
- Orders of protection and other civil remedies for victims of domestic violence, dating violence, sexual assault, and stalking,
- Appeal of veterans and public benefit claim denials
- Resolution of outstanding criminal warrants

Eligible services or activities may include:

- Client intake
- Preparation of cases for trial
- Provision of legal advice
- Representation at hearings
- Counseling

Fees based on the actual service performed (i.e., fee for service) are also eligible, but only if the cost would be less than the cost of hourly fees. Filing fees and other necessary court costs are also eligible. If the sub-

recipient is a legal services provider and performs the services itself, the eligible costs are the sub-recipient's employee salaries and other costs necessary to perform the services. Legal services for immigration and citizenship matters and issues relating to mortgages are ineligible costs. Retainer fee arrangements and contingency fee arrangements are ineligible costs.

Life Skills Training

Life skills training includes the costs of teaching critical life management skills that may never have been learned or have been lost during the course of physical or mental illness, domestic violence, substance use, and homelessness. These services must be necessary to assist the program participant to function independently in the community. Life skills training options may include:

- Budgeting resources
- Managing money
- Managing a household
- Resolving conflict
- Shopping for food and needed items
- Improving nutrition
- Using public transportation
- Parenting

Mental Health Services

Mental health services include the direct outpatient treatment by licensed professionals of mental health conditions. ESG funds may only be used for these services to the extent that other appropriate mental health services are unavailable or inaccessible within the community. Mental health services are the application of therapeutic processes to personal, family, situational, or occupational problems in order to bring about positive resolution of the problem or improved individual or family functioning or circumstances. Problem areas may include family and marital relationships, parent-child problems, or symptom management. Eligible treatment options include:

- Crisis interventions
- Individual, family, or group therapy sessions
- The prescription of psychotropic medications or explanations about the use and management of medications
- Combinations of therapeutic approaches to address multiple problems

Substance Abuse Treatment Services

Substance abuse treatment services are designed to prevent, reduce, eliminate, or deter relapse of substance abuse or addictive behaviors and are provided by licensed or certified professionals. ESG funds

may only be used for these services to the extent that other appropriate substance abuse treatment services are unavailable or inaccessible within the community. Eligible treatment options include:

- Client intake and assessment
- Outpatient treatment for up to 30 days.

Group and individual counseling and drug testing are eligible costs. Inpatient detoxification and other inpatient drug or alcohol treatment are not eligible costs.

Services for Special Populations

ESG funds may be used to provide services for homeless youth, victim services, and services for people living with HIV/AIDS, as long as the costs of providing these services are one of the eligible Emergency Shelter essential services listed above. The term “victim services” refers to services that assist program participants who are victims of domestic violence, dating violence, sexual assault, or stalking, including services offered by rape crisis centers and domestic violence shelters, and other organizations with a documented history of effective work concerning domestic violence, dating violence, sexual assault, or stalking.

Salaries

Salary for shelter employee whose hours are spent directly associated with the shelter clients, supervision of shelter employees or shelter office employees.

SHELTER OPERATIONS

Eligible expenses under Shelter Operations include:

- The costs of maintenance to the shelter building (including minor or routine repairs)
- Rent
- Security
- Office equipment/supplies
- Insurance
- Utilities
- Food
- Furnishings
- Supplies necessary for the operation of the shelter
- Salary for shelter employee that provides maintenance/security

Where no appropriate emergency shelter is available for a homeless family or individual, eligible costs may also include a hotel or motel voucher for that family or individual.

Transportation

Eligible transportation costs include a program participant's travel to and from medical care, employment, childcare, or other eligible essential services facilities. These costs include the following:

- The cost of a program participant's travel on public transportation, as well as travel to use public transportation
- If shelter employees use their own vehicles for this use, mileage reimbursement is allowed
- The cost of gas, insurance, taxes, and maintenance/repair for the shelter's vehicle used to transport program participants and/or staff serving program participants

HOMELESS PREVENTION AND RAPID-REHOUSING

Homeless Prevention assistance includes housing relocation and stabilization services and short- and/or medium-term rental assistance necessary to prevent an individual or family from moving into an emergency shelter or another place described in paragraph 1 of the "homeless definition" in 24 CFR 576. The costs of homeless prevention are only eligible to the extent that the assistance is necessary to help the program participant regain stability in the program participants current permanent house or move into other permanent housing and achieve stability in that housing

Rapid Re-Housing assistance includes housing relocation and stabilization services and short- and/or medium-term rental assistance as necessary to help a homeless individual or family move as quickly as possible into permanent housing.

HOUSING RELOCATION AND STABILIZATION SERVICES – FINANCIAL ASSISTANCE COSTS

Subject to the general conditions under the Homelessness Prevention Component (24 CFR 576.103) and the Rapid Re-Housing Assistance Component (24 CFR 576.104), ESG funds may be used to pay housing owners, utility companies, and other third parties for the following costs:

- Rental Application Fees: ESG funds may pay for the rental housing application fee that is charged by the owner to all applicants.
- Security Deposits: ESG funds may pay for a security deposit that is equal to no more than 2 months' rent.
- Last Month's Rent: If necessary to obtain housing for a program participant, the last month's rent may be paid from ESG funds to the owner of that housing at the time the owner is paid the security deposit and the first month's rent. This assistance must not exceed one month's rent and must be included in calculating the program participant's total rental assistance, which cannot exceed 24 months during any 3-year period.
- Utility Deposits: ESG funds may pay for a standard utility deposit required by the utility company for all customers for the utilities listed below (under utility payments)
- Utility Payments: ESG funds may pay for up to 24 months of utility payments per program participant, per service, including up to 6 months of utility payments in arrears, per service. A

partial payment of a utility bill counts as one month. This assistance may only be provided if the program participant or a member of the same household has an account in his or her name with a utility company or proof of responsibility to make utility payments. Eligible utility services are gas, electric, water, and sewage. No program participant shall receive more than 24 months of utility assistance within any 3-year period.

- Moving Costs: ESG funds may pay for moving costs, such as truck rental or hiring a moving company. This assistance may include payment of temporary storage fees for up to 3 months, provided that the fees are accrued after the date the program participant begins receiving housing stabilization services and before the program participant moves into permanent housing. Payment of temporary storage fees in arrears is not eligible.

HOUSING SEARCH AND PLACEMENT SERVICES

Assist participants in locating, obtaining, and retaining suitable permanent housing, including:

- Housing search
- Tenant counseling
- Understanding leases
- Arranging for utilities
- Making moving arrangements
- Assessment of housing barriers, needs and preferences
- Development of an action plan for locating housing
- Outreach to and negotiation with owners
- Assessment of housing for compliance with ESG requirements for habitability, lead-based paint, and rent reasonableness
- Assistance with submitting rental applications

HOUSING STABILITY CASE MANAGEMENT

Assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for a program participant who resides in permanent housing or to assist a program participant in overcoming immediate barriers to obtaining housing by, for example:

- Conducting the initial VI-SPDAT or F-VI-SPDAT assessment, including verifying and documenting eligibility
- Using the Coordinated Entry System (NMCES)
- Counseling
- Developing, securing, and coordinating services
- Obtaining Federal, State, and local benefits
- Monitoring and evaluating program participant progress

- Providing information and referrals to other providers
- Developing an individualized housing and service plan, including planning a path to permanent housing stability
- Conducting re-evaluations

MEDIATION

Mediation between the program participant and the owner or person(s) with whom the program participant is living, provided that the mediation is necessary to prevent the program participant from losing permanent housing in which the program participant currently resides.

CREDIT REPAIR

Credit counseling and other services necessary to assist program participants with critical skills related to household budgeting, managing money, accessing a free personal credit report, and resolving personal credit problems.

SHORT-TERM AND MEDIUM-TERM RENTAL ASSISTANCE

Subject to the general conditions in 24 CFR 576.103 and 24 CFR 576.104, the recipient or sub-recipient may provide a program participant with up to 24 months of rental assistance during any 3-year period. This assistance may be short-term rental assistance, medium-term rental assistance, payment of rental arrears, or any combination of this assistance. Rental assistance may be tenant-based or project-based.

- Short-Term Rental Assistance: Short-term rental assistance is assistance for up to 3 months of rent.
- Medium-Term Rental Assistance: Medium-term rental assistance is assistance for more than 3 months but not more than 24 months of rent.
- Rental Arrears: Payment of rental arrears consists of a one-time payment for up to 6 months of rent in arrears, including any late fees on those arrears.

HMIS/OSNIUM

These activities are designed to fund ESG sub-recipient participation in the HMIS collection and analyses of data on individuals and families who are homeless or at risk of homelessness. This includes data collected by victim service providers through Osnium. Eligible costs include:

- Purchasing or leasing hardware
- Purchasing software or software licenses
- Obtaining technical support
- Leasing office space

- Paying costs for electricity, gas, water, phone service, and high-speed data transmission necessary to operate or contribute data to the HMIS
- Paying salaries for staff operating HMIS and/or completing data entry
 - a) Monitoring and reviewing data quality
 - b) Completing data analysis
 - c) Reporting to the HMIS Lead training staff on using the HMIS or comparable database; and
 - d) Implementing and complying with all applicable HMIS requirements
- Paying costs of staff to travel to and attend HUD-sponsored and HUD-approved training
- Salary for employee(s) whose hours can be tracked for entering data into the HMIS/Osnum database

APPENDIX B: HUD DEFINITION OF HOMELESSNESS 24 CFR 576.2

Category 1: Literally Homeless

Individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:

- Has a primary nighttime residence that is a public or private place not meant for human habitation; or
- Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, and local government programs); or
- Is exiting an institution where (s)he has resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.

Category 2: Imminent Risk of Homelessness

Individual or family who will imminently lose their primary nighttime residence, provided that:

- Residence will be lost within 14 days of the date of application for homeless assistance; OR
- No subsequent residence has been identified; OR
- The individual or family lacks the resources or support networks needed to obtain other permanent housing

Category 3: Homeless Under Other Federal Statutes

Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:

- Are defined as homeless under the other listed federal statutes;
- Have not had a lease, ownership interest, or occupancy agreement in permanent housing during the 60 days prior to the homeless assistance application;

- Have experienced persistent instability as measured by two moves or more during the preceding 60 days; and
- Can be expected to continue in such status for an extended period of time due to special needs or barriers

Category 4: Fleeing/Attempting to Flee DV

Any individual or family who:

- Is fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking;
- Has no other residence; and
- Lacks the resources or support networks to obtain other permanent housing

APPENDIX C: HUD DEFINITION OF “AT RISK OF HOMELESSNESS”

Category 1: Individuals and Families

An individual or family who:

- Has an annual income below 30% (50% for ESG-CV) of the median family income for the area; AND
- Does not have sufficient resources or support networks immediately available to prevent them from moving to an emergency shelter or another place defined in Category 1 of the “homeless” definition; and

Meets one or more of the following risk factors:

- Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for assistance; or
- Is living in the home of another because of economic hardship; or
- Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance; or
- Lives in a hotel or motel and the cost is not paid for by charitable organizations or by Federal, State, or local government programs for low-income individuals; or
- Lives in an SRO or efficiency apartment unit in which there reside more than 2 persons or lives in a larger housing unit in which there reside more than one and a half persons per room; or
- Is exiting a publicly funded institution or system of care

Category 2: Unaccompanied Children and Youth

A child or youth who does not qualify as homeless under the homeless definition but qualifies as homeless under another federal statute.

Category 3: Families with Children and Youth

An unaccompanied youth who does not qualify as homeless under the homeless definition but qualifies as homeless under section 725(2) of the McKinney-Vento Homeless Assistance Act, and the parent(s) or guardian(s) or that child or youth if living with him or her.

The standards set in this document comply with ESG regulations.

APPENDIX D: ORDER OF PRIORITY FOR OBTAINING EVIDENCE OF HOMELESSNESS

The recordkeeping requirements found in 24 CFR 576.500(a)(b) require sub-recipients to maintain and follow written intake procedures to determine whether potential program participants meet the homeless definition found in 24 CFR 576.2. These procedures must require documentation at intake of the evidence relied upon to establish and verify homeless status. However, lack of third-party documentation must not prevent an individual or family from being immediately admitted to emergency shelter, receiving street outreach services, or being immediately admitted to shelter or receiving services provided by a victim service provider. Records contained in an HMIS or comparable database used by victim service or legal service providers are acceptable evidence of third-party documentation and intake worker observations if the HMIS retains an auditable history of all entries, including the person who entered the data, the date of entry, and the change made; and if the HMIS prevents overrides or changes of the dates on which entries are made.

The procedures that must be followed to establish the order of priority for obtaining evidence of homelessness are as follows:

1. Third-party documentation, including written and source documentation, and HMIS records;
2. Intake worker observations;
3. Certification from individual seeking assistance

For emergency shelters, sub-recipients are required to document eligibility at program entry. HUD recognizes that third-party documentation at the emergency shelter level is not feasible in most cases. For shelters where program participants may stay only one night and must leave in the morning, documentation must be obtained each night. If program participants may stay more than one night, then documentation must be obtained on the first night the household stays in the shelter. Emergency shelters can document homeless status through self-certification by the individual or head of household as the primary method of establishing homeless eligibility. In these instances, one method of meeting this standard would be to require households to complete a sign-in sheet, with a statement at the top informing the individual or head of household that by signing, they certify that they are homeless.

APPENDIX E: ESG-CV FUNDING

ESG CARES Act (ESG-CV) funding must be used to prevent, prepare for, and respond to coronavirus among individuals and families who are homeless or receiving homeless assistance. The only ESG regulation pertaining to emergency shelters that does not apply to ESG-CV funding is the requirement for shelters to match the funding they receive.

ESG CV – Waivers and Exclusions for Rapid Re-Housing and Homeless Prevention

HUD has granted waivers on specific regulations due to COVID-19. The waivers are in place until 9/30/2022.

Emergency Solutions Grant CARES Act funding must be used to prevent, prepare for, and respond to coronavirus among individuals and families who are homeless or receiving homeless assistance and to support additional homeless assistance and homeless prevention activities to mitigate the impacts created by coronavirus.

All ESG CARES Act funds must be expended by September 30, 2022. Funds not expended in a timely manner may be redirected to another area/service provider.

INCOME LIMITS

If assistance is provided with ESG-CV funds, the income limit has been increased to the Very Low-Income Limit of 50% of the area median income for those at-risk of homelessness (definition at 24 CFR 576.2). Income limits do not apply to Rapid Re-housing clients upon entry into the program however they do apply at annual recertification.

RE-EVALUATION FREQUENCY

The required frequency of re-evaluations for homeless prevention assistance under section 576.401(b) is waived for up to 2 years beginning 3/31/2020 so long as the subrecipient conducts the required re-evaluation not less than once every 6 months. This waiver expires 9/30/2022.

LANDLORD INCENTIVES

The limitations on eligible activities under section 415(a) of the McKinney-Vento Act and 24 CFR 576.105 are waived and alternative requirements are established to the extent necessary to authorize ESG-CV funds to be used under 24 CFR 576.105 to add the eligible cost of paying for landlord incentives as reasonable and necessary to obtain housing for individuals and families experiencing homelessness and at risk of homelessness. However, a recipient may not use ESG-CV funds to pay the landlord incentives set forth below in an amount that exceeds two times the rent charged for the unit. Waiving the limitation on eligible costs under housing relocation and stabilization services to pay for the costs of landlord incentives will increase the number of housing units available to people experiencing homelessness or at risk of

homelessness, especially in tight rental markets and obtaining and maintaining housing is critical to preventing the spread of coronavirus and helping mitigate the economic impact of the crisis. The limitation to three times the rent charged for each unit ensures enough ESG-CV funds remain available to provide other eligible activities necessary to prevent the spread of coronavirus. Eligible landlord incentive costs include:

- a) Signing bonuses equal to up to 2 months of rent;
- b) Security deposits equal to up to 2 months of rent;
- c) Paying the cost to repair damages incurred by the program participant not covered by the security deposit or that are incurred while the program participant is still residing in the unit; and,
- d) Paying the costs of extra cleaning or maintenance of a program participant's unit or appliances.

The incentive is for use with new units only and should not be used for clients that are already housed.

Sub-recipients must consult local and state laws to determine if the incentives align with laws governing what can be charged by property owners/landlords.

To support these costs, the sub-recipient must determine and document that each of these costs is reasonable under the program participants particular circumstances, and not more than is necessary to house the program participant.

FAIR MARKET RENT

The requirement at 24 CFR 576.106(d) that prohibits rental assistance where the rent for the unit exceeds the Fair Market Rent established by HUD, as provided under 24 CFR Part 888, is waived so long as the rent complies with HUD's standards of rent reasonableness, as established under 24 CFR 982.507. Waiving this requirement will allow recipients to help program participants move quickly into housing or retain their existing housing, which is especially critical at reducing the spread of coronavirus and responding to coronavirus. This waiver provides additional flexibility beyond the waiver made available to the ESG Program on March 31, 2020, and extended to ESG-CV funds on September 30, 2022, by permitting ESG recipients to provide rental assistance for program participants, whose current rent exceeds FMR and by allowing recipients to use this waiver as needed throughout the period they are providing rental assistance to prevent, prepare for, and respond to coronavirus.

ASSISTANCE LIMITS

In order to ensure current program participants receiving homelessness prevention and rapid re-housing assistance do not lose their housing during the coronavirus public health crisis and the subsequent economic downturn caused by the crisis, the requirements in 24 CFR 576.105(c) and 576.106(a) are waived and alternative requirements are established as follows:

- a. The requirement at 24 CFR 576.105(c) limiting the total period of time for which any program participant may receive the services under paragraph (b) to 24 months during any 3-year period is

waived solely for those program participants who reach their 24-month maximum assistance during the period beginning on the presumed start of this crisis, January 21, 2020 – the date the first confirmed case was reported in the United States, and ending 6 months from the date of publication of this Notice, provided that the services are only extended for these program participants for up to a maximum of an additional 6 months; and

- b. The requirement at 24 CFR 576.106(a) limiting the total number of months a program participant can receive rental assistance to 24 months in a 3-year period is waived solely for those program participants who reach their 24-month maximum during the period beginning on the presumed start of this crisis, January 21, 2020 – the date the first confirmed case was reported in the United States, and ending 6 months from the date of publication of this Notice, provided that the rental assistance is only extended for these program participants for up to a maximum of an additional 6 months.

