



MFA Housing New Mexico
 MFA December Board of Directors Meeting
 December 14, 2022
 9:30 am-12:30 pm Mountain Time

Chair Convenes Meeting

- Roll Call (Izzy Hernandez)
- Approval of Agenda – Board Action
- Approval of 11/16/22 Board Meeting Minutes – Board Action
- Executive Director Updates

Board Action Items (Action Required?)

Finance Committee

- 1 Internal Audit Plan FY2023-24 (Julie Halbig) YES

Contracted Services/Credit Committee

- 2 Recommendation to Allocate State and Local Fiscal Recovery Funding (SLFRF) to an open Notice of Funding Availability (NOFA) (Robyn Powell and Ted Chavez) YES
- 3 State and Local Fiscal Recovery Funding (SLFRF) Notice of Funding Availability (NOFA) (Robyn Powell and Ted Chavez) YES

Other

- 4 Modification to Allocation Review Committee Rules and appointments of ARC members (Kathryn Turner) YES
- 5 MFA 2023 Legislative Agenda (Robyn Powell) YES
- 6 Multifamily Housing Development Changes in Financing (Jeanne Redondo and Kathryn Turner) NO
- 7 Neighborhood Stabilization Program (NSP) Update – Final (Theresa Laredo-Garcia) NO
- 8 Single Family Program Update (Rene Acuna) NO
- Closed Session
- 9 Executive Session – Acquisition of Real Property Letter of Interest/Purchase Agreement Related to Acquisition of Real Property (Izzy Hernandez, Jeff Payne, Tom Jenkins and Doug Heller) YES
- 10 Executive Session -Limited Personnel Matters - Executive Director Performance and Compensation Review (Chair Reyes) YES
- Open Session
- 11 Letter of Interest/Purchase Agreement Related to Acquisition of Real Property (Izzy Hernandez, Jeff Payne and Tom Jenkins) YES

12 Executive Director Performance and Compensation Review (Chair Reyes)
YES

13 Treasurer Tim Eichenberg Recognition – years of service (Izzy Hernandez and Chair Angel Reyes) NO

Other Board Items

Information Only

14 **(Staff is available for questions)**

- Staff Action Requiring Notice to Board
- COVID Staff Actions
- Quarterly Multifamily Project Completion Report

Monthly Reports

No Action Required

15 **(Staff is available for questions)**

- 10/31/22 Financial Statements

Announcements and Adjournment

Discussion Only

Confirmation of Upcoming Board Meetings

- January 10, 2023 – Tuesday, Contracted Services 10:00 a.m.
Finance Committee 1:30 p.m.
- January 18, 2023 - Wednesday- 9:30 a.m. (MFA Board of Directors Meeting- Santa Fe (Inn & Spa @ Loretto)
- February 7, 2023 – Tuesday, Contracted Services 10:00 a.m.
Finance Committee 1:30 p.m.
- February 15, 2023 - Wednesday- 9:30 a.m. (MFA Board of Directors Meeting, MFA)
- March 7, 2023 – Tuesday, Contracted Services 10:00 a.m.
Finance Committee 1:30 p.m.
- March 15, 2023 - Wednesday- 9:30 a.m. (MFA Board of Directors Meeting-MFA)



NEW MEXICO MORTGAGE FINANCE AUTHORITY
Board Meeting
344 4th St. SW, Albuquerque, NM
Wednesday, December 14, 2022 at 9:30 a.m.

Proposed Agenda

Chair Convenes Meeting

Roll Call (Izzy Hernandez)

- Approval of Agenda – Board Action
- Approval of 11/16/22 Board Meeting Minutes – Board Action
- Executive Director Updates

Board Action Items

Action Required?

Finance Committee

- | | |
|--|-----|
| 1 Internal Audit Plan FY2023-24 (Julie Halbig) | YES |
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Contracted Services/Credit Committee & New Mexico Housing Trust Fund (NMHTF) Advisory Committee

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|---|-----|
| 2 Recommendation to Allocate State and Local Fiscal Recovery Funding (SLFRF) to an open Notice of Funding Availability (NOFA) (Robyn Powell and Ted Chavez) | YES |
| 3 State and Local Fiscal Recovery Funding (SLFRF) Notice of Funding Availability (NOFA) (Robyn Powell and Ted Chavez) | YES |

Other

- | | |
|--|-----|
| 4 Modification to Allocation Review Committee Rules and appointments of ARC members (Kathryn Turner) | YES |
| 5 MFA 2023 Legislative Agenda (Robyn Powell) | YES |
| 6 Multifamily Housing Development Changes in Financing (Jeanne Redondo and Kathryn Turner) | NO |
| 7 Neighborhood Stabilization Program (NSP) Update – Final (Theresa Laredo-Garcia) | NO |
| 8 Single Family Program Update (Rene Acuna) | NO |

Closed Session

Action Required

(Motion and affirmative vote are required to close the meeting for these limited purposes)

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| 9 Executive Session – Acquisition of Real Property | YES |
| <ul style="list-style-type: none"> ▪ Executive Session to be held pursuant to Section 10-15-1 H (8) of the Open Meetings Act: Discuss Letter of Interest/Purchase Agreement Related to Acquisition of Real Property (Izzy Hernandez, Jeff Payne, Tom Jenkins and Doug Heller) | |
| 10 Executive Session -Limited Personnel Matters | YES |
| <ul style="list-style-type: none"> ▪ Executive Session to be held pursuant to Section 10-15-1 H (2) of the Open Meetings Act: Discuss Executive Director Performance and Compensation Review (Chair Reyes) | |

Open Session

Action Required

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

- | | |
|---|-----|
| 11 Letter of Interest/Purchase Agreement Related to Acquisition of Real Property (Izzy Hernandez, Jeff Payne, Tom Jenkins, and Doug Heller) | YES |
| 12 Executive Director Performance and Compensation Review (Chair Reyes) | YES |
| 13 Treasurer Tim Eichenberg Recognition – years of service (Izzy Hernandez and Chair Angel Reyes) | NO |

Other Board Items

Information Only

- | | |
|--|--|
| 14 (Staff is available for questions) | |
| <ul style="list-style-type: none"> ▪ Staff Action Requiring Notice to Board ▪ COVID Staff Actions ▪ Quarterly Multifamily Project Completion Report | |

Monthly Reports**No Action Required****15 (Staff is available for questions)**

- 10/31/22 Financial Statements

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

- January 10, 2023 – Tuesday, Contracted Services 10:00 a.m. Finance Committee 1:30 p.m.
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NEW MEXICO MORTGAGE FINANCE AUTHORITY
Summary Board Meeting
344 4th St. SW, Albuquerque, NM
Wednesday, December 14, 2022 at 9:30 a.m.

Proposed Agenda

Chair Convenes Meeting

Roll Call (Izzy Hernandez)

- Approval of Agenda – Board Action
- Approval of 11/16/22 Board Meeting Minutes – Board Action
- Executive Director Updates

Board Action Items

Action Required?

Finance Committee

- | | |
|--|-----|
| 1 Internal Audit Plan FY2023-24 (Julie Halbig) - Staff seeks discussion and approval for the FY2023/2024 Internal Audit Plan. | YES |
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Contracted Services/Credit Committee & New Mexico Housing Trust Fund (NMHTF) Advisory Committee

- | | |
|---|-----|
| 2 Recommendation to Allocate State and Local Fiscal Recovery Funding (SLFRF) to an open Notice of Funding Availability (NOFA) (Robyn Powell and Ted Chavez) - Staff recommends approval to reallocate \$5,000,000 of American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds (SLFRF) for the purpose of publishing a Notice of Funding Availability. | YES |
| 3 State and Local Fiscal Recovery Funding (SLFRF) Notice of Funding Availability (NOFA) (Robyn Powell and Ted Chavez) - Staff recommends approval to publish the State and Local Fiscal Recovery Funds Notice of Funding Availability. | YES |