RENTER INSURANCE

The limitations on eligible activities provided in 24 CFR 576.105(a) are waived to the extent necessary to authorize ESG-CV funds to pay for renters insurance for program participants receiving rapid re-housing or homelessness prevention assistance. In order to pay for renters insurance for program participants, the recipient or subrecipient must:

- (i) demonstrate that the payment of renters insurance is necessary to obtain or maintain housing (e.g., the landlord requires renters to have renters insurance to reside in the unit); and
- (ii) pay the renters insurance directly to the insurance company on behalf of the program participant.

Recipients and subrecipients report that some landlords require their renters to carry renters insurance and many program participants do not have the funds available to pay for renters assistance. Therefore, in these cases when renters insurance is required by a landlord, this waiver and alternative requirement is necessary to help program participants obtain and maintain housing, which is necessary to both prevent the spread of coronavirus and help program participants obtain and maintain housing in tight rental markets during the economic downturn caused by coronavirus.

TRAINING

As permitted by the CARES Act, ESG-CV funds may be used for training on infectious disease prevention and mitigation for staff working directly to prevent, prepare for, and respond to coronavirus among persons who are homeless or at risk of homelessness and the use of funding shall not be considered administrative costs for purposes of the 10 percent cap. In addition, the limitations on eligible activities provided in section 415(a) of the McKinney-Vento Homeless Assistance Act and 24 CFR part 576, subpart B are waived, and alternative requirements are established to the extent necessary to authorize ESG-CV funds to be used for training on infectious disease prevention and mitigation for homeless assistance providers, including those who do not receive funding through the CARES Act, to help them best prevent,

prepare for and respond to coronavirus among persons who are homeless or at risk of homelessness. These training costs are eligible as a standalone activity and are not to be charged to an activity under 24 CFR 576.101 to 24 CFR 576.109.

VACCINE INCENTIVES

The limitations on eligible activities provided in Section 415(a) of the McKinney-Vento Homeless Assistance Act and 24 CFR Part 576, Subpart B are waived to the extent necessary to authorize recipients and subrecipients to make direct, cash payments of up to \$50 per dose to people experiencing homelessness as an incentive for receiving a coronavirus vaccine. ESG-CV funds may only be used for vaccine incentives to the extent that other vaccine incentives are inaccessible or unavailable to people experiencing homelessness within the community. Receiving the vaccine is critical to preventing the spread of coronavirus. However, getting vaccinated, including following up with the second dose required by some of the available vaccines, can be particularly challenging for people who do not have a stable place to call home. Research has demonstrated that providing incentives to people, including those experiencing homelessness, to receive vaccines increases the uptake of vaccination. Therefore, this waiver and alternative requirement is necessary to assure people experiencing homelessness receive vaccination and prevent the spread of coronavirus.

VOLUNTEER INCENTIVES

The limitations on eligible activities provided in section 415(a) of the McKinney-Vento Homeless Assistance Act and 24 CFR part 576, subpart B are waived and alternative requirements are established to the extent necessary to authorize ESG-CV funds to be used under 24 CFR 576.101(a), 24 CFR 576.102(a)(1), and 24 CFR 576.105(b) for the cost of providing reasonable incentives to volunteers (e.g., cash or gift cards) who have been and are currently helping to provide necessary street outreach, emergency shelter, essential services, and housing relocation and stabilization services during the coronavirus outbreak. Waiving this requirement to allow the payment of reasonable costs of volunteer incentives will increase the number of people available to provide the needed services and connections to housing to individuals and families experiencing homelessness to prevent the spread of coronavirus.

LEGAL SERVICES

Legal services established in 24 CFR 576.102(a)(1)(vi) and 24 CFR 576.105(b)(4) are limited to those services necessary to help program participants obtain housing or keep a program participant from losing housing where they currently reside.

HAZARD PAY

As permitted by the CARES Act, funds may be used to pay hazard pay for recipient- or subrecipient-staff working directly to prevent, prepare for, and respond to coronavirus among persons who are homeless or at risk of homelessness. Examples of recipient or subrecipient staff working directly in support of coronavirus response include emergency shelter intake staff, street outreach teams, emergency shelter maintenance staff, emergency shelter security staff, staff providing essential services (e.g., outpatient health or mental health, housing navigators), and staff in proximity to persons with coronavirus or working in locations with a high likelihood of contracting coronavirus.

Eligibility for Hazard Pay

ESG-CV funds can be used to provide hazard pay for new or existing staff who provide direct services to program participants. This includes:

- Street outreach and emergency shelter staff
- Staff providing essential services (e.g., housing navigators, mental health staff)
- Those who work in proximity to COVID (e.g., maintenance, kitchen, and security staff)

Staff are eligible for hazard pay regardless of whether their salary is funded by ESG, ESG-CV, or CoC funds.

Administering Hazard Pay:

- Adding it to an employee's base pay
- Giving it as a one-time bonus

Budgeting:

- Eligible under ESG Street Outreach, Emergency Shelter, Homelessness Prevention and Rapid Rehousing components

Record Keeping Requirements:

- Timesheets
- Job Descriptions
- Updated Written Compensation Policies

Hazard Pay Policy Requirements:

Written policies must include:

- Amount
- Length of Time
- Who is eligible
- How is this determined
- Record keeping procedures

Hazard Pay must also:

- Be reasonable and equitable (e.g., allocated to all related activities, including federal awards)
- Reflect your written compensation policies

HOUSING STABILITY CASE MANAGEMENT

As required by 24 CFR 576.401(a) and (c), the recipient and its subrecipient must determine the available services and assistance that each ESG-CV program participant will need to achieve independent living and avoid further housing instability or homelessness, and the recipient and its subrecipient must assist each ESG-CV program participant, as needed, to obtain those services and

assistance. However, HUD is making an across-the-board waiver of the ESG requirement in 24 CFR 576.401(e)(1) that housing stability case managers to meet not less than once per month with each program participant receiving homelessness prevention or rapid re-housing assistance.

HUD is waiving this requirement for all program participants receiving this assistance after qualifying as homeless, in order to be consistent with the CARES Act prohibition stated in section III.F.10. Additionally, HUD is waiving the requirement for all program participants receiving assistance after qualifying as at risk of homelessness, in order to prevent the spread of coronavirus and reduce the barriers to providing the homelessness prevention that is necessary to respond to coronavirus. This waiver provides additional regulatory relief beyond the waiver HUD made available on March 31, 2020, for annual ESG funds and extended on September 30, 2022 for annual ESG funds and ESG-CV funds, by lifting the 3-month limitation established May 22, 2020, and making the waiver of 24 CFR 576.401(e)(1) apply throughout the period the recipient or subrecipient uses funds to prevent, prepare for, and respond to coronavirus.

PART H

Proposed HOME Median Area Purchase Prices - 2023

County Name	1-Unit Existing Home Sales			1-Unit New Home Sales		
	HUD Limits*	MFA Median	MFA 95% of Median	HUD Limits*	MFA Median	MFA 95% of Median
Los Alamos County	\$366,000	\$486,600	\$462,270	\$366,000	No Sales	
Santa Fe County	\$347,000	\$635,000	\$603,250	\$347,000	\$725,000	\$688,750
Taos County	\$298,000	\$425,000	\$403,750	\$298,000	\$500,000	\$475,000

Median area purchase prices proposed by MFA are in yellow highlight.

*Effective 6/1/22; <https://www.hudexchange.info/resource/2312/home-maximum-purchase-price-after-rehab-value/>

HOME Purchase Price Limits

Los Alamos County

Existing homes

Three months of sold data (November 2022– January 2023)

Median price indicated in red

<u>Price</u>	<u>Close Date</u>	<u>Address</u>	<u>City</u>	<u>Property Sub Type</u>	<u>New/Existing</u>
150,000	1/20/2023	2120 34th Street Unit#A	Los Alamos	Townhouse	Existing
186,000	11/10/2022	1763 34th	Los Alamos	Single Family Residence	Existing
190,000	12/20/2022	1001 Oppenheimer Drive Unit#211	Los Alamos	Condominium	Existing
215,000	11/4/2022	2310 39th Unit#C	Los Alamos	Condominium	Existing
251,400	1/12/2023	505 Oppenheimer Drive Unit#706	Los Alamos	Condominium	Existing
255,000	12/23/2022	4167 Alabama Unit#C	Los Alamos	Condominium	Existing
280,000	11/1/2022	2231 34th St.	Los Alamos	Single Family Residence	Existing
290,000	1/19/2023	1290 Sioux	Los Alamos	Manufactured Home	Existing
315,000	11/21/2022	1001 Oppenheimer Unit#218	Los Alamos	Condominium	Existing
316,000	12/22/2022	4391 Alabama Avenue Unit#A	Los Alamos	Townhouse	Existing
327,000	11/17/2022	40 Verde Ridge Unit#D	Los Alamos	Condominium	Existing
335,000	1/4/2023	2181 35th Unit#A	Los Alamos	Townhouse	Existing
339,000	11/16/2022	2142 35th Unit#B	Los Alamos	Townhouse	Existing
345,000	11/1/2022	1001 Oppenheimer Unit#102	Los Alamos	Condominium	Existing
355,000	11/21/2022	2160 41st Unit#B	Los Alamos	Condominium	Existing
358,500	12/6/2022	2218 37th Unit#A	Los Alamos	Townhouse	Existing
359,500	11/4/2022	3489 Ridgeway Drive	Los Alamos	Single Family Residence	Existing
380,000	11/22/2022	2057 45th Unit#B	Los Alamos	Townhouse	Existing
427,000	11/30/2022	502 Hamlin Court	Los Alamos	Single Family Residence	Existing
440,000	11/9/2022	2084 46th Street	Los Alamos	Single Family Residence	Existing
457,000	1/4/2023	2896 Walnut Unit#A	Los Alamos	Townhouse	Existing
457,500	11/21/2022	1229 41st	Los Alamos	Single Family Residence	Existing
464,000	11/10/2022	552 Todd Loop N	Los Alamos	Single Family Residence	Existing

470,000	12/28/2022	1377 41st Street	Los Alamos	Single Family Residence	Existing
472,000	11/14/2022	774 46TH	Los Alamos	Single Family Residence	Existing
477,000	11/4/2022	1903 Camino Durasnilla	Los Alamos	Single Family Residence	Existing
486,600	1/6/2023	1726 Ponderosa Street	Los Alamos	Townhouse	Existing
488,000	11/18/2022	1331 46th Unit#B	Los Alamos	Townhouse	Existing
505,000	1/5/2023	106 Azure	Los Alamos	Single Family Residence	Existing
508,000	1/24/2023	1724 18th Street	Los Alamos	Townhouse	Existing
520,000	11/15/2022	1873 COOPER Place	Los Alamos	Single Family Residence	Existing
535,001	12/12/2022	412 Rover Boulevard	Los Alamos	Single Family Residence	Existing
560,000	11/1/2022	104 La Senda Drive	Los Alamos	Single Family Residence	Existing
575,000	1/10/2023	1118 San Ildefonso Road	Los Alamos	Single Family Residence	Existing
580,000	1/9/2023	4857 Yucca Street	Los Alamos	Townhouse	Existing
588,500	1/18/2023	675 Aster	Los Alamos	Single Family Residence	Existing
590,150	11/29/2022	2842 Woodland Road	Los Alamos	Single Family Residence	Existing
595,500	12/15/2022	900 Estates Drive	Los Alamos	Single Family Residence	Existing
600,000	12/8/2022	4780 Quemazon	Los Alamos	Townhouse	Existing
605,000	12/29/2022	821 Tiffany Court	Los Alamos	Single Family Residence	Existing
610,000	12/20/2022	50 Canyon View	Los Alamos	Condominium	Existing
630,000	1/9/2023	45 Kachina	Los Alamos	Single Family Residence	Existing
655,000	12/6/2022	70 Kachina Street	Los Alamos	Single Family Residence	Existing
680,000	11/4/2022	303 Rim Road	Los Alamos	Single Family Residence	Existing
691,600	12/16/2022	2470 Club	Los Alamos	Single Family Residence	Existing
705,000	1/2/2023	233 Andanada	Los Alamos	Single Family Residence	Existing
749,000	12/9/2022	2 LA FLORA Court	Los Alamos	Single Family Residence	Existing

750,000	11/7/2022	61 Cascabel	Los Alamos	Single Family Residence	Existing
750,000	11/18/2022	2125 33rd	Los Alamos	Single Family Residence	Existing
753,000	12/14/2022	2157 Loma Linda	Los Alamos	Single Family Residence	Existing
780,000	12/15/2022	129 Monte Rey N Drive	Los Alamos	Single Family Residence	Existing
790,000	12/22/2022	1772 Camino Uva	Los Alamos	Single Family Residence	Existing
810,000	11/18/2022	2119 48th Street	Los Alamos	Single Family Residence	Existing
818,000	1/10/2023	5153 Quemazon	Los Alamos	Single Family Residence	Existing
1,370,000	11/17/2022	1620 Solana	Los Alamos	Single Family Residence	Existing

HOME Purchase Price Limits

Santa Fe County

Existing homes

Three months of sold data (November 2022 – January 2023)

Median price indicated in red

<u>Price</u>	<u>Close Date</u>	<u>Address</u>	<u>City</u>	<u>Property Sub Type</u>
92,000	12/30/2022	103 CATRON Unit##46-C	Santa Fe	Fractional
115,360	1/26/2023	2800 Cerrillos Unit#63	Santa Fe	Condominium
155,000	11/9/2022	2800 Cerrillos Unit#104	Santa Fe	Condominium
179,000	1/5/2023	815 CALLE ANAYA S	Santa Fe	Manufactured Home
184,000	1/12/2023	2501 W Zia Road Unit#9-203	Santa Fe	Condominium
205,000	12/29/2022	812 Camino De Monte Rey Unit#106	Santa Fe	Condominium
210,000	12/6/2022	2210 Miguel Chavez Unit#1516	Santa Fe	Condominium
210,000	11/21/2022	32A Sunset	Santa Fe	Manufactured Home
215,000	1/4/2023	1323 Corrida de Agua	Santa Fe	Single Family Residence
215,000	1/10/2023	2210 Miguel Chavez Unit#1426	Santa Fe	Condominium
218,000	12/19/2022	6001 Jaguar Drive, 201 Unit#201	Santa Fe	Condominium
230,000	11/1/2022	1827 Quapaw	Santa Fe	Single Family Residence
235,000	11/7/2022	334 Otero Unit#7-3	Santa Fe	Fractional
237,500	12/9/2022	334 Otero Unit#9-4	Santa Fe	Fractional
245,000	12/16/2022	334 Otero Unit#6-4	Santa Fe	Fractional
249,900	12/15/2022	3019 CALLE PRINCESA JUANA	Santa Fe	Single Family Residence
257,000	12/12/2022	1662 Calle De Oriente Norte	Santa Fe	Townhouse
260,000	1/6/2023	2808 Siringo Rd	Santa Fe	Single Family Residence
260,000	1/4/2023	2501 W Zia Road Unit##8-212	Santa Fe	Condominium
260,000	12/20/2022	1554 Avenida De Las Americas	Santa Fe	Townhouse
262,000	12/28/2022	30 Lone Pine Spur	Santa Fe	Single Family Residence
265,000	12/9/2022	1173 Morning Drive	Santa Fe	Single Family Residence
265,000	11/8/2022	16 N Sierra Place	Santa Fe	Single Family Residence

265,000	12/16/2022	1405 Vegas Verdes Unit#219	Santa Fe	Condominium
265,000	12/2/2022	95 COCHITI	Santa Fe	Manufactured Home
270,000	11/28/2022	1405 Vegas Verdes Drive Unit#236	Santa Fe	Condominium
273,000	12/12/2022	1670 Calle De Oriente Norte	Santa Fe	Townhouse
274,000	1/6/2023	6384 CALLE KRYSHANA	Santa Fe	Manufactured Home
274,100	11/30/2022	1405 Vegas Verdes Drive Unit#235	Santa Fe	Condominium
276,000	11/30/2022	1339 Pacheco Court #2	Santa Fe	Condominium
285,000	11/14/2022	1470 Avenida De Las America	Santa Fe	Townhouse
290,000	11/8/2022	941 Calle Mejia Unit#1505	Santa Fe	Condominium
290,000	1/30/2023	1012 Marquez Place Unit#209A	Santa Fe	Condominium
297,538	12/30/2022	730 Columbia Street Unit#C	Santa Fe	Condominium
299,500	1/31/2023	941 Calle Mejia Unit#1308	Santa Fe	Condominium
300,000	12/28/2022	17 Grazing Elk	Santa Fe	Single Family Residence
300,000	12/9/2022	90 Verano Loop	Santa Fe	Single Family Residence
300,000	12/15/2022	1701 Paseo De Peralta	Santa Fe	Single Family Residence
300,000	11/10/2022	318 Calle Loma Norte	Santa Fe	Condominium
301,000	12/8/2022	4541 Avenida Contenta	Santa Fe	Single Family Residence
305,000	12/12/2022	4341 Santo Domingo Unit#C	Santa Fe	Condominium
305,000	12/30/2022	2732 Calle Anna Jean Unit#D	Santa Fe	Townhouse
310,000	12/2/2022	1 Entrada Capulin	Santa Fe	Single Family Residence
310,000	11/3/2022	3751 Luna De Miel	Santa Fe	Mobile Home
320,000	12/22/2022	2838 Paseo De Los Pueblos Unit#12	Santa Fe	Townhouse
324,000	12/16/2022	500 Rodeo Road Unit#2012	Santa Fe	Single Family Residence
325,000	1/31/2023	1240 Senda Lane	Santa Fe	Single Family Residence

325,000	12/30/2022	3900 Agua Fria Rd	Santa Fe	Single Family Residence
325,000	12/13/2022	711 Viento Drive Unit#C	Santa Fe	Condominium
325,000	11/28/2022	3466 Cerrillos Road, Sand River Cohousing #M-1	Santa Fe	Condominium
327,500	1/20/2023	730 Columbia Street Unit#A	Santa Fe	Condominium
328,024	11/30/2022	6333 Milagro Luna	Santa Fe	Single Family Residence
332,000	11/18/2022	500 Rodeo Rd Unit#1212	Santa Fe	Condominium
339,250	11/29/2022	814 Camino De Monte Rey Unit#301	Santa Fe	Condominium
340,000	1/24/2023	2901 Calle De Oriente	Santa Fe	Single Family Residence
342,850	11/10/2022	3466 Cerrillos Road, Sand River Cohousing Unit#A2	Santa Fe	Condominium
343,000	12/20/2022	6688 Jaguar Drive	Santa Fe	Townhouse
345,000	12/30/2022	4524 Calle Turquesa	Santa Fe	Single Family Residence
345,000	12/21/2022	4092 SANDIA VISTA	Santa Fe	Single Family Residence
350,000	12/2/2022	47 Canyon Cliff	Santa Fe	Single Family Residence
350,000	11/10/2022	256 Camino Del Olmo	Santa Fe	Townhouse
350,000	11/23/2022	1869 Camino De Pabilo	Santa Fe	Townhouse
350,000	12/9/2022	17 Gonzales Lane	Santa Fe	Manufactured Home
354,230	1/27/2023	4 Avenida Vista Esquisita	Santa Fe	Single Family Residence
358,750	1/27/2023	516 Camino de Guadalupe	Santa Fe	Townhouse
360,000	11/30/2022	4647 Callejon Picaflor	Santa Fe	Single Family Residence
362,000	12/16/2022	1405 Vegas Verdes Unit#214	Santa Fe	Condominium
365,000	12/5/2022	2901 Camino Del Gusto	Santa Fe	Single Family Residence
365,000	1/12/2023	4348 Santo Domingo #B	Santa Fe	Condominium
367,000	11/8/2022	4351 San Benito Street Unit#A	Santa Fe	Condominium
369,900	11/22/2022	6553 Calle Verde	Santa Fe	Single Family Residence

370,000	12/15/2022	1106 Vuelta De Las Acequias	Santa Fe	Single Family Residence
370,000	11/21/2022	3220 La Paz Lane	Santa Fe	Condominium
371,000	12/8/2022	3600 Cerrillos Unit#105 / 106	Santa Fe	Condominium
374,000	11/17/2022	1405 VEGAS VERDES Unit#337	Santa Fe	Condominium
375,000	1/31/2023	1814 Hopi Road	Santa Fe	Single Family Residence
375,000	1/18/2023	1221 Senda Lane	Santa Fe	Single Family Residence
375,000	11/7/2022	1824 Hopi Road	Santa Fe	Single Family Residence
375,000	11/28/2022	1932 Calle Miquela	Santa Fe	Townhouse
376,000	12/5/2022	3177 Plaza Blanca	Santa Fe	Townhouse
379,000	11/14/2022	3264 Louraine	Santa Fe	Single Family Residence
380,000	1/31/2023	8 Nacimiento Peak	Santa Fe	Single Family Residence
385,000	11/18/2022	1017 Flora Dr	Santa Fe	Single Family Residence
387,500	11/9/2022	2036 Placita De Vida	Santa Fe	Townhouse
390,000	11/30/2022	1019 Calle Don Roberto	Santa Fe	Single Family Residence
390,710	1/25/2023	1225 Calle La Mirada	Santa Fe	Single Family Residence
395,000	12/13/2022	4653 Contenta Ridge	Santa Fe	Single Family Residence
395,717	1/9/2023	3340 Siringo Road	Santa Fe	Single Family Residence
404,000	12/15/2022	3144 Viale Tresana	Santa Fe	Townhouse
410,000	1/4/2023	2270 Calle Pulido	Santa Fe	Single Family Residence
411,000	1/9/2023	4225 Big Sky	Santa Fe	Single Family Residence
415,000	11/4/2022	3846 Quail View Lane	Santa Fe	Single Family Residence
420,000	11/10/2022	2037 Hopi Road	Santa Fe	Single Family Residence
420,000	11/30/2022	3020 Plaza Blanca	Santa Fe	Single Family Residence
425,000	1/18/2023	3007 Siringo	Santa Fe	Single Family Residence

425,000	1/19/2023	7117 CALLE JENAH	Santa Fe	Single Family Residence
425,000	11/3/2022	7507 Sagebrush	Santa Fe	Single Family Residence
427,000	1/27/2023	6824 Sunset Circle	Santa Fe	Single Family Residence
430,000	11/16/2022	2 Eagle Peak	Santa Fe	Single Family Residence
434,900	12/30/2022	7256 Arroyo Central	Santa Fe	Single Family Residence
435,000	12/15/2022	4749 Vista Del Sol	Santa Fe	Single Family Residence
437,272	12/22/2022	505 Fulton Lane	Santa Fe	Single Family Residence
440,000	1/20/2023	1 Gavilan Court	Santa Fe	Single Family Residence
440,000	12/22/2022	350 Calle Loma Norte	Santa Fe	Condominium
441,000	12/19/2022	3 Reno Road	Santa Fe	Single Family Residence
442,000	1/6/2023	6677 Camino Rojo	Santa Fe	Single Family Residence
445,000	1/11/2023	3 Buena Ventura Place	Santa Fe	Single Family Residence
445,000	11/4/2022	58 Carson Valley	Santa Fe	Single Family Residence
449,000	12/30/2022	7294 Vista Serena Loop	Santa Fe	Single Family Residence
590,000	11/29/2022	3109 Payupki Circle	Santa Fe	Single Family Residence
590,000	1/12/2023	6 RITO GUICU	Santa Fe	Single Family Residence
590,000	11/16/2022	320 Artist Road Unit#19	Santa Fe	Condominium
590,000	12/8/2022	2917 Plaza Blanca	Santa Fe	Townhouse
593,000	12/8/2022	1 Nacimiento Peak	Santa Fe	Single Family Residence
593,777	11/30/2022	7 Antelope Hill	Santa Fe	Single Family Residence
597,000	12/16/2022	4131 Big Sky	Santa Fe	Single Family Residence
599,000	11/4/2022	3101 Old Pecos Trail #220	Santa Fe	Condominium
600,000	1/17/2023	1388 Santa Rosa	Santa Fe	Single Family Residence
602,500	11/14/2022	117 W Zia Road	Santa Fe	Single Family Residence

607,500	12/20/2022	3326 La Avenida De San Marcos	Santa Fe	Single Family Residence
609,900	12/6/2022	141 N El Rancho Rd	Santa Fe	Single Family Residence
614,000	11/1/2022	1 Vista Grande Drive	Santa Fe	Single Family Residence
617,500	11/30/2022	2515 Camino San Patricio	Santa Fe	Single Family Residence
620,000	1/19/2023	1712 Callejon Cordelia	Santa Fe	Single Family Residence
622,500	1/5/2023	640 Avenida Colima	Santa Fe	Condominium
625,000	11/16/2022	2 Reno	Santa Fe	Single Family Residence
625,000	11/28/2022	2592 Calle Delfino	Santa Fe	Single Family Residence
626,000	1/5/2023	824 Dunlap Street Unit#A	Santa Fe	Condominium
629,463	12/21/2022	2856 Plaza Verde	Santa Fe	Single Family Residence
630,000	11/15/2022	8 Domingo Court	Santa Fe	Single Family Residence
631,000	12/16/2022	2956 Plaza Blanca	Santa Fe	Townhouse
635,000	1/23/2023	3 Softwynd	Santa Fe	Single Family Residence
635,000	12/16/2022	805 Loma Boreal	Santa Fe	Townhouse
639,000	11/16/2022	1 Pajarito Peak	Santa Fe	Single Family Residence
649,000	11/28/2022	4259 Indian Summer Lane	Santa Fe	Single Family Residence
650,000	12/15/2022	525 1/2 Camino Cabra	Santa Fe	Single Family Residence
650,000	11/14/2022	98 Canada Del Rancho	Santa Fe	Single Family Residence
650,000	12/8/2022	1027 Canyon Unit#A	Santa Fe	Condominium
655,000	11/22/2022	17 Camino Pinon	Santa Fe	Single Family Residence
657,000	12/21/2022	304 Irvine Street	Santa Fe	Single Family Residence
660,000	1/26/2023	17 Via De Estrellas	Santa Fe	Single Family Residence
665,000	1/13/2023	814 Rio Vista Street	Santa Fe	Single Family Residence
669,000	1/20/2023	7 Buena Ventura Place	Santa Fe	Single Family Residence

673,000	11/14/2022	3020 Cliff Palace	Santa Fe	Single Family Residence
675,000	11/16/2022	701 Venado Lane	Santa Fe	Single Family Residence
675,000	12/15/2022	11 Bear Claw	Santa Fe	Single Family Residence
675,000	12/16/2022	4717 Hojas Verdes	Santa Fe	Single Family Residence
675,000	11/21/2022	6 Bajada	Santa Fe	Single Family Residence
680,000	11/30/2022	4142 Arboles Bonitos	Santa Fe	Single Family Residence
685,000	11/10/2022	211 Rosario Unit#10	Santa Fe	Single Family Residence
688,400	12/15/2022	246 Maynard	Santa Fe	Single Family Residence
688,500	12/12/2022	7 Camino Dimitrio	Santa Fe	Single Family Residence
695,000	12/22/2022	36 Verano Loop	Santa Fe	Single Family Residence
695,000	11/16/2022	501 Rio Grande Avenue Unit#J-8	Santa Fe	Condominium
703,000	11/2/2022	46 Lone Pine Spur	Santa Fe	Single Family Residence
705,000	1/12/2023	103 B Camino Los Abuelos	Santa Fe	Single Family Residence
707,000	12/21/2022	7 Gavilan Road	Santa Fe	Single Family Residence
710,000	12/6/2022	4132 Arboles Bonitos	Santa Fe	Single Family Residence
715,000	11/9/2022	2 Pajarito Peak	Santa Fe	Single Family Residence
716,500	12/14/2022	70 Verano Loop	Santa Fe	Single Family Residence
720,000	1/31/2023	11 Camino Chupadero	Santa Fe	Single Family Residence
725,000	11/4/2022	4712 Viento Del Norte	Santa Fe	Single Family Residence
728,000	12/9/2022	218 Calle Roble	Santa Fe	Single Family Residence
734,000	1/24/2023	1704 Paseo De La Conquistadora	Santa Fe	Single Family Residence
742,784	12/1/2022	28 Via Plaza Nueva E	Santa Fe	Townhouse
750,000	1/17/2023	3024 Governor Lindsey	Santa Fe	Single Family Residence
750,000	1/20/2023	4136 Arboles Bonitos	Santa Fe	Single Family Residence

750,000	11/7/2022	502 & 504 Alicia Street	Santa Fe	Single Family Residence
750,000	12/30/2022	201 Williams #B Street	Santa Fe	Condominium
755,000	12/9/2022	9 Red Sky Trail	Santa Fe	Single Family Residence
760,000	1/20/2023	1249 Cerro Gordo	Santa Fe	Single Family Residence
763,000	1/25/2023	690 Gonzales Road Unit##1	Santa Fe	Single Family Residence
764,500	1/19/2023	140 W Buena Vista Street	Santa Fe	Single Family Residence
770,000	1/31/2023	38 Carissa Road	Santa Fe	Single Family Residence
772,428	11/16/2022	710 Gonzales Road	Santa Fe	Single Family Residence
775,000	12/1/2022	34 Canada del Rancho	Santa Fe	Single Family Residence
775,000	11/16/2022	602 Don Canuto	Santa Fe	Single Family Residence
775,000	11/18/2022	2 Cabrero Court	Santa Fe	Single Family Residence
780,000	11/7/2022	1723 Ridge Pointe	Santa Fe	Single Family Residence
785,000	12/5/2022	322 Camino Cerrito Unit#A	Santa Fe	Single Family Residence
793,000	11/15/2022	106 Michelle Drive	Santa Fe	Single Family Residence
795,000	12/6/2022	43 Calimo Circle	Santa Fe	Single Family Residence
795,000	11/3/2022	573 A/B W San Francisco Street	Santa Fe	Single Family Residence
796,000	11/15/2022	31 Canada Del Rancho	Santa Fe	Single Family Residence
800,000	11/21/2022	2805 Plaza Verde	Santa Fe	Single Family Residence
800,000	11/16/2022	3101 Old Pecos Unit#507	Santa Fe	Condominium
806,316	12/1/2022	20 Domingo Road	Santa Fe	Single Family Residence
815,000	12/7/2022	129 Solana Drive	Santa Fe	Single Family Residence
815,000	11/28/2022	36 SHILO	Santa Fe	Single Family Residence
825,000	12/15/2022	37 Camino Pacifico	Santa Fe	Single Family Residence
837,500	12/20/2022	3101 Old Pecos Trail Unit#614	Santa Fe	Condominium

845,000	12/15/2022	625 Gomez Unit#A&B	Santa Fe	Condominium
846,000	12/20/2022	272 El Duane Court	Santa Fe	Townhouse
846,400	12/21/2022	11 Calle Belicia	Santa Fe	Single Family Residence
867,000	12/12/2022	21 Puerto Road	Santa Fe	Single Family Residence
880,000	1/30/2023	700 Coyote Ridge Road	Santa Fe	Single Family Residence
885,000	11/7/2022	501 Johnson Lane	Santa Fe	Single Family Residence
890,000	11/17/2022	2205 Calle Cacique	Santa Fe	Single Family Residence
894,900	12/19/2022	407 Michelle Ct	Santa Fe	Single Family Residence
895,000	12/29/2022	7 Camino Del Prado	Santa Fe	Single Family Residence
898,000	11/23/2022	20 Via Summa	Santa Fe	Single Family Residence
899,500	11/28/2022	835 Alameda	Santa Fe	Single Family Residence
901,670	1/25/2023	219 Las Mananitas Street	Santa Fe	Single Family Residence
925,000	1/6/2023	4 La Vida Trail	Santa Fe	Single Family Residence
925,000	11/21/2022	154 Ojo De La Vaca Street Unit#C	Santa Fe	Single Family Residence
949,000	12/9/2022	108 Monte Vista Unit#F	Santa Fe	Condominium
950,000	1/9/2023	3 Loma De Oro	Santa Fe	Single Family Residence
950,000	1/19/2023	427 Camino Del Monte Sol	Santa Fe	Single Family Residence
953,130	11/4/2022	2267 Calle Cacique	Santa Fe	Single Family Residence
979,900	1/17/2023	4 Via De Estrellas	Santa Fe	Single Family Residence
990,000	11/16/2022	60 Tierra Grande	Santa Fe	Single Family Residence
1,000,000	11/1/2022	100 W Marcy	Santa Fe	Condominium
1,005,000	1/10/2023	6 Estambre Road	Santa Fe	Single Family Residence
1,066,000	12/12/2022	26 General Sage	Santa Fe	Single Family Residence
1,100,000	1/24/2023	18 West Wildflower Drive	Santa Fe	Single Family Residence

1,100,000	12/16/2022	3 Montoya Circle	Santa Fe	Single Family Residence
1,149,000	12/2/2022	26 Camino Sudeste	Santa Fe	Single Family Residence
1,150,000	12/19/2022	18 Camino Costadino	Santa Fe	Single Family Residence
1,150,000	11/28/2022	501 Corte De Pinon	Santa Fe	Single Family Residence
1,159,000	12/15/2022	30 Paseo Del Antilope	Santa Fe	Single Family Residence
1,190,000	12/9/2022	11 Calle Cabito	Santa Fe	Single Family Residence
1,200,000	11/4/2022	83 E Chili Line Road	Santa Fe	Single Family Residence
1,200,000	11/3/2022	1120 Canyon Road	Santa Fe	Single Family Residence
1,220,000	1/24/2023	6 W Avenida Sebastian	Santa Fe	Single Family Residence
1,225,000	1/10/2023	7 Camino Maravilla	Santa Fe	Single Family Residence
1,235,000	12/29/2022	40 Vuelta Herradura	Santa Fe	Single Family Residence
1,250,000	12/14/2022	1013 Camino San Acacio	Santa Fe	Single Family Residence
1,275,856	11/8/2022	1261 Vallecita	Santa Fe	Single Family Residence
1,290,000	12/8/2022	103 Catron St Unit#30	Santa Fe	Condominium
1,300,000	1/10/2023	7 Summer Night	Santa Fe	Single Family Residence
1,300,000	11/16/2022	3962 Old Santa Fe	Santa Fe	Single Family Residence
1,375,000	12/2/2022	307 Los Arboles	Santa Fe	Single Family Residence
1,387,500	11/15/2022	68 Camino Montuoso	Santa Fe	Single Family Residence
1,394,348	11/15/2022	7 Sierra Verde	Santa Fe	Single Family Residence
1,400,000	12/16/2022	67 Lomas De Tesuque	Santa Fe	Single Family Residence
1,400,000	12/28/2022	213 Calle Galisteo	Santa Fe	Single Family Residence
1,423,000	11/10/2022	230 Camino Encantado	Santa Fe	Single Family Residence
1,495,000	1/3/2023	815 Los Arboles Lane	Santa Fe	Single Family Residence
1,495,000	12/19/2022	166 Sunflower Drive	Santa Fe	Single Family Residence

1,500,000	11/30/2022	522 Acequia Madre	Santa Fe	Single Family Residence
1,500,000	12/19/2022	20 Tano Vida	Santa Fe	Single Family Residence
1,571,000	12/20/2022	145 Cantera Circle	Santa Fe	Single Family Residence
1,644,000	11/7/2022	7 Storyteller	Santa Fe	Single Family Residence
1,675,000	12/2/2022	751 Acequia Madre Unit#3	Santa Fe	Condominium
1,686,700	12/9/2022	117 Vigil	Santa Fe	Single Family Residence
1,699,460	12/13/2022	13 Tecolote Circle	Santa Fe	Single Family Residence
1,725,000	12/29/2022	904 Don Gaspar	Santa Fe	Single Family Residence
1,725,000	11/15/2022	3098 Monte Sereno	Santa Fe	Single Family Residence
1,825,000	1/17/2023	36 Paseo Las Terrazas	Santa Fe	Single Family Residence
1,850,000	1/12/2023	147 Gonzales #8	Santa Fe	Single Family Residence
1,850,000	11/1/2022	511 E Palace	Santa Fe	Single Family Residence
1,900,000	1/17/2023	2596 Tano Compound	Santa Fe	Single Family Residence
1,900,000	1/3/2023	5 Puma Circle	Santa Fe	Single Family Residence
2,125,000	1/31/2023	669 Garcia Street	Santa Fe	Single Family Residence
2,135,124	1/12/2023	1057 Camino Manana	Santa Fe	Single Family Residence
2,150,000	11/18/2022	1237 1/2 Cerro Gordo	Santa Fe	Single Family Residence
2,175,000	11/21/2022	3 Campo Rancheros	Santa Fe	Single Family Residence
2,215,000	11/18/2022	4 Eagle Nest Circle	Santa Fe	Single Family Residence
2,225,000	1/31/2023	699 Joaquin Lane	Santa Fe	Single Family Residence
2,250,000	11/15/2022	2 Green Meadow Loop	Santa Fe	Single Family Residence
2,500,000	12/19/2022	808 Camino Del Monte Sol	Santa Fe	Single Family Residence
2,825,711	11/14/2022	1401 & 1407 Upper Canyon Rd	Santa Fe	Single Family Residence
2,850,000	12/8/2022	23 Media Luna	Santa Fe	Single Family Residence