Other

- | | |
|---|-----|
| 4 Modification to Allocation Review Committee Rules and appointments of ARC members (Kathryn Turner) - In order to fill the vacated seat left by Lyle Greenberg and add valuable expertise to the committee, it is staff's recommendation to expand the committee by one, to make the overall size of the committee eight. Edward Archuleta and Ken Carson Jr. have both expressed interest and availability, and staff believes they would provide significant experience, knowledge and backgrounds to the Allocation Review Committee. Additionally, a modification to the ARC Rules for 2023 is recommended to better reflect the beneficial diversity of backgrounds on both the existing and future Allocation Review Committee. | YES |
| 5 MFA 2023 Legislative Agenda (Robyn Powell) - Staff is seeking approval of the MFA 2023 Legislative agenda, seeking appropriations from the State to the New Mexico Housing Trust Fund, the Affordable Housing Act to support the oversight and implementation of the Act, and to Linkages. | YES |
| 6 Multifamily Housing Development Changes in Financing (Jeanne Redondo and Kathryn Turner) - Costs continue to rise at levels unprecedented before the pandemic. Staff is anticipating that some developers will request supplemental tax credits in the 2023 9% tax credit round. Additionally, through both conversations with contractors and Housing Finance Agencies across the nation, staff anticipates that the high construction cost levels seen currently may continue into the foreseeable future, and may not return to pre-pandemic levels. | NO |
| 7 Neighborhood Stabilization Program (NSP) Update – Final (Theresa Laredo-Garcia) - Staff will provide MFA's Board of Directors with a final update on the neighborhood stabilization program (NSP). | NO |
| 8 Single Family Program Update (Rene Acuna) - Staff will provide an update of the Single Family program production for the 4 th quarter current fiscal year. | NO |

Closed Session

Action Required

(Motion and affirmative vote are required to close the meeting for these limited purposes)

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|---|-----|
| 9 Executive Session – Acquisition of Real Property | YES |
| <ul style="list-style-type: none"> ▪ Executive Session to be held pursuant to Section 10-15-1 H (8) of the Open Meetings Act: Discuss Letter of Interest/Purchase Agreement Related to Acquisition of Real Property (Izzy Hernandez, Jeff Payne, Tom Jenkins, and Doug Heller) | |
| 10 Executive Session -Limited Personnel Matters | YES |

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

<u>Open Session</u>	<u>Action Required</u>
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(Motion and affirmative vote are required to open the meeting)

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|---|-----|
| 11 Letter of Interest/Purchase Agreement Related to Acquisition of Real Property (Izzy Hernandez, Jeff Payne, Tom Jenkins, and Doug Heller) | YES |
| 12 Executive Director Performance and Compensation Review (Chair Reyes) | YES |
| 13 Treasurer Tim Eichenberg Recognition – years of service (Izzy Hernandez and Chair Angel Reyes) | NO |

<u>Other Board Items</u>	<u>Information Only</u>
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- 14 (Staff is available for questions)
- Staff Action Requiring Notice to Board
 - COVID Staff Actions
 - Quarterly Multifamily Project Completion Report

<u>Monthly Reports</u>	<u>No Action Required</u>
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- 15 (Staff is available for questions)
- 10/31/22 Financial Statements

<u>Announcements and Adjournment</u>	<u>Discussion Only</u>
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NEW MEXICO MORTGAGE FINANCE AUTHORITY

Board Meeting Minutes

344 4th St. SW, Albuquerque, NM

Wednesday, November 16, 2022 at 9:30 a.m.

Chair Reyes convened the meeting on November 16, 2022 at 9:36 a.m. Secretary Hernandez called the roll. Members present: Chair Angel Reyes, Sally Malavé (designee for Attorney General Hector Balderas), Martina C'de Baca (designee for Lieutenant Governor Howie Morales), Treasurer Tim Eichenberg, Rebecca Wurzbarger and Patricia Sullivan. Absent: Vice Chair Derek Valdo. Hernandez informed the Board that everyone had been informed about today's meeting in accordance with the New Mexico Open Meetings Act.

Chair Reyes welcomed board members, guests and staff. He informed everyone that the meeting is being recorded, making reference to the recording microphone sensitivity.

Approval of Agenda – Chair Reyes recommended a change for today's agenda – delete item 17 Executive Session - Limited Personnel Matters (to be taken up at next month's board meeting). Motion to approve the November 16, 2022 Board agenda as amended: Malavé. Second: Sullivan. Vote: 6-0.