2,900,000	12/7/2022	12 Bishops Dome Road	Santa Fe	Single Family Residence
3,208,904	11/28/2022	48 Tesuque Ridge Road	Santa Fe	Single Family Residence
3,712,000	1/5/2023	500 Camino Rancheros	Santa Fe	Single Family Residence
3,900,000	1/27/2023	21 Goodnight Trail West	Santa Fe	Single Family Residence
3,950,000	11/9/2022	3365 Paseo Segunda	Santa Fe	Single Family Residence
4,000,000	12/16/2022	24 Lodge Circle	Santa Fe	Single Family Residence
4,000,000	12/6/2022	1523 Calle Terrazas	Santa Fe	Single Family Residence
7,440,000	12/12/2022	109 115 117 Tesuque	Santa Fe	Single Family Residence

HOME Purchase Price Limits

Santa Fe County

New homes

Three months of sold data (November 2021– January 2022)

Median price indicated in red

<u>Price</u>	<u>Close Date</u>	<u>Address</u>	<u>City</u>	<u>Property Sub Type</u>
365,000	12/9/2022	3375 Zinnia	Santa Fe	Single Family Residence
389,500	12/5/2022	1109 PASEO CORAZON Unit#8	Santa Fe	Condominium
389,500	12/23/2022	1109 PASEO CORAZON Unit#2	Santa Fe	Condominium
405,000	12/8/2022	3369 Zinnia	Santa Fe	Single Family Residence
405,000	12/19/2022	3371 ZINNIA	Santa Fe	Single Family Residence
422,280	1/31/2023	3359 ZINNIA	Santa Fe	Single Family Residence
433,000	12/29/2022	3932 Jaxson Lane	Santa Fe	Single Family Residence
449,990	12/23/2022	5015 Wheeler Lane	Santa Fe	Townhouse
539,990	12/1/2022	4824 Governor Miles	Santa Fe	Townhouse
589,990	12/16/2022	5336 Chicoma	Santa Fe	Townhouse
590,000	1/20/2023	3507 Paa	Santa Fe	Single Family Residence
719,000	1/24/2023	1728 Callejon Melinda	Santa Fe	Single Family Residence
725,000	11/18/2022	1725 Callejon Melinda	Santa Fe	Single Family Residence
750,000	1/20/2023	31 Willow Back Road	Santa Fe	Single Family Residence
799,900	11/17/2022	9 Pinon Doblado	Santa Fe	Single Family Residence
809,900	11/22/2022	14 Pinon Doblado	Santa Fe	Single Family Residence
848,000	1/6/2023	1721 Callejon Melinda	Santa Fe	Single Family Residence
1,175,649	12/13/2022	1 Valverde Court	Santa Fe	Single Family Residence
1,350,584	12/19/2022	30 Valverde Lane	Santa Fe	Single Family Residence
1,475,519	1/31/2023	18 Valverde Lane	Santa Fe	Single Family Residence
1,858,000	1/9/2023	21 Entrada Descanso	Santa Fe	Single Family Residence
2,200,000	1/24/2023	31 Via Del Caballo	Santa Fe	Single Family Residence
2,400,000	11/1/2022	59 Lodge Trail	Santa Fe	Single Family Residence

3,300,000	11/9/2022	126 CAMINO ENCANTADO	Santa Fe	Single Family Residence
3,999,000	12/19/2022	3285 Monte Sereno Drive - Lot 47	Santa Fe	Single Family Residence

HOME Purchase Price Limits

Taos County

Existing homes

Three months of sold data (November 2022– January 2023)

Median price indicated in red

Sold Price	Closing Date	Address	City
\$50,000	1/23/2023	5 Estafeta Road	Valdez
\$90,000	11/17/2022	11 Ortiz Ln	Taos
			Ranchos de
\$106,000	12/2/2022	7157 State Highway 518	Taos
\$120,000	12/5/2022	14 Evergreen Rd	Questa
\$125,000	11/4/2022	16 Camino Coyote	El Prado
\$150,000	11/14/2022	1602 Paseo Del Pueblo Sur	Taos
\$160,500	12/28/2022	201 W Main Street	Red River
\$173,000	11/1/2022	3006 Hwy 76	Penasco
			Ranchos de
\$175,000	11/23/2022	14 Coyote Circle North	Toas
\$190,000	11/18/2022	1279 Highway 150	Taos Ski Valley
\$220,000	1/6/2023	209 Holly Circle	Taos
\$234,450	11/1/2022	9 Comanche Road	El Prado
			Ranchos de
\$234,500	11/14/2022	7191 State Road 518	Taos
\$250,000	1/10/2023	720 La Posta Place	Taos
			Ranchos de
\$250,000	11/14/2022	24 Calle Miguel	Taos
\$250,000	1/9/2023	1803 1805 State Highway 75	Vadito
\$265,000	12/7/2022	514 Callejon Road	Taos
\$269,500	11/9/2022	52 Lodge Road	Taos
\$275,000	1/10/2023	316 Juanita Lane	Taos
			Ranchos De
\$295,000	11/22/2022	91 B El Tros Rd	Taos
\$295,000	11/7/2022	18 Comanche Road	El Prado
\$298,725	1/18/2023	23 S Lemuria	Tres Piedras
			Ranchos de
\$299,000	11/18/2022	4 La Morada Road	Taos
\$300,000	1/5/2023	5 S Wishbone	El Prado
\$303,000	11/9/2022	8 Cresta de la Luna	El Prado
\$318,000	12/20/2022	821 Hill Drive	Taos
\$320,000	11/30/2022	2342 Vigil	Questa
			Ranchos de
\$324,000	1/4/2023	29 Archuleta Rd	Taos
\$335,000	11/8/2022	527 Camino Cortez	Taos
\$345,000	11/17/2022	128 Dona Ana 214	Taos
\$350,000	11/1/2022	15 E Vigil Road	Arroyo Hondo
\$360,000	12/29/2022	1030 Calle del Sol	Taos
			Ranchos de
\$365,000	1/9/2023	262 Cuchilla Road	Taos
\$372,000	11/8/2022	248 Highway 150	El Prado
\$375,000	11/8/2022	2 Kindness	Taos

\$375,000	11/2/2022	744 Cruz Alta Rd	Taos
\$378,000	11/22/2022	314 Hinde Street	Taos
\$378,000	11/8/2022	402 Apache	Taos
\$380,000	12/8/2022	300 Gallina Canyon Road	Valdez
\$380,000	1/13/2023	96 County Road 64	Dixon
			Ranchos de
\$383,000	11/14/2022	35 Old SR 382	Taos
\$385,000	12/9/2022	5 Este Mirada	El Prado
\$389,000	11/22/2022	10 Caitlins Court	El Prado
\$390,000	11/30/2022	242 Tune Road	Taos
\$392,000	1/13/2023	250 Maria Elena Rd	Taos
\$395,000	1/9/2023	5 Ernie Blake Road	Taos Ski Valley
			Ranchos de
\$397,500	11/10/2022	7278B Highway 518	Taos
\$399,000	1/31/2023	267 State Highway 73	Llano
\$400,700	11/15/2022	31 Rim View Road	Taos
\$403,000	12/1/2022	366 Monte Vista Road	Taos
\$425,000	11/3/2022	622 Paseo del Canon East	Taos
		5 Ernie Blake Rd Units 201 and	
\$425,000	11/7/2022	202	Taos Ski Valley
\$430,000	12/8/2022	494 Tune Dr	Arroyo Hondo
\$445,000	11/21/2022	110 Sutton Place	Taos Ski Valley
			Ranchos de
\$450,000	1/13/2023	57 Camino de los Arroyos	Taos
\$455,000	11/15/2022	323 Santistevan Ln	Taos
\$456,000	11/17/2022	17 Aspen Tr	Red River
\$460,000	11/18/2022	101 Los Rios Road	Arroyo Hondo
\$462,500	11/21/2022	930 Calle Alvarado	Taos
\$477,000	11/16/2022	11 Bad Dog Road	El Prado
\$478,000	1/17/2023	5 Pinon Trail	Taos
\$479,000	1/17/2023	2 Caitlins Court	El Prado
\$484,000	11/3/2022	193 Tune Drive	El Prado
\$489,000	12/16/2022	229 Las Olas Drive	Taos
\$489,000	11/30/2022	110 Sutton Place	Taos Ski Valley
\$489,000	11/14/2022	110 Sutton Place	Taos Ski Valley
\$492,000	11/9/2022	316 A Don Fernando	Taos
\$494,000	11/14/2022	306 South Trapper	Taos
			Ranchos de
\$495,000	1/13/2023	7 Calle de Cazador	Taos
\$510,000	12/12/2022	6712 Hwy 518	Taos
			Ranchos de
\$525,000	12/16/2022	15 Vista del Ocaso	Taos
\$535,000	11/8/2022	12 Este Mirada	El Prado
\$539,000	1/25/2023	415 Kit Carson Road	Taos

\$539,497	11/16/2022	415 Kit Carson 6	Taos
\$558,500	11/15/2022	53 Eototo Road	Taos
\$565,000	12/1/2022	208 Las Olas Drive	Taos
\$575,000	12/6/2022	9 Sunset Drive	Taos
\$577,000	1/4/2023	413 Sunrise Lane	El Prado
\$600,000	11/1/2022	80 Lower Las Colonias Road	El Prado
\$609,000	1/31/2023	250 Bitter Creek Rd	Red River
\$630,000	12/1/2022	1323 Mesa Vista	Taos
\$635,000	1/4/2023	1391 Abby Road	Taos
\$654,950	12/2/2022	275 Camino Ovejeros	El Prado
\$677,065	11/2/2022	15 Villa Ventosa	El Prado
\$690,100	11/7/2022	20 Nickell Road	Taos
\$745,000	12/7/2022	15 Canyon Valley	Red River
\$755,000	12/29/2022	37 Twining Rd	Taos Ski Valley
\$772,500	1/20/2023	26312 East Highway 64	Taos
\$777,000	11/4/2022	1224 Mesa Vista Road	El Prado
\$785,000	11/3/2022	25 Buena Vista	El Prado
			Ranchos de
\$795,000	12/9/2022	337 Espinoza Road	Taos
\$800,000	11/23/2022	14 Codorniz Rd	El Prado
\$805,000	1/6/2023	325B Spruce Lane	Taos
\$849,500	11/18/2022	37 Duval Road	El Prado
\$880,000	11/1/2022	38 Sugar Lane	El Prado
\$950,000	1/17/2023	89 Calle Martinez	Arroyo Seco
\$1,025,000	11/1/2022	577 Verde	Taos
\$1,200,000	1/11/2023	1441 Higgins Road	Taos
\$1,200,000	11/17/2022	36 Mariposa Road	Arroyo Seco
\$1,250,000	1/26/2023	6 Hidden Valley Road	Red River
\$1,339,000	12/5/2022	43 N Mesa Road	El Prado
\$1,500,000	11/10/2022	215 Ranchitos Road	Taos
\$1,535,000	12/1/2022	90 Camino del Medio	San Cristobal
\$1,600,000	12/8/2022	82 Calle Mirador	Taos
\$1,600,000	12/28/2022	95 Duval Road	Arroyo Hondo

HOME Purchase Price Limits

Taos County

New homes

Three months of sold data (November 2022– January 2023)

Median price indicated in red

Sold Price	Closing Date	Address	City	Area
\$500,000	12/16/2022	8 Irish Rd	Ranchos De Taos	VISTA LINDA (52A)

PART I



DRAFT

2023 Annual Action Plan

New Mexico Mortgage Finance Authority

&

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 Sherry Stephens at New Mexico Mortgage Finance Authority at:

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

TTY: 800-659-8331

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Spanish: 800-327-1857

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

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Executive Summary

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

1. Introduction

In 1994, the U.S. Department of Housing and Urban Development (HUD) issued new rules consolidating the planning, application, reporting and citizen participation processes for four formula grant programs: Community Development Block Grants (CDBG), HOME Investment Partnerships (HOME), Emergency Solutions Grants (ESG) and Housing Opportunities for Persons with AIDS (HOPWA). The new single-planning process was intended to more 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 their size, are able to receive federal funding directly. These areas must complete a Consolidated Plan separately from the State's to receive funding. For purposes of this report, non-entitlement refers to cities and towns that do not file Consolidated Plans individually and are not able to receive funding from the HUD programs directly. 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 involvement. 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 overseeing the 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 2022. 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.

The 2021 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 2022 CAPER will be compiled in July 2023 and submitted in September 2023 any evaluation findings will be added as considerations to goals and projects for 2024 Annual Action Plan.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

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

A thirty-day public comment period was held from March 20, 2023 to April 20, 2023 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, ESG, and HOPWA programs. HTF is an estimate based on funding amounts from prior year allocation. The proposed budget will be proportionally increased or decreased from estimated funding levels to match actual allocation amounts. Once the final HTF allocation is made, the State will adjust funding 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 Con 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 2023 Annual Action Plan.

A thirty day public comment period began on March 20, 2023 and ended on April 20, 2023 with a hybrid (virtual/in-person) public hearing held on April 17, 2023. The 2023 Annual Action Plan is the fourth annual implementation plan under the State of New Mexico 2020-2024 Consolidated Plan for Housing and Community Development.

The notice was published in seven different newspapers throughout the state to cover 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 will accept written comments by email or mail for those who do not have access to virtual platforms for verbal comments or prefer alternative communication methods.

To be completed after public hearing.

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

To be completed after public hearing and gathering comments. All public comments received were accepted by MFA.

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	
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

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 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 assisted 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 persons were solicited to discuss housing and community development needs in New Mexico, including the ranking of those needs and activities that MFA and DFA might consider in better addressing needs throughout the State. Further, individuals were asked to provide additional insight into prospective barriers and constraints 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(l)).

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 serve on the Colonias Infrastructure Board, which was created by the Colonias Infrastructure Act. The Acts 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 the HMIS; (2) ensure consistent participation of recipients and sub-recipients in the HMIS; and (3) ensure the 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 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.
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 consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Participate in focus groups which helped determine priority needs and strategies.
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 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.

8	Agency/Group/Organization	Southwest New Mexico Council of Governments
	Agency/Group/Organization Type	Other government - Local Regional organization Business and Civic Leaders Persons, low income living where CDBG funds are purposed
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Economic Development Colonias Set-aside Strategy Non-housing community development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Survey and interview conducted which helped to shape priority needs and strategies.
9	Agency/Group/Organization	EASTERN PLAINS COUNCIL OF GOVERNMENTS
	Agency/Group/Organization Type	Other government - Local Regional organization Business Leaders Business and Civic Leaders Persons, low income living where CDBG funds are proposed
	What section of the Plan was addressed by Consultation?	Homelessness Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Survey and interview conducted which helped to shape priority needs and strategies.

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

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Survey and interview conducted which helped to shape priority needs and strategies.
13	Agency/Group/Organization	LOS ALAMOS HOUSING PARTNERSHIP
	Agency/Group/Organization Type	Housing
	What section of the Plan was addressed by Consultation?	Homelessness Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Survey and interview conducted which helped to shape priority needs and strategies.
14	Agency/Group/Organization	UNIVERSITY OF NEW MEXICO BUREAU OF BUSINESS AND ECONOMIC RESEARCH
	Agency/Group/Organization Type	Other government - State
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Survey and interview conducted which helped to shape priority needs and strategies.
15	Agency/Group/Organization	INDEPENDENT LIVING RESOURCE CENTER
	Agency/Group/Organization Type	Social Services
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Housing and Social Services
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Member of planning team; requested to distribute surveys, which helped to shape priority needs and strategy

16	Agency/Group/Organization	NEW MEXICO COUNCIL AGAINST DOMESTIC VIOLENCE
	Agency/Group/Organization Type	Services-Victims of Domestic Violence Services-Education Services - Victims Statewide organization
	What section of the Plan was addressed by Consultation?	Housing and supportive services
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Survey and interview conducted which helped to shape priority needs and strategies.
17	Agency/Group/Organization	Catholic Charities
	Agency/Group/Organization Type	Child Welfare Agency Statewide Organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Member of planning team. Requested to distribute survey which helped to shape priority needs and strategies.
18	Agency/Group/Organization	MESILLA VALLEY COMMUNITY OF HOPE
	Agency/Group/Organization Type	Regional organization
	What section of the Plan was addressed by Consultation?	Supportive Service
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Member of planning team. Requested to distribute survey which helped to shape priority needs and strategies.
19	Agency/Group/Organization	APARTMENT ASSOCIATION OF NEW MEXICO
	Agency/Group/Organization Type	Statewide Organization

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

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

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

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

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

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

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

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

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

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

Table 3 – Other local / regional / federal planning efforts

Narrative

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

MFA 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 2023 Annual Action Plan. A thirty day public comment period began on March 20, 2023, and ended on April 20, 2023 with a hybrid (virtual/in-person) public hearing held on April 17, 2023. The 2023 Annual Action Plan is the fourth annual implementation plan under the State of New Mexico 2020-2024 Consolidated Plan for Housing and Community Development.

The notice was published in seven different newspapers throughout the state to cover 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 will accept written comments by email or mail for those who do not have access to virtual platforms for verbal comments or prefer alternative communication methods.

To be completed after public hearing and comment period.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Public Hearing	<p>Minorities</p> <p>Non-English Speaking - Specify other language: Spanish</p> <p>Persons with disabilities</p> <p>Non-targeted/broad community</p> <p>Residents of Public and Assisted Housing</p>	<p>To be completed after public hearing</p>	<p>To be completed after public comment.</p>	<p>To be completed after receipt of comments. All public comments received were accepted by MFA.</p>	
2	Newspaper Ad	<p>Minorities</p> <p>Non-English Speaking - Specify other language: Spanish</p> <p>Non-targeted/broad community</p>	<p>To be completed after public hearing and comment period.</p>	<p>To be completed after public comment.</p>	<p>To be completed after receipt of comments. All public comments received were accepted by MFA.</p>	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
3	Website MFA and DFA	Non-English Speaking - Specify other language: Spanish Non-targeted/broad community Interested parties	To be completed after public hearing and comment period.	To be completed after public comment.	To be completed after public hearing and comment period. All public comments received were accepted by MFA.	

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 the ESG regulation 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.

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

PROGRAM	POTENTIAL ADDITIONAL SOURCES 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

	Federal Housing Administration (FHA) loan programs			
HOME - Rental	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 for CDBG, HOME, ESG, and HOPWA programs. HTF is an estimate based on funding amounts from prior year allocation. The proposed budget will be proportionally increased or decreased from estimated funding levels to match actual allocation amounts. Once the final HTF allocation is made, the State will adjust funding amounts accordingly. This will not require a substantial amendment.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 4				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Admin and Planning Acquisition Economic Development Housing Public Improvements Public Facilities Homelessness Prevention	11,231,021	0	132,275	11,363,296	11,740,697	The State will set aside 10 percent of its regular CDBG allocation for Colonias. Regular CDBG funds are not used on tribal reservations.

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

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 4				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services	1,208,579	0	0	1,208,579	1,1164,006	Funds may be used statewide.
Housing Trust Fund	public - federal	Multifamily rental new construction Multifamily rental rehab	3,521,165 Estimate	3,000	3,191,955	4,632,294	5,292,706	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.

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

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

Goals Summary Information

The citizen participation process was conducted with final FY 2023 allocations for CDBG, HOME, ESG, and HOPWA programs. HTF is an estimate based on funding amounts from prior year allocation. The proposed budget will be proportionally increased or decreased from estimated funding levels to match actual allocation amount. Once the final HTF allocation is made, the State will adjust funding amounts accordingly. This will not require a substantial amendment.

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

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
4	2C. Develop Affordable Rental Housing	2020	2024	Affordable Housing	Statewide	Preserve & Develop Affordable Housing	HOME: \$9,584,432	Rental units constructed: 16 Household Housing Units Rental units rehabilitated: 16 Household Housing Units
5	2D. Develop Housing for Vulnerable Populations	2020	2024	Affordable Housing	Statewide	Preserve & Develop Affordable Housing	Housing Trust Fund: \$4,632,294 Estimate	Rental units constructed: 8 Household Housing Units Rental units rehabilitated: 8 Household Housing Units
6	3A. Provide Assistance for Job Creation	2020	2024	Non-Housing Community Development	Statewide	Economic Development Opportunities	CDBG: \$1,500,000	Jobs created/retained: 14 Jobs Businesses assisted: 3 Businesses Assisted

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

Table 2 – Goals Summary

AP-25 Allocation Priorities – 91.320(d)

Introduction

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

Funding Allocation Priorities

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

Table 3 – Funding Allocation Priorities

Reason for Allocation Priorities

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

For the regular State CDBG program, the allocation percentages are based on totals given the 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 allocated to activities as indicated above on an annual basis, after MFA learns the amount of funding 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.

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.

Regular 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 the objectives designed to meet those needs. The funds allocated to different goals are designed to effectively meet needs across the State as distributed through the various 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.	<p>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.</p> <p>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.</p>

	<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>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).</p> <p>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.</p> <p>All CDBG-CV funds will be used as part of a needs-based response to COVID-19.</p>
	<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>DFA maintains CDBG applications, manuals and other necessary information on its website at https://www.nmdfa.state.nm.us/local-government/community-development-bureau/cdbg-information/</p>
	<p>Describe how resources will be allocated among funding categories.</p>	<p>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.</p>

	Describe threshold factors and grant size limits.	<p>Regular CDBG Funds (Non-CARES Act CDBG Funding)</p> <ul style="list-style-type: none"> • 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. <p>CDBG-CV</p> <ul style="list-style-type: none"> • Eligible subrecipients of CDBG-CV funding will receive assistance relative to the size of the organization and impact upon low and moderate income persons.
	What are the outcome measures expected as a result of the method of distribution?	<ul style="list-style-type: none"> • Number of persons assisted with public infrastructure 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 below-market-rate loans to developers to finance the production, acquisition and/or rehabilitation of rental units for households whose incomes do not exceed 60 percent of Area Median Income (AMI). Forgivable loans may be awarded for projects targeting 30 percent AMI.

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Projects must have demonstrated financial feasibility and will be subject to underwriting standards that, among other criteria, verify that HOME funds are needed and will enhance affordability. This assessment includes a subsidy layering review. Market studies, or other evidence of market need, are required at MFA's discretion. Projects using HOME funds in conjunction with Low Income Housing Tax Credits (LIHTCs) must meet all conditions and requirements set forth in the application LIHTC Qualified Allocation Plan.
	Describe how resources will be allocated among funding categories.	<p>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.</p> <p>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.</p>
	Describe threshold factors and grant size limits.	Awards of HOME funds to projects that receive 9 percent LIHTCs are generally limited to the lowest of (a) \$15,000 per unit for CHDOs/\$7,500 for non-CHDOs, (b) \$1,000,000 per project for CHDOs/\$400,000 for non-CHDOs or (c) 80 percent of the project's total development cost. Awards of HOME funds to all other projects are generally limited to the lesser of (a)\$15,000 per residential unit for CHDOs/\$7,500 for non-CHDOs, (b)\$1,000,000 per project for CHDOs/\$800,000 for non-CHDOs, or (c) 80 percent of the project's total development cost. However, depending on fund availability, higher awards may be allowed, at MFA's discretion.
	What are the outcome measures expected as a result of the method of distribution?	<ul style="list-style-type: none"> • 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 resulting from COVID-19.
	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.	Resources will be allocated on a first-come, first-served basis for development activities and developers receiving loan awards are eligible to receive grants for principal reduction of homebuyers' mortgages. MFA conducts outreach to CHDOs to encourage to application.
	Describe threshold factors and grant size limits.	Underwriting will take place to ensure that homebuyers are not over-subsidized; grant amounts will vary based on financial need.
	What are the outcome measures expected as a result of the method of distribution?	<ul style="list-style-type: none"> • 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

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>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.</p>
<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>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:</p> <ol style="list-style-type: none"> 1. Certification by the individual or head of household that no subsequent residence has been identified, OR 2. 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.
	What are the outcome measures expected as a result of the method of distribution?	<ul style="list-style-type: none"> • 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 and ESG-CV
	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.

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Regular ESG Funds (Non-CARES Act ESG Funding)</p> <p>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.</p> <p>ESG-CV</p> <p>Sub-recipients were selected from the competitive EHAP RFP were awarded ESG-CV funding thus eliminating the process of completing another RFP. Additionally, eligible shelters that were not selected in the EHAP RFP will be offered a portion of the ESG-CV funding. These eligible shelters received a portion of ESG-CV funding because they have previously received EHAP funding and have successful adherence to ESG regulations.</p>
<p>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)</p>	<p>Regular ESG Funds (Non-CARES Act ESG Funding)</p> <p>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.</p> <p>ESG-CV</p> <p>Sub-recipients that are selected from the competitive EHAP RFP are awarded ESG-CV funding thus eliminating the process of completing another RFP. Additionally, eligible shelters that were not selected in the EHAP RFP were offered a portion of the ESG-CV funding as described above.</p>

	Describe how resources will be allocated among funding categories.	<p>Regular ESG Funds (Non-CARES Act ESG Funding)</p> <p>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.</p> <p>ESG-CV</p> <p>ESG-CV awards for EHAP sub-recipients are determined by the size of each shelter which is based on their number of available beds. Shelters that did not receive the additional EHAP program funding were offered ESG-CV funding based on a list of specific eligible items and their ability to spend this money within six months.</p> <p>The maximum amount of administrative funds available for this grant is 10 percent of total funding, which will be used for eligible administrative costs incurred by MFA.</p>
	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?	<ul style="list-style-type: none"> • 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.	<p>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 incomes do 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.</p>

	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 incomes 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?	<p>The housing stability performance outcome measures for those diagnosed with HIV/AIDS include:</p> <ul style="list-style-type: none"> • maintain stable housing • reduce risk of homelessness • improve access to care

8	State Program Name:	National Housing Trust Fund (HTF)
	Funding Sources:	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.	<p>All projects must meet the following threshold criteria:</p> <ul style="list-style-type: none"> • 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. <p>All projects that meet the threshold criteria will be evaluated according to the following criteria:</p> <ul style="list-style-type: none"> • 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?	<ul style="list-style-type: none"> • 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 for CDBG, HOME, ESG, and HOPWA programs. HTF is an estimate based on funding amounts from prior year allocation. The proposed budget will be proportionally increased or decreased from estimated funding levels to match actual allocation amounts. Once the final HTF allocation is made, the State will adjust funding amounts accordingly. This will not require a substantial amendment.

AP-35 Projects – (Optional)

Introduction

MFA and DFA wait to allocate funding on the project level until HUD has published FY formula allocations. When DFA receives notice of CDBG allocation, this is when the allocation/funding decisions commence, which DFA will enter projects into IDIS through AP-35 screen by DFA. 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 can be made 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 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.

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 shelter's 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 not enough funding to meet the full need and service provider capacity, especially in remote rural areas. MFA and DFA will remove barriers to affordable housing by prioritizing and/or incentivizing existing providers and new providers to work in Colonias; strengthening delivery channels 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 will not help 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 the 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 not direct allocations to the State, they are not included in the percentage distributions for State allocations below. The table below represents regular CDBG funds only.

Geographic Distribution

Target Area	Percentage of Funds
COLONIAS NEIGHBORHOOD	10
Statewide	90

Table 6 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

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

Discussion

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

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

Introduction

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

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

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

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

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

Discussion

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

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

Introduction

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

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

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

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

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

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

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

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

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

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

changed until their Audited Financial Statements have been completed and approved by HUD. The anticipated completion date is April 2023.

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 the Albuquerque and Balance of State CoCs, MFA contributes to the CoCs' outreach planning. In addition, MFA requires that outreach be conducted by service providers receiving ESG funds under MFA's Rental Assistance Program (RR/HP), which provides Rapid Re-Housing services. These outreach efforts may include street outreach, outreach at shelters, outreach to clients receiving services targeted toward those experiencing homelessness and outreach to clients of behavioral health providers. MFA serves on the New Mexico Coordinated Entry System (NMCES) Governing Committees (the two NM CoCs have separate, though parallel, CES systems and administration), which meet quarterly to address issues and strategies for the NMCES, which was launched in June 2014 by the New Mexico Coalition to End Homelessness (NMCEH). The NM Balance of State CoC NMCES supports dedicated administration for both DV and Youth subpopulations. The NMCES has identified and assessed over 75,000 individuals since its inception (appx. 27,800 of these have been prioritized and entered in HMIS), using the Vulnerability Index - Service Prioritization Decision Assistance Tool (VI-SPDAT), which helps to determine each applicant's acuity, relative need for housing and the type of housing that would be most appropriate to assist their needs. The assessments are done at the 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. Our goals for ESG funds are to:

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

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

Addressing the emergency shelter and transitional housing needs of homeless persons

MFA provides ESG funds for:

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

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

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

MFA provides ESG funds for:

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

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

NMCEH is working in the three largest communities of Santa Fe, Albuquerque and Las Cruces to use the by-name lists created through coordinated entry along with regular case conferencing meetings to house chronically homeless persons as quickly as possible and to determine what changes need to be made in existing programs to shorten or facilitate the time between identification of a chronically homeless household and placement into appropriate housing. Likewise, the community of Taos is participating in regular by-name list conferencing with the focus on services to homeless youth. NMCEH is working with programs to lower any artificial barriers that lengthen the time it takes to get housed. They use the by-name lists to help communities plan for additional permanent supportive housing to meet the need. For many years NMCEH has been helping programs adopt a housing first approach that serves to keep people housed by avoiding unhelpful evictions from programs. In FY2020 – FY2021, the system-wide average length of time persons were homeless prior to housing move-in increased by 73 days (to 310 days) in the Albuquerque metro area and by 48 days (to 188 days) in the Balance of State. The overall increase is likely due to a number of factors including increased numbers of persons exiting temporary COVID accommodations, competition for reduced rental opportunities, and higher acuity/chronicity clients accessing the system.

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

The previously reported trend of decreasing PIT counts has continued. 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% 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.

The most recent unsheltered PIT count was conducted in New Mexico in January 2022, and it is now conducted annually in both New Mexico CoCs (next scheduled for 30 January 2023). Between 2018 and 2021, the PIT incidence of homelessness increased by a remarkable 225 percent (from 1753 total identified persons statewide in 2018 to 3927 in 2021). Much of this increase is attributed to the social and economic impacts of COVID-19 during this time in our State and was expected to decline as the epidemic resolves. That seems to be the case. In 2022 the PIT incidence of homelessness decreased to a statewide total of 2556, a 35% decrease from the previous PIT measure.

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	206
Tenant-based rental assistance	117
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	0
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	0
Total	323

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

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

Introduction

Public policies are meant to address the 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 it 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 will continue its efforts to expand the 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.

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/MFA allocate and prioritize funds for underserved areas. MFA will seek to apply for 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 will continue 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 preeminent 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. Due to the COVID-19 pandemic and state public health orders, MFA created virtual trainings and outreach to potential service providers.

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

As part of its biannual 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 2024. 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 other improvements.

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

Introduction

In implementation of programs and activities under the 2023 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.	0
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
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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.

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

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

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

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

project can be met and that the feasibility of serving the targeted population over an extended affordability period can be demonstrated. The required period of affordability will be at least fifteen years. HOME funds for this purpose may be used statewide. However, HOME funds cannot be used to refinance multifamily loans made or insured by any federal program, including CDBG. 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, 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 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 the funding in 2020 for both the City of Albuquerque allocation and the New Mexico non-entitlement allocation, and project sponsors were awarded one-year contracts with the option to renew for two additional years, which will end in 2023. The HOPWA one-year goals are described in AP-20 and AP-70.

Project Sponsors establish waitlist policies for households eligible for assistance. The policy may be unique to that Project Sponsor 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.

The one year goals for program year 2023 include:

- Tenant-based rental assistance / Rapid Rehousing: 117 Households Assisted
- Homelessness Prevention: 206 Households Assisted

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 NHTF assistance:

- Applicant must not currently be suspended, debarred or otherwise restricted by any department or agency of the federal government or state government from doing business with such department or agency because of misconduct or alleged misconduct.
- Applicant and all members of the development team (developer, general partner, contractor, management company, consultant(s), architect, attorney and accountant, etc.) of the proposed project must be in good standing with MFA and all other state and federal affordable housing agencies or departments. For example, debarment from HUD, MFA, or other federal housing programs, bankruptcy, criminal indictments or convictions, poor performance on prior MFA or federally-financed projects (for example, late payments within the 18-month period prior to the application deadline, misuse of reserves and/or other project funds, default, fair housing violations, non-compliance (e.g. with the terms of Land Use Restriction Agreements on other projects), or failure to meet development deadlines or documentation requirements) on the part of any proposed development team member or project owner or other principal may result in rejection of an application by MFA.
- MFA will require CPA audited or reviewed financial statements of the developer's organization and analyze to determine if the developer has sufficient capacity and financial management systems to account for use of Federal funds. The audit system review can help to determine if the financial systems are adequate.

- If applicant has an audited financial statement, the following types of audit findings may disqualify applicant from funding:
 - Repeat of unresolved audit findings, as determined by MFA;
 - If applicant has received greater than \$750,000 in federal funds during its most recent fiscal year and its single audit did not meet the requirements of 2 CFR 200 Subpart F;
 - For any such single audit, no proof of Federal Audit Clearinghouse submission (FOR SF-SAC);
 - If referenced in audit as a separate communication, no submission of management; response letter and management response to concerns noted in the management letter; and
 - If any findings, no submission of management response to findings.
- MFA will evaluate developers awarded funding for capacity to carry out the project based on the following:
 - Developer's technical and managerial experience
 - Developer's staff's knowledge and skills to successfully implement the project
 - Developer's ability to meet its financial obligations and absorb the financial risk of the project
- MFA will evaluate developers awarded funding for financial capacity based on the following:
 - Developer's financial management systems and practices
 - Developer's financial resources to determine they are sufficient to carry the project to completion and through the required affordability period
- Private non-profit entities involved in property acquisition must evidence the following:
 - Proof that the non-profit is organized under state or local law with either a charter or articles of incorporation
 - Proof that no part of its net earnings benefit of any member, founder, contributor, or individual with either a charter or articles of incorporation
 - A 501 (c)(3) or (4) Certificate from the IRS
- Finally, developers and other entities carrying out NHTF funded projects must also evidence good standing in the System for Award Management (SAM) (<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 2023 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
<p>Geographic diversity</p> <p><i>No other Low Income Housing Tax Credit, public housing, or federally-subsidized housing projects within:</i></p> <ul style="list-style-type: none"> • $\frac{1}{4}$ mile radius = 3 points • $\frac{1}{2}$ mile radius = 5 points 	3 or 5
<p>Duration of the affordability period beyond the required 30 years</p> <p><i>Projects committed to an additional five or more years</i></p>	5
<p>Energy efficiency</p> <p><i>Home Energy Rating System (HERS) score exceeds a sufficient HERS rating as stipulated in the then-current MFA Design Standards</i></p>	5
<p>Organization type</p> <p><i>Developer/general partner is a New Mexico nonprofit organization, a Tribal Designated Housing Entity (TDHE), or a public housing authority</i></p>	5
<p>Absence of project-based rental assistance</p> <p><i>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</i></p>	5
<p>Transit-oriented development</p> <p><i>Projects within 1/2-mile walking distance of public transportation</i></p> <p><i>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</i></p>	10

	<i>form of transportation is acceptable to MFA. A future promise to provide service does not satisfy this scoring criterion.</i>	
	<p>Tribal or Rural location</p> <p><i>Tribal or Rural Housing projects, defined as follows:</i></p> <p><i>A. Tribal – Projects located on tribal lands, or</i></p> <p><i>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.</i></p>	10
	<p>Creation of new units serving ELI households, through new construction, adaptive reuse or conversion of market-rate units</p> <p>Examples:</p> <ul style="list-style-type: none"> • 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 <p><i>Each new ELI unit = 1 points (Capped at 10 points)</i></p>	Up to 10
	<p>Readiness</p> <p>Applicant's ability to obligate NHTF funds and undertake eligible activities in a timely manner</p> <p><i>Projects that have</i></p> <p><i>(1) evidence of site control =5 points</i></p> <p><i>(2) evidence that the current zoning of the proposed site does not prohibit multifamily housing = 5 points</i></p> <p><i>(3) evidence of all other non-MFA funding sources</i></p> <p><i>a.) letters of interest from all other non-MFA funding = 5 points</i></p>	Up to 20

	<i>b.) commitment letters from all other non-MFA funding sources = 10 points</i>	
	<p>Leverage</p> <p>Use of state, local and private funding sources</p> <p><i>Projects that have funding sources outside of federal funding sources, low-income housing tax credits, bond financing, and MFA funding sources, as follows:</i></p> <p><i>10% of NHTF funds requested = 4 points</i></p> <p><i>20% of NHTF funds requested = 8 points</i></p> <p><i>30% of NHTF funds requested = 12 points</i></p> <p><i>40% of NHTF funds requested = 16 points</i></p> <p><i>50% of NHTF funds requested = 20 points</i></p>	Up to 20
	<p>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:</p> <p><i>10% of NHTF units targeted to any priority housing need = 4 points</i></p> <p><i>20% of NHTF units targeted to any priority housing need = 8 points</i></p> <p><i>30% of NHTF units targeted to any priority housing need = 12 points</i></p> <p><i>40% of NHTF units targeted to any priority housing need = 16 points</i></p> <p><i>50% of NHTF units targeted to any priority housing need = 20 points</i></p>	Up to 20
	<p>Total Possible Points = 115</p> <p>Minimum Points Required = 40</p>	

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".