Approval of October 19, 2022 Board Meeting Minutes – Board Action. Motion to approve the October 19, 2022 Board Meeting Minutes as presented: Wurzbarger. Second: Sullivan. Vote: 6-0.

Hernandez provided his Executive Director updates: **Mortgage Operations:** Mortgage Ops – Behind last year's production (weekly avg.) '21 - \$11.0m / '22 - \$9.3m / \$6.5M (as of 10/28/22). 2022E Pricing - \$74.9M, MFA 6.125% (50 basis points below market). Reviewed the following charts – Federal Reserve Bank of Atlanta National Home Ownership Affordability Monitor (HOAM) Index and Drivers of Affordability. **Significant meetings/presentations:** 10/27 and 11/1: 2023 Legislative Session Planning Mtgs. 11/1: Mtg. w/Governor's Office Staff – Daniel Schlegel (Dir. Strategic Initiatives), 11/2: Trailhead at Chamizal – Groundbreaking (protest 1st time), 11/2: The Commons at Martinez Town – Ribbon Cutting (Governor present), 11/3: Silver City Meetings (USDA, SWCOG, SPIN, Grant County) re: linkages **Upcoming Actions/Activities:** 11/17: Presentation to NMARC – COGs – NM Housing Strategy, Programs etc., 11/28: Audit Exit Conference, 11/30: Final LOC Meeting (5 of 5), 12/1: Weatherization Day Albuquerque. He referred to the articles emailed out referencing affordability decrease and housing prices plateaued. He further informed the Board that an additional item had been added to the staff actions report - Foreclosure Prevention Housing Counseling & Legal Services RFP which was issued on January 19, 2022; reissued on August 9, 2022 was cancelled as of November 9, 2022 due to lack of demand.

Finance Committee

- 1 **Follow-up on Outstanding Audit Findings (Jessica Bundy, CPA, Principal, and Shantelle Turner, CPA, CIA and CFE, Internal Audit Manager, of REDW).** Bundy began by explaining that she would be reviewing the follow up report on open observations which is provided annually as part of the internal audit function. REDW performed follow-up on open internal audit observations in response to MFA's interest in whether previous internal audit observations have been resolved. REDW focused on assessing the current status of each observation. Further stating the follow-up did not include assessing the status of best practice recommendations. Processes were analyzed to determine if adequate corrective actions were implemented to resolve the observation and documentation was reviewed to verify if new processes were properly implemented. She reviewed the summary by internal audit with current status of observations located behind tab one and will be made a part of the official minutes. Information Technology Security-August 2019. Computer Security Incident Response Plan – Completed. IT Risk Assessment - Improved – Resolution in process. Mortgage Operations – June 2021. Loan Modification and Re-pooling Timeline - Improved – Resolution in process. Motion to approve the Follow-up on Outstanding Audit Findings as presented.: C'de Baca. Second: Wurzbarger. Vote: 6-0.
- 2 **Budget vs Actual for Internal Audit Contract with REDW (Jessica Bundy, CPA, Principal, and Shantelle Turner, CPA, CIA and CFE, Internal Audit Manager, of REDW).** Bundy informed the Board today's presentation is the summary of budgeted versus actual hours for the following areas audited: ERM/Fraud Training, Section 811 Program, Mortgage Operations, Subservicing Oversight, Vendor Management, HOME Rehab, Risk Assessment/Follow-up/Annual Reporting and Administration. Internal audit budgeted hours for FY22 were 510 and

actual hours utilized for audits were 463 resulting in a positive variance of 47 hours. Motion to approve the 2022 Budget vs Actual for Internal Audit Contract with REDW as presented: Malavé. Second: Sullivan. Vote: 6-0.