☒ 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".

☒ 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.

☒ 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 see the 2023 HTF Allocation Plan in the Grantee Unique Appendices.

Data Sources

1	Data Source Name 2012-2016 ACS 5-Yr Estimates
	List the name of the organization or individual who originated the data set. US Census Bureau

	<p>Provide a brief summary of the data set.</p> <p>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.</p> <p>What was the purpose for developing this data set?</p> <p>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.</p> <p>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</p> <p>The State of New Mexico</p> <p>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</p> <p>2012-2016 ACS 5-Year Estimates</p> <p>What is the status of the data set (complete, in progress, or planned)?</p> <p>Complete</p>
2	<p>Data Source Name</p> <p>2011-2015 CHAS</p> <p>List the name of the organization or individual who originated the data set.</p> <p>US Census Bureau, American Community Survey (ACS) and U.S. Department of Housing and Urban Development (HUD)</p>

	<p>Provide a brief summary of the data set.</p> <p>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.</p> <p>What was the purpose for developing this data set?</p> <p>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.</p> <p>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</p> <p>The State of New Mexico</p> <p>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</p> <p>2011-2015 CHAS</p> <p>What is the status of the data set (complete, in progress, or planned)?</p> <p>Complete</p>
3	<p>Data Source Name</p> <p>2000 Census, 2012-2016 ACS</p> <p>List the name of the organization or individual who originated the data set.</p> <p>US Census Bureau</p>

	<p>Provide a brief summary of the data set.</p> <p>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.</p> <p>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.</p>
	<p>What was the purpose for developing this data set?</p> <p>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.</p> <p>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.</p>
	<p>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</p> <p>The State of New Mexico</p>
	<p>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</p> <p>2000 Census</p> <p>2012-2016 ACS 5-Year Estimates</p>
	<p>What is the status of the data set (complete, in progress, or planned)?</p> <p>Complete</p>

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. <p>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.</p> <p>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.</p>
	What was the purpose for developing this data set? <p>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.</p> <p>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.</p>
	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

	<p>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</p> <p>2011-2015 ACS (Workers), 2015 LEHD (Jobs)</p>
	<p>What is the status of the data set (complete, in progress, or planned)?</p> <p>Complete</p>
5	<p>Data Source Name</p> <p>2018 CoC PIT</p>
	<p>List the name of the organization or individual who originated the data set.</p> <p>The City of Albuquerque CoC and the Balance of State CoC.</p>
	<p>Provide a brief summary of the data set.</p> <p>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.</p>
	<p>What was the purpose for developing this data set?</p> <p>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.</p>
	<p>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</p> <p>The State of New Mexico is covered by the City of Albuquerque CoC and the Balance of State CoC.</p>
	<p>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</p> <p>January 2018</p>
	<p>What is the status of the data set (complete, in progress, or planned)?</p> <p>Complete</p>

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

	<p>List the name of the organization or individual who originated the data set.</p> <p>MFA Community Development Department</p>
	<p>Provide a brief summary of the data set.</p> <p>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.</p>
	<p>What was the purpose for developing this data set?</p> <p>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.</p>
	<p>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</p> <p>The State of New Mexico</p>
	<p>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</p> <p>2018</p>
	<p>What is the status of the data set (complete, in progress, or planned)?</p> <p>Complete</p>
8	<p>Data Source Name</p> <p>HUD 2019 Fair Market Rents (FMR)</p>
	<p>List the name of the organization or individual who originated the data set.</p> <p>US Department of Housing and Urban Development (HUD)</p>

	<p>Provide a brief summary of the data set.</p> <p>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.</p> <p>What was the purpose for developing this data set?</p> <p>Fair Market Rents (FMRs) are set by HUD and used to determine payment standard amounts for HUD Programs such as HOME.</p> <p>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</p> <p>The State of New Mexico</p> <p>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</p> <p>2019</p> <p>What is the status of the data set (complete, in progress, or planned)?</p> <p>Complete</p>
9	<p>Data Source Name</p> <p>HUD 2018 CoC Homeless Assistance Programs, Housing Inventory Count Report</p> <p>List the name of the organization or individual who originated the data set.</p> <p>This data is provided to HUD by the two CoCs in New Mexico: Albuquerque CoC and the New Mexico Balance of State CoC.</p> <p>Provide a brief summary of the data set.</p> <p>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.</p>

	<p>What was the purpose for developing this data set?</p> <p>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.</p>
	<p>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</p> <p>The State of New Mexico</p>
	<p>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</p> <p>2018</p>
	<p>What is the status of the data set (complete, in progress, or planned)?</p> <p>Complete</p>

**Staff Actions Requiring Notice to Board
During the Period of March 2023**

Department and Program	Project	Action Taken	Comments / Date Approved
Community Development – Linkages	Voucher Transfer Project	Approval to move 23 vouchers from Western Regional Housing Authority to a new agency Supporting People in Need (SPIN) by start of the new program year on July 1 st . The new agency will also receive \$10,000 for startup costs from unspent funds from other Housing Administrators.	Approved by PC on March 23, 2023
Community Development - HOPWA	Update to HOPWA Contract	Approval to add the following language to the HOPWA 2022-2023 contract. Federal Award Identification Number Service Provider Unique Entity Identification Number (UEI) Federal Award Date	Approved by Donna on March 29, 2023
Housing Development - 4% LIHTC/Bonds	JLG SAF NM 2023	Approval of an Inducement Resolution prepared by Bond Counsel for a rehabilitation project located in Santa Fe NM that consists of two sites for a total of 228 units.	Approved by Jeff on March 29, 2023
Policy and Planning	Community Project Funding/Congressionally Directed Spending appropriated from the office of Senator Ben Ray Lujan in the FY2023 budget.	Approval to accept Community Project Funding administered by the Department of Housing and Urban Development in the amount of \$3,000,000 to support victims in fire affected counties with housing related needs.	Approved by PC on March 21, 2023

**Staff Actions Requiring Notice to Board
During the Period of March 9, 2023 – April 11, 2023**

Department and Program	Project	Action Taken	Comments / Date Approved



MEMO

TO: MFA Board of Directors

FROM: Viktoria Gonsior and James Schneider

DATE: April 19th, 2023

SUBJECT: Single Family Mortgage Bonds 2023 Series B – Upcoming Issuance

2023 Series B

The 2023 Series B transaction is a new money bond issue which is expected to price on April 20th, 2023, and close on May 25th, 2023. The bond issue is expected to be an \$80 million tax-exempt traditional bond issue which provides for non-AMT serial bonds, term bonds and a premium planned amortization class (“PAC”) bond. This bond issuance will be all new money and all proceeds will be used to fund single-family first-time homebuyer mortgages. The final maturity of the bonds will not extend past March 1st, 2054. The interest rates the bonds will carry will not be determined until the bonds are priced on April 20th, 2023.

Market Update and Best Execution Discussion

Staff continues to monitor both the Bond and To Be Announced markets to determine the best method of funding MFA’s single-family first-time homebuyer programs. There is still significant volatility in both markets since our last bond issue, most accredited to the actions taken by the Federal Reserve in their ongoing fight against inflation and the banking turmoil creating more challenges. Unrest in the banking sector lifted hopes that the central bank could limit its campaign to curb inflation sooner than originally expected. However, the Fed raised interest rates by another .25% point in March, which is the ninth consecutive monthly increase aimed at battling inflation. The federal funds rate sits at 4.83% as of April 3rd, 2023, and the Consumer Price Index for measuring inflation is 7.90% as of February 28th, 2023.

Increasing the EFR is not the only action taken by the Federal Open Market Committee to reduce inflation. Beginning in April 2020, the Federal Reserve began purchasing Mortgage-Backed Securities (MBS) at a rate of \$40 billion a month. This massive demand for MBS in 2020 and 2021 largely favored the TBA market, which allowed MFA to profitably utilize the TBA execution while maintaining historically low mortgage rates. In October 2021, the Federal Reserve slowed its MBS purchasing to just enough to

replace its “Balance Sheet Runoff”. In other terms, the Federal Reserve began purchasing just enough to replace the MBS that paid off each month.

In January 2022, they took this a step further and began allowing their MBS portfolio to runoff. The Federal Reserve’s MBS portfolio is currently running off at a rate of \$35 Billion per month. The Fed’s balance sheet actions have a more direct impact on the TBA market because it is essentially the direct sale of MBS. As a result, the bond market has been more advantageous to MFA and its borrowers over the last year. This trend will continue through the 2023 Series B issuance. MFA’s First Home Government mortgage rate is currently 5.75%. With the 2023 Series B issuance, staff expects to maintain this rate close to 6%. If we were to fund this program via TBA as of 3/31/23, that same rate would be 6.875%. Evidently, the bond market is heavily favored over the TBA market. MFA expects to be able to maintain these comparatively low rates with the 2023 Series B bond issuance while also creating \$2.9 million in net economic benefit for MFA.



MEMO

TO: MFA Board of Directors

FROM: Viktoria Gonsior

DATE: April 19th, 2023

SUBJECT: Single Family Mortgage Bonds 2023 Series A – Pricing Summary

2023 Series A

The 2023 Series A transaction is a new money bond issue which closed on February 23rd, 2023. The following is a summary of the bond sale:

Structure: The bond issue is a \$60.0 million tax-exempt traditional bond issue which provides for non-AMT serial bonds, term bonds and a premium planned amortization class ("PAC") bond.

Marketing: To enhance the marketing of bonds to retail investors, our selling group members participated in the underwriting syndicate, namely, Baird, D.A. Davidson & Co., Fidelity Capital Markets, Drexel Hamilton, Inc. and UBS Financial Services Inc. New Mexico retail investors had first priority followed by national retail investors. The underwriting syndicate submitted \$11.595 million in orders and was allotted \$6.090 million of bonds. There was a significant demand from retail investors in general; a total of \$27.5 million in retail orders were received, of which \$7.0 million was from New Mexico retail investors. However, it was a decrease of 40.7% in retail orders compared to the 2022 Series E issuance which was priced in November of 2022.

As a result of strong demand overall from investors, the PAC bonds were oversubscribed 6.5 times and we were able to lower the yield by 0.05% basis points. The 2038, 2043, 2048 and 2053 term bonds were also oversubscribed, and each yield was lowered by 0.10%.

Total orders for the bond issue were \$310 million for both retail and institutional investors. This is a 9% increase in total orders compared to the 2022 Series E issuance.

Use of Bond Proceeds: The \$60.0 million is being used to originate new mortgage loans and to roll forward a subsidy generated from prior bond issues which helped maintain competitive mortgage rates. The weighted average mortgage rates are as follows:

<u>Program</u>	<u>Government</u>	<u>Conventional <80% AMI</u>	<u>Conventional >80% AMI</u>
FIRST HOME	5.445%	5.770%	5.770%

Spread: The spread on the transaction is 1.120%. Spread is the difference between the mortgage yield and the bond yield. The maximum spread permitted by federal tax law is 1.125%. The net present value benefit of the transaction is \$2.1 million or approximately 3.5% of the bonds issued.

Investment of Bond Proceeds: Funds from the bond issue are invested in Federal Government Obligations Fund Institutional Shares through Zions Bank, the General Indenture Trustee.

The attached Exhibit 1 contains a table summarizing more detailed information about the 2023 Series A bond issue as well as bond issue characteristics from other recent single-family issuances for comparative purposes.

The attached Exhibit 2 is a comprehensive in-depth “Post-Sale Analysis” for 2023 Series A, prepared by MFA’s Financial Advisor, CSG Advisors.

EXHIBIT 1

New Mexico Mortgage Finance Authority
Summary of Recent Bond Issue Characteristics

		For Info Only	For Info Only	For Info Only	For Info Only			
Type of Structure		2022B	2022C	2022D	2022E	2023A		
		Refunding Federally Taxable	New Money Tax-Exempt	New Money Tax-Exempt	New Money Tax-Exempt	New Money Tax-Exempt		
		Pass-Through	Traditional	Traditional	Traditional	Traditional		
		1	Tax Exempt Bonds	n/a	\$90,000,000	\$99,000,000	\$74,990,000	\$60,000,000
			Taxable Bonds	n/a	n/a	n/a	n/a	n/a
			Tax-Exempt Refunding Bonds	n/a	n/a	n/a	n/a	n/a
			Taxable Refunding Bonds	\$33,467,202	n/a	n/a	n/a	n/a
Total Amount of Bonds Issued		\$33,467,202	\$90,000,000	\$99,000,000	\$74,990,000	\$60,000,000		
2	Bond Issue(s) Refunded	2011 Series A/ 2015 Series C, 2012 Series A and 2012 Series B	n/a	n/a	n/a	n/a		
3	MFA Subsidy*/Benefit-(New Available)/ Present Value Economic Benefit	\$1.055 million	\$2.7 million/\$2.0 million	\$3.7 million/\$4.7 million	\$2.2 million/\$0.28 million	\$2.1 million/\$3.2 million		
4	Original Bond Ratings: Standard & Poor's Moody's	None Aaa	None Aaa	None Aaa	None Aaa	None Aaa		
5	Pricing Date(s)	1/13/2022	4/12/2022	7/12/2022	11/8/2022	1/25/2023		
6	Bond Closing Date	2/23/2022	5/24/2022	8/18/2022	12/15/2022	2/23/2023		
7	Serial Bond Maturities							
	AMT	None	None	None	None	None		
	Non-AMT	None	3/1/23-9/1/33	9/1/23-9/1/34	9/1/23-9/1/34	3/1/24-9/1/35		
	Taxable	None	None	None	None	None		
8	Term Bond Maturities	1/1/44	9/1/37,9/1/42 9/1/47,9/1/52	9/1/37,9/1/42 9/1/47,9/1/52	9/1/37,9/1/42 9/1/47,9/1/52	9/1/31,9/1/38 9/1/43,9/1/58 9/1/53		
9	Premium PAC Maturity	None	3/1/53	3/1/53	9/1/53	3/1/54		
10	Split Between FIRST HOME Government and Conventional Loans							
	Government	n/a	85%	80%	80%	80%		
	Conventional	n/a	15%	20%	20%	20%		
11	Weighted Average Loan Rates+							
	FIRST HOME - Government	n/a	4.650%	5.199%	5.761%	5.445%		
	FIRST HOME - Conventional <80%	n/a	4.674%	5.496%	6.009%	5.770%		
	FIRST HOME - Conventional >80%	n/a	5.051%	5.927%	6.487%	5.770%		
12	10-Year Treasury Rate at Pricing	1.70%	2.72%	2.98%	4.14%	3.46%		
13	GIC Rates**							
	Acquisition Fund Rate	n/a	n/a	n/a	n/a	n/a		
	Float Fund Rate	n/a	n/a	n/a	n/a	n/a		
14	MFA Contribution at Closing							
	Cost of Issuance (COI)	\$260,000	\$800,000	\$870,000	\$715,000	\$600,000		
	COI as a % of Bonds Issued	0.78%	0.89%	0.88%	0.95%	1.00%		
	Negative Arbitrage Deposit	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000		
15	Yield Spread	n/a	n/a	n/a	n/a	n/a		
16	Administrative Fee (to MFA)	1.618%	0.180%	0.180%	0.180%	0.180%		
17	Bond Allocation System Followed***	Yes	Yes	Yes	Yes	Yes		

*Subsidy was generated by a prior bond issue.

+Weighted average rate of loans in the pipeline.

**The Guaranteed Investment Contract is competitively bid.

***The bond allocation system that is followed is common in the investment banking industry and is as follows:

The lead manager keeps track of when the orders are received which is referred to as an order flow tracking system.

The bond allocation system also dictates that Bonds are awarded to managers prior to any selling group members

even though group members may have entered orders first. In-state retail orders receive first priority,

followed by orders for the benefit of the group which are allocated by management fee percentage;

next are net designated orders placed through the senior manager where the buyer designates the sales credit

to specific managers, and finally, member orders receive the lowest priority.

EXHIBIT 2

\$60,000,000
New Mexico Mortgage Finance Authority
Single Family Mortgage Program Class I Bonds
2023 Series A (Tax-Exempt) (Non-AMT)

POST-SALE ANALYSIS

KEY RESULTS FOR MFA

Purpose. This transaction is a traditional single-family bond issue with semi-annual interest and principal, though bonds can be redeemed quarterly from excess revenues. Its purpose, like similar prior new money transactions is to:

1. Finance new loan production at attractive interest rates for homebuyers,
2. Provide beneficial economics to MFA with as close to the maximum yield spread permitted by the IRS as possible,
3. Strategically use MFA's zero participation loans as needed, and
4. Keep negative arbitrage to a minimum.

Additionally, this transaction reallocates zero participation loans from prior series (2022 Series E) well within the required time of 18 months for which to reallocate loans.

Approach and Strategy. Over the past five years, MFA has used traditional bond structures to finance new production that did not need a refunding component in order to generate full spread economics. Since the beginning of 2018, MFA has issued multiple all new-money transactions that did not include a refunding component, providing MFA with a balance sheet solution for new production without a form of subsidy such as refundings. Zero participation loans will be used in this transaction to bring it to full spread.

From a strategic point of view, MFA has been:

1. Building a loan pipeline by reserving loans, while reviewing expected rates on a traditional bond structure,
2. Issuing bonds to begin financing mortgage-backed securities at bond closing through a 2- to 3-month origination period, and
3. Protecting itself against rates rising before bonds are sold by using zero participation interest subsidies it has earned from past transactions.

Primary Objectives. MFA therefore has three primary objectives:

1. Finance existing production at the lowest yield possible,
2. While keeping mortgage loan rates low, strategically use MFA's approximately \$13.8 million of zero participations (prior to issuing 2023A) to achieve full spread and preserve more zero participations for future production, and
3. Raise bond premium in order to generate proceeds to help fund the purchase of the MBS from the servicer at 101%, to fund cash flow lag, and to fund all of the costs of issuance of the transaction.

Structure. The 2023A bonds:

- Included bond proceeds sufficient to finance \$60.0 million of new pipeline production and provide sufficient proceeds to use and store zero participations,
- Were structured with serials bonds, term bonds and Planned Amortization Class (PAC) bonds,
- Sold the PAC bonds with a total premium of \$2.6 million which provides additional funds to purchase

\$60.8 million of MBS and fund all of the costs of issuance.

- Were priced slightly more than 4 weeks prior to closing, enabling MFA to lock in its borrowing cost sooner as well as finance more of its pipeline production prior to closing, thus reducing both interest rate risk and negative arbitrage,
- Allowed for either GNMA, Fannie Mae (FNMA), or Freddie Mac (FHLMC) MBS depending on MFA's loan pipeline,
- Provided MFA with an optional call in 9.0 years at par (the exception being the PAC bond) if it proves profitable to redeem the bonds in the future,
- Deposited \$0.6 million of Authority funds in a negative arbitrage account to provide necessary funds to cover non-origination stress test in rating agency cash flow runs. We expect most or all of such funds to be transferred back to MFA within 12 to 18 months, as it isn't expected to be needed once the MBS are purchased several months after closing as anticipated.

Results. The bond structure consisted of three major components: non-AMT serial bonds, term bonds and a premium PAC bond.

1. **Yields.** The bond yield (true interest cost) was 3.97% assuming 100% FHA prepayments (compared to 4.90% for the 2022E bonds sold just two months prior in November, illustrating the rapid decline in bond rates experienced over the last two months.
2. **Use of Zero Participations.** In order to achieve full spread, 2023A is forecasted to create \$4.2 million in zeros on a nominal basis resulting in \$18.0 million in zeros for future bond issues (assuming participation with a future issue in 3 months). On a rate-adjusted basis, 2023A is projected to be above full spread.
3. **Net Economic Benefits.** The transaction's projected net present value was \$2.1 million at 150% PSA prepayment speed, or approximately 3.5% of the bonds issued. Including the impact of zeros created, the net present value was \$3.2 million.

Bond Results. Following are key highlights:

1. **Timing.** The bonds were priced on the morning of Wednesday, January 25th with a concurrent retail and institutional order periods.

Single family issuance was moderate during the week of 2023A's pricing. Including MFA's sale, three other single family bond issues priced during the week of January 23rd. Nevada and Nebraska included taxable debt though Texas was entirely tax-exempt.

On the pricing date of January 25th, the 10-year Treasury was lower by 0.06% from the prior day to a 3.46% yield. The municipal market as measured by MMD rates was also lower compared to the prior day. See "Market Details" below for a full description of the market leading up to the pricing date.

Retail Interest. A concurrent two hour retail and institutional order period was established with first priority to orders from New Mexico retail investors and second priority to national retail investors. This resulted in a total of \$27.5 million of retail orders (\$7.0 million of New Mexico retail). \$18.3 million of the 2023A retail orders were for term bonds, with \$9.16 million for the serials. 5 of the serial bonds resulting in unsold balances necessitating increases in yields by 0.05%. Due to oversubscription, 6 of the serial bonds were lowered in yield by 0.05%, with another serial (3/1/28) lowered by 0.025%.

2. **Institutional Interest.** In all, institutions put in orders totaling \$281 million (compared to \$237 million for the larger, \$75MM 2022E), \$127.8 million of which were for the (4) term bonds (maturing in 2038, 2043, 2048 and 2053). Investor interest for the \$22 million in PAC bonds was also notably strong, with \$142.5 million in orders. Given the oversubscription, each of the (4) term bonds were lowered by a 0.10% (a unusually large and beneficial reduction in yield), while PAC bond was lowered by 0.05%.
3. **Selling Group.** To enhance the order flow particularly with retail investors, five selling group members were included in the underwriting syndicate for 2023A. Selling group members included Baird, D.A. Davidson, Drexel Hamilton, Fidelity Capital Markets, and UBS. See below for orders and allotments from the selling group, of which UBS brought the most orders to the pricing:

RETAIL ORDERS BY SELLING GROUP MEMBER (THOUSANDS):

Selling Group Member	Orders	Allotments
Fidelity Capital Markets	\$ 7,415	\$ 4,325
UBS	1,810	1,235
D.A. Davidson & Co	1,100	470
Baird	1,270	60
Drexel Hamilton	-	-
TOTAL	\$ 11,595	\$ 6,090

The selling group was useful to the issuance in terms of generating additional retail interest. Fidelity led the selling group in orders, followed by UBS.

4. **Comparable Transactions.** The 2023A bonds priced considerably better than the Nebraska (-/AA+) transaction that priced the same day. MFA's serial bonds in 2033 and 2034 were 0.05% higher than Nebraska's, but the much more significant term bonds in 2043, 2048, and 2053 all priced 0.10% lower in yield, with the 2038 term bond lower by 0.075%. Nevada priced the day after MFA's bonds priced, with all (4) term bonds at yields 0.05% higher than the 2023A bonds. Texas SAHC also priced the day after MFA's bonds priced, with its serials largely in line with MFA's, whereas the Texas term bonds were sold at a premium and at higher yields (with the exception of its shorter average life 2038 term bond). MFA's PAC bond priced at a spread of 1.29% over MMD (5.6 year average life), 0.03% better than the Texas PAC (spread of 1.32% over the 5-year MMD). In fact, MFA's PAC spread of 1.29% over MMD was the lowest PAC spread achieved by an HFA in months. In summary, MFA received strong interest for its term bonds, especially its PAC bonds, in part due to investors preference for MBS collateral and non-cross calling issuers.

In late October, the ratio of the 10-year MMD to Treasuries was at a relatively high 85%, slightly down from ratios greater than 90% earlier in 2022, but still elevated by historical levels. By the time the 2023A bonds priced, the 10-year MMD to Treasury ratio was at 63%. Such ratios provide very attractive and low borrowing rates for issuers compared to the taxable alternatives.

TABLE 1: COMPARISON OF RATES IN RECENT TRANSACTIONS

Issue	Date	10 Year MMD	10 Year Treasury	MMD to Treasury Ratio	30 Year MMD	30 Year Treasury	MMD to Treasury Ratio
2020 A	1/22/20	1.28%	1.77%	72%	1.93%	2.22%	87%
2020 B	9/24/20	0.82%	0.67%	122%	1.58%	1.41%	112%
2021 A	4/13/21	1.01%	1.64%	62%	1.62%	2.32%	70%
2021 C	7/8/21	0.81%	1.30%	62%	1.33%	1.93%	69%
2021 D	10/13/21	1.19%	1.54%	77%	1.69%	2.03%	83%
2022 A	1/13/22	1.18%	1.70%	69%	1.64%	2.04%	80%
2022 C	4/12/22	2.42%	2.72%	89%	2.77%	2.82%	98%
2022 D	7/12/22	2.44%	2.96%	82%	2.98%	3.13%	95%
2022 E	11/8/22	3.30%	4.14%	80%	4.06%	4.28%	95%
2023 A	1/25/23	2.19%	3.46%	63%	3.18%	3.62%	88%
<i>Change from 2022E to 2023A</i>		<i>-111 bps</i>	<i>- 68 bps</i>	<i>- 17%</i>	<i>- 88 bps</i>	<i>- 66 bps</i>	<i>- 7%</i>

UNDERWRITING

Underwriter. RBC Capital Markets served as senior managing underwriter and Raymond James as co-manager. As described above, there was also a five-firm selling group.

Underwriting Fees. The underwriter discount of \$6.66 per \$1,000 bonds is reasonable compared to other similarly sized issues in the market.

Performance. RBC Capital Markets as book-running senior manager and Raymond James as co-manager worked well together and achieved good order flow as described above. The strong order flow was evidenced by the ability to generate \$310 million in total orders (excluding stock member orders), including sufficient oversubscription to lower the yield on all (4) of the term bonds and the PAC bonds.

The five-firm selling group enhanced the sale of the bonds. We recommend that MFA use a selling group on the next traditional bond issuance as well, though certain selling group members did not provide orders on this transaction or in the last several bond sales, so some trimming of the group may be in order.

New Mexico Mortgage Finance Authority

Combined Financial Statements
and Schedules

February 28, 2023

NEW MEXICO MORTGAGE FINANCE AUTHORITY
FINANCIAL REVIEW
For the five-month period ended February 28, 2023

COMPARATIVE YEAR-TO-DATE FIGURES (Dollars in millions):		5 months <u>2/28/2023</u>	5 months <u>2/28/2022</u>	% Change <u>Year / Year</u>	Forecast <u>2/28/2023</u>	Actual to <u>Forecast</u>	Forecast/Target <u>9/30/23</u>
PRODUCTION							
1	Single family issues (new money):	\$60.0	\$199.9	-70.0%	\$60.0	0.0%	\$295.0
2	Single family loans sold (TBA):	\$0.0	\$48.7	-100.0%	\$0.0	0.0%	\$30.0
3	Total Single Family Production	\$60.0	\$248.6	-75.9%	\$60.0	0.0%	\$325.0
4	Single Family Bond MBS Payoffs:	\$21.0	\$71.3	-70.5%	\$58.0	-63.7%	\$139.1
STATEMENT OF NET POSITION							
5	Avg. earning assets:	\$1,668.3	\$1,490.2	11.9%	\$1,682.5	-0.8%	\$1,682.5
6	General Fund Cash and Securities:	\$95.0	\$94.9	0.1%	\$85.6	11.1%	\$85.6
7	General Fund SIC FMV Adj.:	\$0.8	(\$1.08)	174.6%	\$0.0	N/A	\$0.0
8	Total bonds outstanding:	\$1,411.1	\$1,230.6	14.7%	\$1,363.5	3.5%	\$1,363.5
STATEMENT OF REVENUES, EXPENSES AND NET POSITION							
9	General Fund expenses (excluding capitalized assets):	\$10.9	\$9.4	15.5%	\$11.4	-4.9%	\$27.3
10	General Fund revenues:	\$13.7	\$11.4	20.5%	\$12.3	11.8%	\$29.7
11	Combined net revenues (all funds):	\$4.2	(\$1.2)	446.2%	\$1.4	199.4%	\$3.4
12	Combined net revenues excluding SIC FMV Adj. (all funds):	\$3.5	\$0.5	657.0%	\$1.4	148.6%	\$3.4
13	Combined net position:	\$289.8	\$284.5	1.9%	\$289.5	0.1%	\$289.5
14	Combined return on avg. earning assets:	0.60%	-0.20%	409.2%	0.20%	202.0%	0.20%
15	Combined return on avg. earning assets excluding SIC FMV Adj. (all funds):	0.50%	0.07%	576.2%	0.20%	150.8%	0.20%
16	Net TBA profitability:	0.00%	1.40%	-100.0%	0.50%	0.0%	0.50%
17	Combined interest margin:	0.87%	0.51%	69.8%	0.63%	38.7%	0.63%
MOODY'S BENCHMARKS							
18	Net Asset to debt ratio (5-yr avg):	24.76%	27.09%	-8.6%	25.42%	-2.6%	25.42%
19	Net rev as a % of total rev (5-yr avg):	9.83%	11.21%	-12.3%	9.51%	3.4%	9.51%
SERVICING							
20	Subserviced portfolio	\$1,988.8	\$1,798.0	10.6%	\$2,026.9	-1.9%	\$2,203.4
21	Servicing Yield (subserviced portfolio)	0.41%	0.42%	-1.2%	0.41%	0.0%	0.41%
22	Combined average delinquency rate (MFA serviced)	8.70%	8.67%	0.3%	9.50%	-8.4%	9.50%
23	DPA loan delinquency rate (all)	8.15%	8.71%	-6.4%	N/A	N/A	N/A
24	Default rate (MFA serviced-annualized)	0.41%	0.53%	-22.7%	1.30%	-68.6%	1.30%
25	Subserviced portfolio delinquency rate (first mortgages)	10.72%	12.55%	-14.6%	N/A	N/A	N/A
26	Purchased Servicing Rights Valuation Change (as of 12/31/22)	\$11.4	\$4.0	184.5%	N/A	N/A	N/A

Legend:

Positive Trend	Caution	Negative Trend	Known Trend/Immaterial
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NEW MEXICO MORTGAGE FINANCE AUTHORITY
FINANCIAL REVIEW
For the five-month period ended February 28, 2023

SUMMARY OF BOND ISSUES:

Single Family Issues:

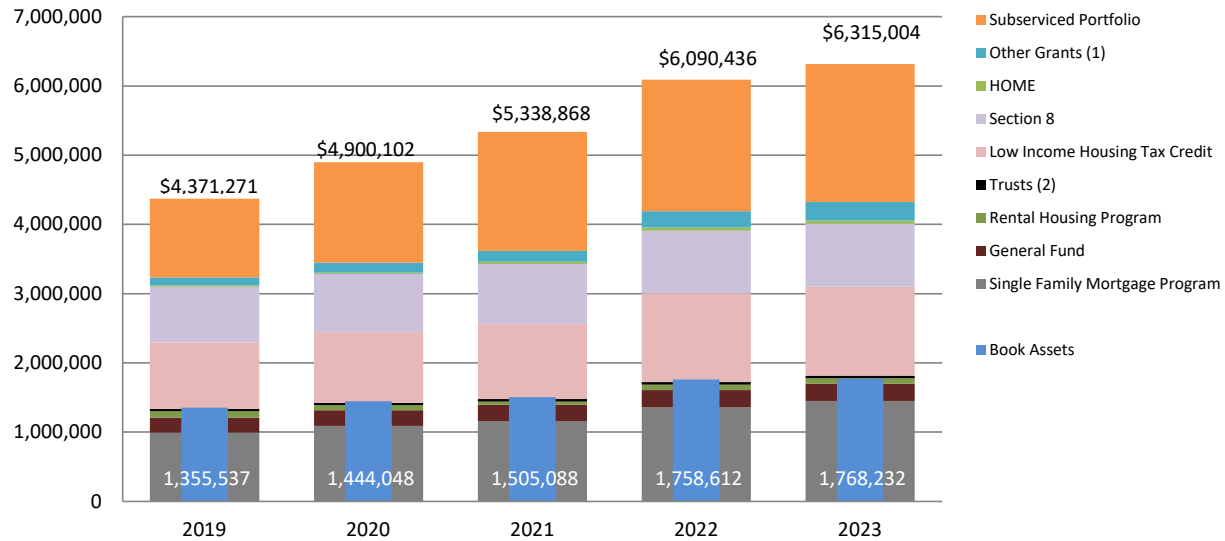
\$74.99 mm Series 2022E (November)

\$60.00 mm Series 2023A (February)

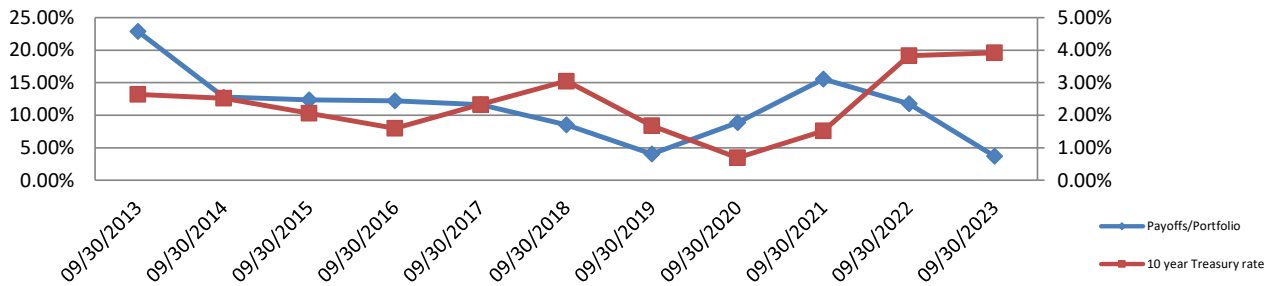
CURRENT YEAR FINANCIAL TRENDS & VARIANCES:

- The single-family production has decreased from last year due to headwinds from rising home prices, climbing mortgage rates, and high inflation. Due to changes in the economics of the mortgage program, we currently favor issuing tax-exempt bonds as the primary loan financing tool. We are currently not selling the Mortgage-Backed Securities (MBS) originated through our mortgage program into the TBA market. The issuance of bonds is currently producing a lower mortgage rate than the sales of loans to the TBA market. As a result, MFA is likely to lean more heavily toward bond financing and continue to use the TBA market where appropriate. MFA issued the 2022E Series for \$74.99 million in December and the 2023A Series for \$60.0 million in February. Payoffs slowed by 70.5% due to rising mortgage rates discouraging homeowners from refinancing their loans.
- Any future issue of multi-family bonds for the benefit of a third party that is primarily liable for repayment of the debt will not be recorded in MFA books per GASB 91 requirements. Multi-family bond assets were eliminated from the financials effective October 1, 2022; as a conduit debt issuer, we make a limited commitment to maintaining the issue's tax-exempt status.
- In five months of activities, the Return on Average earnings assets was 0.60%, which is better than last year as we rely heavily on bond financing, which led to growth in earning assets as new mortgage loans with higher interest rates are added to the balance sheet and earn interest revenue. Cash through bond proceeds and mortgage payments are invested in short-term funds earning higher interest revenue.
- The General Fund expenses increased by 15.5% due to increased compensation, lender fees, and repurchased loan expenses, while the General Fund revenue increased by 20.5% due to interest from investment, administrative fee income and loan servicing income recognized higher than budgeted. The rise in short-term rates is having a direct and immediate positive effect on MFA earnings.
- The combined interest margin of 0.87% increased from the FY22 year-end mark of 0.55% due to higher income from interest on loans and investments. The rising interest rates are positively impacting loan portfolio performance, bolstering MFA's investment income and discouraging homeowners from refinancing their loans.
- Based on Moody's issuer credit rating scorecard, MFA's 24.76% 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 %). The net revenue as a percent of total revenue measures performance and profitability. We take caution as MFA's 9.83% ratio (5-year average) is marginally below the optimal range (10-15%) because the percentage was negative in fiscal 2022 due to decreased FMV of SIC investments, lower TBA profitability resulting from market changes, and increased repurchased loan expenses and similar conditions persist in the fiscal year 2023 so far.
- Moody's Investor Services completed an updated credit opinion on MFA's Issuer Rating in June 2020. They reaffirmed the Aa3/stable rating. Comments included a high asset-to-debt ratio, good profitability, and a low-risk profile due to a mortgage-backed security structure, a multifamily Risk Sharing Program, and no exposure to variable-rate debt. Additionally, Moody's reaffirmed the Aaa/stable rating on the single-family indenture in April 2021, noting a growing asset-to-debt ratio and stabilizing profitability.
- The Servicing Department monitors delinquencies and defaults to identify reduction strategies and refer borrowers to available loss mitigation programs. Sub-serviced Portfolio delinquency rate is 10.72%. The sub-serviced portfolio is approximately 85% FHA-insured loans. The Mortgage Bankers Association quarterly survey as of December 31, 2022, indicates that the delinquency rate for FHA loans nationally is 10.61%, and for New Mexico is 7.78%. In addition, FHA Single Family Loan Performance Trends for January 2023 showed 13.49% delinquency (for purchase loans only), which decreased from 13.99% in December 2022.
- The fair market value for purchased servicing rights as of December 2022 is \$29.4 million, an increase of about \$11.4 million over cost. GASB requires MFA to record the value of servicing rights at the 'lower of cost or market'. A steady increase over the last three quarters in FMV related to decreased prepayment speed projections and increased earnings rates impacted portfolio value positively. The current recorded cost of the asset is \$18 million. Valuations are obtained every quarter.