- 3 **Approval of HOME Rehab Internal Audit Report (Jessica Bundy, CPA, Principal, and Shantelle Turner, CPA, CIA and CFE, Internal Audit Manager, of REDW).** Turner began her presentation by informing the Board REDW performed internal audit procedures over MFA's processes for complying with the policies and procedures and program requirements of the HOME Rehabilitation Program. The internal audit focused on adherence to program guidelines, including lead-based paint assessments, environmental reviews, project set-up and completion, allowable costs and subrecipient monitoring. Evaluated monitoring procedures, including timeliness of reviews, adequacy of supporting documentation and approvals, and timely follow-up. REDW identified many areas during the course of the audit where controls were functioning properly, and established procedures were followed. As a result of the testing, REDW identified a few observations, which are located behind tab three and will be made a part of the official board packet. Turner reviewed observations, recommendations, management responses and scope and procedures performed with respect to Lead-Based Paint Disclosures. Process Improvement Opportunities – Project tracking, Review Documentation, Documentation of Uploads and Submissions. Motion to approve the Approval of HOME Rehab Internal Audit Report as presented: Wurzburger. Second: Eichenberg. Vote: 6-0.
- 4 **Approval of Subservicing Oversight Internal Audit Report (Jessica Bundy, CPA, Principal, and Shantelle Turner, CPA, CIA and CFE, Internal Audit Manager, of REDW).** Turner began her presentation by explaining that REDW assessed documentation Idaho Housing and Finance Association (IHFA) provides to MFA for monitoring. Procedures focused on reviewing quality assessment reports which were provided by IHFA to MFA to assist MFA in their oversight of IHFA's loan servicing activities. Turner reviewed observations, recommendations, management responses, process improvement opportunities and scope and procedures performed. REDW evaluated timeliness of monitoring, adequacy of sample sizes, and effectiveness of IHFA reporting. As a result of our testing, REDW did not identify any reportable observations related to MFA's oversight of IHFA. One process improvement Opportunity was recommended – IHFA Monitoring Enhancements. Motion to approve the Approval of Subservicing Oversight Internal Audit Report as presented: Eichenberg. Second: Wurzburger. Vote: 6-0.
- 5 **Approval of Vendor Management Internal Audit Report (Jessica Bundy, CPA, Principal, and Shantelle Turner, CPA, CIA and CFE, Internal Audit Manager, of REDW).** Turner began her presentation by explaining that REDW performed an internal audit over MFA's Vendor Management policies and procedures. Our internal audit focused on MFA's processes for performing due diligence, risk assessments, and monitoring of vendors covered under the Vendor Management policy. Turner reviewed purpose and objective, observations, recommendations, management responses, process improvement opportunities and scope and procedures performed. Turner informed the Board that as a result of our testing, we did not identify any reportable observations. The following Process Improvement Opportunities were recommended; Due diligence review documentation, Desktop procedures, and Vendor ratings. Motion to approve the Approval of Vendor Management Internal Audit Report as presented: Eichenberg. Second: Wurzburger. Vote: 6-0.

Member Sullivan left the meeting 10:00 a.m.

- 6 **9/30/22 Quarterly Financial Statement Review (Lizzy Ratnaraj).** Ratnaraj informed the Board that this report will be for the 12 month period ending 9/30/22 for MFA's fiscal year. She began her review of FY end of the financial statements which are located behind tab six and will be included in the official board packet. She reviewed the comparative year to date summary of highlights discussing the year to date metrics and variances which included the following: Production, Statement of Net Position, Statement of Revenues, Expenses and Net Position, Moody's Benchmarks and Servicing. Ratnaraj then reviewed the monthly and quarterly graphs, Housing Opportunity Fund (HOF), Effect of GASB31 on financial data, and Loan and Credit line activity. Motion to approve the 9/30/22 Quarterly Financial Statement Review as presented: Malavé. Second: Wurzburger. Vote: 5-0.
- 7 **9/30/22 Quarterly Investment Review (Cooper Hall).** Hall presented the Quarterly Investment Review packet behind tab seven which will be included in the official board packet. He began by informing the Board that this report is as of year-end. He reviewed the General Fund Investment Compliance Report, the Portfolio Summary-Short & Intermediate Term Investments, the Portfolio Summary-Long Term Investments including the State

Investment Council Investments, the Portfolio Summary-Housing Trust Fund and the General Fund Investment Portfolio Metrics highlighting the asset class balances and yields/rates of returns. Motion to approve the 9/30/22 Quarterly Investment Review as presented: Eichenberg. Second: Malavé. Vote: 5-0.