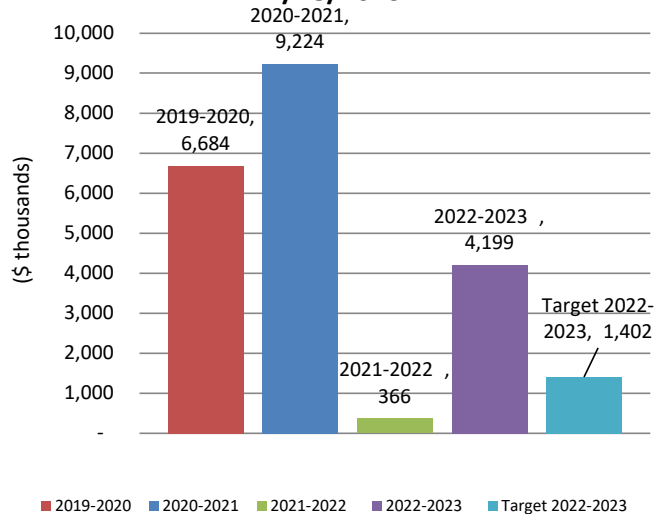
Assets Under Management as of 2/28/2023 (\$ in thousands)



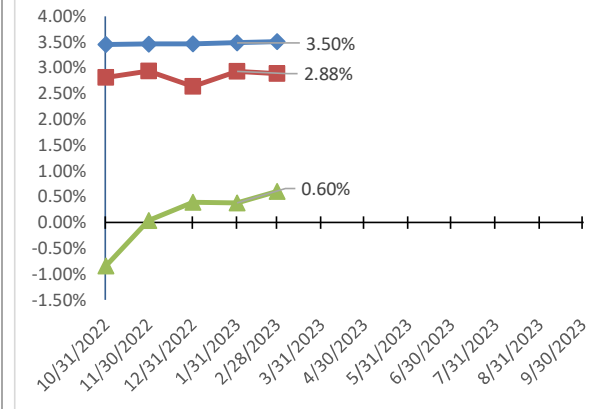
YTD Annualized Payoffs as a Percentage of Single Family Mortgage Portfolio as of 9/30/2023



YTD Excess Revenues over Expenses as of 2/28/2023



Yield Targets 9/30/2023



Target

	2022	2023
Loans Effective yield	3.20%	3.50%
Cash & Investments Effective yield	0.98%	1.20%
Rate of Return on Average Earning Assets	0.01%	0.20%

(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

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NEW MEXICO MORTGAGE FINANCE AUTHORITY
COMBINED STATEMENT OF NET POSITION
FEBRUARY 2023
(THOUSANDS OF DOLLARS)

	<u>YTD 2/28/23</u>	<u>YTD 2/28/22</u>
<u>ASSETS:</u>		
<u>CURRENT ASSETS:</u>		
CASH & CASH EQUIVALENTS	\$51,112	\$44,277
RESTRICTED CASH HELD IN ESCROW	9,620	10,245
SHORT-TERM INVESTMENTS	-	-
ACCRUED INTEREST RECEIVABLE	5,093	4,009
OTHER CURRENT ASSETS	7,027	4,120
ADMINISTRATIVE FEES RECEIVABLE (PAYABLE)	-	5
INTER-FUND RECEIVABLE (PAYABLE)	(0)	(0)
TOTAL CURRENT ASSETS	<u>72,851</u>	<u>62,655</u>
 CASH - RESTRICTED	 126,017	 142,827
LONG-TERM & RESTRICTED INVESTMENTS	57,910	66,277
INVESTMENTS IN RESERVE FUNDS	-	-
FNMA, GNMA, & FHLMC SECURITIZED MTG. LOANS	1,321,104	1,118,627
MORTGAGE LOANS RECEIVABLE	177,967	158,219
ALLOWANCE FOR LOAN LOSSES	(9,770)	(9,431)
NOTES RECEIVABLE	-	-
FIXED ASSETS, NET OF ACCUM. DEPN	1,730	1,818
OTHER REAL ESTATE OWNED, NET	2,269	2,755
OTHER NON-CURRENT ASSETS	12	-
INTANGIBLE ASSETS	17,967	18,386
TOTAL ASSETS	<u>1,768,058</u>	<u>1,562,134</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>		
REFUNDINGS OF DEBT	174	208
 TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	 <u>1,768,232</u>	 <u>1,562,341</u>
 <u>LIABILITIES AND NET POSITION:</u>		
<u>LIABILITIES:</u>		
<u>CURRENT LIABILITIES:</u>		
ACCRUED INTEREST PAYABLE	\$11,838	\$6,555
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	17,202	14,674
ESCROW DEPOSITS & RESERVES	9,504	10,072
TOTAL CURRENT LIABILITIES	<u>38,543</u>	<u>31,301</u>
 BONDS PAYABLE, NET OF UNAMORTIZED DISCOUNT	 1,411,140	 1,230,633
MORTGAGE & NOTES PAYABLE	28,271	15,765
ACCRUED ARBITRAGE REBATE	-	-
OTHER LIABILITIES	207	135
TOTAL LIABILITIES	<u>1,478,161</u>	<u>1,277,834</u>
DEFERRED INFLOWS	264	305
TOTAL LIAB/DEFERRED INFLOWS	<u>1,478,425</u>	<u>1,278,139</u>
 <u>NET POSITION:</u>		
NET INVESTED IN CAPITAL ASSETS	1,730	1,818
UNAPPROPRIATED NET POSITION (NOTE 1)	62,744	60,847
APPROPRIATED NET POSITION (NOTE 1)	225,333	221,538
TOTAL NET POSITION	<u>289,807</u>	<u>284,203</u>
 TOTAL LIABILITIES & NET POSITION	 <u>1,768,232</u>	 <u>1,562,341</u>

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NEW MEXICO MORTGAGE FINANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FIRST MONTHS ENDED FEBRUARY 2023
(THOUSANDS OF DOLLARS)

	<u>YTD 2/28/23</u>	<u>YTD 2/28/22</u>
<u>OPERATING REVENUES:</u>		
INTEREST ON LOANS	\$21,391	\$16,890
INTEREST ON INVESTMENTS & SECURITIES	2,509	657
LOAN & COMMITMENT FEES	1,425	1,525
ADMINISTRATIVE FEE INCOME (EXP)	2,072	3,230
RTC, RISK SHARING & GUARANTY INCOME	25	144
HOUSING PROGRAM INCOME	485	755
LOAN SERVICING INCOME	4,394	3,392
OTHER OPERATING INCOME	-	-
SUBTOTAL OPERATING REVENUES	<u>32,301</u>	<u>26,593</u>
<u>NON-OPERATING REVENUES:</u>		
ARBITRAGE REBATE INCOME (EXPENSE)	-	-
GAIN(LOSS) ASSET SALES/DEBT EXTINGUISHMENT	713	(1,516)
OTHER NON-OPERATING INCOME	0	0
GRANT AWARD INCOME	33,442	22,355
SUBTOTAL NON-OPERATING REVENUES	<u>34,155</u>	<u>20,839</u>
TOTAL REVENUES	<u>66,455</u>	<u>47,433</u>
<u>OPERATING EXPENSES:</u>		
ADMINISTRATIVE EXPENSES	9,749	10,059
INTEREST EXPENSE	17,825	14,365
AMORTIZATION OF BOND/NOTE PREMIUM(DISCOUNT)	(1,355)	(1,266)
PROVISION FOR LOAN LOSSES	(35)	137
MORTGAGE LOAN & BOND INSURANCE	-	-
TRUSTEE FEES	62	61
AMORT. OF SERV. RIGHTS & DEPRECIATION	656	1,293
BOND COST OF ISSUANCE	1,254	1,892
SUBTOTAL OPERATING EXPENSES	<u>28,155</u>	<u>26,541</u>
<u>NON-OPERATING EXPENSES:</u>		
CAPACITY BUILDING COSTS	52	23
GRANT AWARD EXPENSE	34,050	22,099
OTHER NON-OPERATING EXPENSE	-	-
SUBTOTAL NON-OPERATING EXPENSES	<u>34,101</u>	<u>22,122</u>
TOTAL EXPENSES	<u>62,256</u>	<u>48,664</u>
NET REVENUES	4,199	(1,231)
OTHER FINANCING SOURCES (USES)	-	-
NET REVENUES AND OTHER FINANCING SOURCES(USES)	<u>4,199</u>	<u>(1,231)</u>
NET POSITION AT BEGINNING OF YEAR	<u>285,608</u>	<u>285,434</u>
NET POSITION AT 2/28/23	<u>289,807</u>	<u>284,203</u>

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

(Note 1) MFA Net Position as of February 28, 2023:

UNAPPROPRIATED NET POSITION:

\$ 27,150	is held by Bond Program Trustees and is pledged to secure repayment of the Bonds.
\$ 34,711	is held in Trust for the NM Housing Trust Fund and the NM Land Title Trust Fund.
\$ 882	is held for New Mexico Affordable Housing Charitable Trust.
<u>\$ 62,744</u>	Total Unappropriated Net Position

APPROPRIATED NET POSITION: GENERAL FUND

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

\$ 117,129	for use in the Housing Opportunity Fund (\$106,416 in loans and grants plus \$10,713 unfunded, of which \$3,985 is committed).
\$ 48,609	for future use in Single Family & Multi-Family housing programs.
\$ 1,110	for loss exposure on Risk Sharing loans.
\$ 1,730	invested in capital assets, net of related debt.
\$ 17,862	invested in mortgage servicing rights.
\$ 20,647	for the future General Fund Budget year ending 09/30/23 (\$31,681 total budget less \$11,033 expended budget through 10/31/23.)
<u>\$ 207,087</u>	Subtotal - General Fund

APPROPRIATED NET POSITION: HOUSING

\$ 19,976	for use in the federal and state housing programs administered by MFA.
<u>\$ 19,976</u>	Subtotal - Housing Program
<u>\$ 227,063</u>	Total Appropriated Net Position
<u><u>\$ 289,807</u></u>	Total Combined Net Position at February 28, 2023

Total combined Net Position, or reserves, at February 28, 2023 was \$289.8million, of which \$62.7 million was pledged to the bond programs, Affordable Housing Charitable Trust and fiduciary trusts. \$227.1 million of available reserves, with \$95.1 million primarily liquid in the General Fund and in the federal and state Housing programs and \$132 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 2022-2023 Budget
For the five months ended 2/28/2023

	One Month Actual	Year to Date Actuals	Year to Date ProRata Budget	Annual Budget	YTD Budget Under/(Over)	Annual Budget Under/(Over)	Expended Annual Budget %
Revenue							
Interest Income	614,929	3,237,998	3,502,247	8,405,392	264,248	5,167,394	38.52%
Interest on Investments & Securities	205,069	931,921	549,273	1,318,256	(382,648)	386,335	70.69%
Loan & Commitment Fees	18,920	68,143	73,060	175,344	4,917	107,201	38.86%
Administrative Fee Income (Exp)	826,545	3,783,386	3,503,693	8,408,864	(279,692)	4,625,478	44.99%
Risk Sharing/Guaranty/RTC fees	8,378	24,375	193,221	463,730	168,846	439,355	5.26%
Housing Program Income	136,120	484,661	529,229	1,530,014	44,568	1,045,353	31.68%
Loan Servicing Income	799,015	4,393,710	3,931,143	9,434,743	(462,567)	5,041,033	46.57%
Other Operating Income			-	-	-	-	
Operating Revenues	2,608,976	12,924,194	12,281,866	29,736,343	(642,328)	16,812,149	43.46%
Gain (Loss) Asset Sale/Debt Ex	1,239,135	809,559	-	-	(809,559)	(809,559)	
Other Non-operating Income	-	40	42	100	2	60	40.00%
Non-Operating Revenues	1,239,135	809,599	42	100	(809,558)	(809,499)	809599.35%
Revenue	3,848,110	13,733,793	12,281,908	29,736,443	(1,451,885)	16,002,650	46.19%
Salaries	551,717	2,749,249	3,354,169	7,978,035	604,920	5,228,786	34.46%
Overtime	5,125	12,656	15,901	37,585	3,246	24,929	33.67%
Incentives	255	143,972	284,676	677,169	140,703	533,197	21.26%
Payroll taxes, Employee Benefits	260,726	1,304,319	1,652,221	3,958,534	347,902	2,654,214	32.95%
Compensation	817,823	4,210,196	5,306,967	12,651,323	1,096,771	8,441,127	33.28%
Business Meals Expense	452	1,359	3,008	7,220	1,649	5,861	18.83%
Public Information	26,528	108,298	141,453	339,488	33,155	231,190	31.90%
In-State Travel	4,531	32,159	66,530	159,671	34,370	127,512	20.14%
Out-of-State Travel	15,476	46,920	111,686	268,046	64,765	221,126	17.50%
Travel & Public Information	46,986	188,737	322,677	774,425	133,940	585,688	24.37%
Utilities/Property Taxes	7,824	33,632	33,208	79,700	(424)	46,068	42.20%
Insurance, Property & Liability	20,587	102,933	94,428	226,628	(8,505)	123,695	45.42%
Repairs, Maintenance & Leases	94,409	603,371	692,563	1,643,951	89,192	1,040,580	36.70%
Supplies	5,489	18,109	14,875	35,700	(3,234)	17,591	50.72%
Postage/Express mail	5,201	21,644	17,000	40,800	(4,644)	19,156	53.05%
Telephone	340	6,181	9,459	22,701	3,278	16,520	27.23%
Janitorial	7,587	17,002	17,042	40,900	40	23,898	41.57%
Office Expenses	140,379	788,205	878,264	2,089,634	90,060	1,301,430	37.72%
Dues & Periodicals	393	27,649	26,155	62,773	(1,493)	35,124	44.05%
Education & Training	4,649	33,101	71,121	170,690	38,020	137,589	19.39%
Contractual Services	75,449	399,960	584,168	1,402,004	184,208	1,002,044	28.53%
Professional Services-Program	57,492	155,472	101,146	242,751	(54,326)	87,279	64.05%
Direct Servicing Expenses	523,646	3,787,544	2,035,653	4,885,567	(1,751,892)	1,098,023	77.53%
Program Expense-Other	20,362	90,069	75,187	180,448	(14,882)	90,379	49.91%
Rebate Analysis Fees			-	-	-	-	
Miscellaneous	196	196			(196)	(196)	

GENERAL FUND
Fiscal Year 2022-2023 Budget
For the five months ended 2/28/2023

	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 %
Other Operating Expense	682,187	4,493,991	2,893,430	6,944,233	(1,600,561)	2,450,242	64.72%
Interest Expense	91,106	493,918	685,508	1,645,220	191,590	1,151,302	30.02%
Non-Cash Expenses	138,345	619,591	1,183,791	2,841,098	564,199	2,221,507	21.81%
Expensed Assets	5,147	9,075	33,271	79,850	24,196	70,775	11.36%
Operating Expenses	1,921,974	10,803,713	11,303,909	27,025,783	500,195	16,222,070	39.98%
Program Training & Tech Asst	2,125	8,072	63,292	151,900	55,220	143,829	5.31%
Program Development	514	43,432	46,635	111,925	3,203	68,493	38.80%
Capacity Building Costs	2,639	51,504	109,927	263,825	58,423	212,321	19.52%
Non-Operating Expenses	2,639	51,504	109,927	263,825	58,423	212,321	19.52%
Expenses	1,924,613	10,855,217	11,413,836	27,289,608	558,619	16,434,391	39.78%
Excess Revenue over Expenses	1,923,497	2,878,576	868,072	2,446,835	(2,010,504)	(431,741)	117.64%

GENERAL FUND CAPITAL BUDGET
Fiscal Year 2022-2023 Budget
For the five months ended 2/28/2023

	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	75,358	178,279	1,812,853	4,350,847	1,634,574	4,172,568	4.10%
2950 COMPUTER HARDWARE	-	-	16,802	40,324	16,802	40,324	0.00%
2960 SOFTWARE LICENSES	-	-	-	-	-	-	
2920 FURNITURE & EQUIPMENT-10 YR	-	-	-	-	-	-	
2930 FURNITURE & EQUIP, 5 YR.	-	-	-	-	-	-	
2860 BUILDING	-	-	-	-	-	-	
Capital Budget	75,358	178,279	1,829,655	4,391,171	1,651,375	4,212,892	4.06%

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