- 8 To be Announced (TBA) Administrator Request for Proposals (RFP) Award (Cooper Hall and Viktoria Gonsior).** Gonsior began by providing background information provided in the memo stating that at the August 2022 Board meeting, the MFA Board approved a Request for Proposal (RFP) to Provide To Be Announced Single Family Program Administrative Services. MFA received three responses to the RFP which all met minimum qualifications. The proposals were scored by an internal committee of five staff members in accordance with the evaluation criteria outlined in the RFP. Hilltop received the highest number of points. Staff recommends that Hilltop be selected to provide To Be Announced Single Family Program Administrative Services. Per the RFP, the contract begins on the date the MFA Board approves the award and ends on November 30, 2025. She further informed the Board that at the option of the Policy Committee, the contract may be extended for two, one (1) year periods under the same terms and conditions. Motion to approve To be Announced (TBA) Administrator Request for Proposals (RFP) Award to Hilltop Securities as recommended: Malavé. Second: Eichenberg. Vote: 5-0.

Contracted Services/Credit Committee

- 9 HOME-American Rescue Plan (Act) (ARP) Award – Cornerstone Apartments (George Maestas).** Maestas began his presentation by introducing the following guests Oriana Sanchez, Supportive Housing Development Manager, BlueLine Development, Inc., Darcy McClure, Development Manager, BlueLine Development, Inc., Kara Summers, Executive Director, High Desert Housing, and Christina Wolford Castillo, LCSW, Executive Director,

Member Sullivan returned 10:30 a.m.

Supporting People in Need (SPIN). He proceeded with his presentation by providing background information on American Rescue Plans including the amounts and the purpose/use of funds for this program. In addition, he explained that ARPA FRF funds were added for the following acquisitions projects and explained uses and eligible costs. He proceeded with the request for approval of the HOME-ARP grant request in the amount of \$8,721,574 for Cornerstone Apartments, located in Lordsburg, New Mexico. Cornerstone Apartments is a New Construction project that will create 30 rental units, of which 100% are income-restricted consisting of one-bedroom units. Twenty-five of the 30 income-restricted units will be reserved for households earning 30% or less of the Area Median Income (AMI) and five units will be reserved for households earning 50% or less of the AMI. Discussion ensued regarding the percentage of equity to one of the agencies with limited financial strength, and what they bring to the table – property managers. Further discussion ensued regarding costs and additional request regarding floor plans, layouts, designs, services etc. Business for BlueLine Development, Inc.? Scoring – met threshold what was the departure from 75 to 100; should the Board be concerned. NM organization, experience point system (haven't seen this partnership in NM). Motion to approve the HOME-American Rescue Plan (Act) (ARP) Award – Cornerstone Apartments as presented: Wurzbarger. Second: C'de Baca. Vote: 6-0.

- 10 HOME-American Rescue Plan (Act) (ARP) Award – Route 66 Flats (Hannah Faulwell and George Maestas).** Faulwell began her presentation with a HOME-ARP grant request in the amount of \$1,701,121 for Route 66 Flats, located in Albuquerque, New Mexico. Route 66 Flats is a New Construction project that will create 48 rental units,

Member Eichenberg left the meeting 11:05 a.m.

of which 47 are income-restricted consisting of only one-bedroom units. The 47 income-restricted units will be reserved for households earning 30% or less of the Area Median Income (AMI). Werenko brought this up during tab 9, which didn't apply to that tab but does apply to tab 10. Werenko clarified that MFA may provide the funding to a sponsor (not just the project). Discussion ensued regarding what would happen if they were not awarded tax credits (5 year time period) they could apply the following year, if at that time they are not awarded tax credits the RFP will be re-released. Does MFA have experience with this provider, why wouldn't the award be made concurrent with LIHTC. Motion to approve the HOME-American Rescue Plan (Act) (ARP) Award – Route 66 Flats as presented contingent on the project receiving an award of Low-Income Housing Tax Credits: Wurzbarger. Second: Sullivan. Vote: 5-0.

- 11 Copper Terrace - Fiscal Recovery Funds (FRF) Grant Request (Tim Martinez and George Maestas).** Martinez began his presentation by introducing the following individual from Yes Housing Inc. Holly Barela, Senior vice

president/CFO/COO. He proceeded with his Fiscal Recovery Funds (FRF) grant request in the amount of \$1,800,000 for Copper Terrace Apartments, located in Albuquerque, New Mexico. Copper Terrace Apartments is an Acquisition

Member Eichenberg returned 11:13 a.m.

& Rehabilitation and partial New Construction project that will create 100 rental units, of which 90 are income-restricted consisting of one-, two-, three- and four-bedroom units. The 90 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. Eighty units will receive HUD Section 8 project-based vouchers and 25 units will serve Households with Children. How much of these funds are available – 2 buckets that CD received 12,750,000 ARPFRF – are we entertaining any projects who can use these funds. Maestas informed the Board that one project in discussions and others are on the list to call?. Hernandez provided additional information and breakdown on the amount of funds. Motion to approve the Copper Terrace - Fiscal Recovery Funds (FRF) Grant Request as presented: Wurzbarger. Second: Sullivan. Vote: 6-0.

- 12 Request for Proposal For Graphic Design and Creative Services (Paul Dahlgren).** Dahlgren began his presentation by indicating that this RFP was approved in 2019 and had expired but extended in order to get through the Summit. The Graphic Design Services RFP is being issued to find and contract a qualified graphic design firm to provide ongoing professional services, including the design and production of digital and printed publications and graphics. The contract is a one-year contract with up to two, one-year extensions. The current contract for these services is set to expire on January 17, 2023, so the RFP process timeline was set to try and have a contractor selected prior to the expiration of the current contract. Motion to approve the Request for Proposal For Graphic Design and Creative Services as presented: Sullivan. Second: Eichenberg. Vote: 6-0.

Other

Hernandez made a few comments prior to the next presentation. He referenced his highlights to the graphs regarding affordability of homes across the nation. The income limits we have for our programs do not allow an individual to qualify for a medium priced home. He further referenced the drivers such as affordability, interest rates, income and price of homes. We can affect each of the three in different ways, the finance team to get the best interest rate possible, price of homes we don't have a lot of impact; other than to provide deeper down payment assistance which should help. Finally, we can't impact individuals making more money, but we can look at increasing our income levels to assist individuals in qualifying for a medium priced home. He referred to their meeting with the Finance Council in Taos who encouraged MFA to look at ways of improving our programs to allow individuals to qualify for medium priced homes (looking in the higher costs areas). This requires two steps, Board approval and if it passes it will be presented to the Legislative Oversight Committee which meets on November 30, 2022.

- 13 Approval of MFA Rules and Regulations Proposed Amendment (Julie Halbig and Jeff Payne).** Payne stated that staff has been discussing this for a while and explained how the proposed change would allow MFA to use funding that doesn't have certain restrictions to expand our ability to assist moderate income individuals. He shared an article posted by the Mortgage Bankers Association which stated a homebuyer must now earn \$107k to afford a \$2,682 mortgage payment for a typical home in the United States vs \$73k last year (up over 45% nationwide). The proposed change is to increase area medium income from 120% of AMI to 150% of AMI for certain non-federal, unrestricted programs administered by MFA. In addition, for high-cost areas around the state (such as Santa Fe, Los Alamos, or Lincoln County), it would allow "moderate income" to be defined as the income required to qualify a borrower for the purchase of a median priced home or rent at fair market rate. This definition of "moderate income" would apply to a narrow set of programs such as the: Housing Opportunity Fund, NM Housing Trust Fund, MFA General funds; and MFA taxable bonds. He provided an example of how this change in definition would be beneficial to the NextHome, our non-First Time Home Buyers (FTHB) program. This product is currently suspended as we cannot price due to market volatility. The New Mexico Housing Trust Fund would also be a program where additional flexibility could be used successfully for affordable housing projects seeking to serve households up to 150% of AMI. Halbig requested approval for an amendment to the definition of "moderate income" for all non-federal unrestricted programs administered by MFA to be increased up to 150% of AMI. She informed the Board that with the approval of the proposed amendment to MFA's Rules and Regulations, it will then be presented to the Legislative Oversight Committee on November 30, 2022. Halbig stated that this proposed change for the Board's consideration would be to change the definition of "moderate income" on page four of the MFA Rules and

Regulations and again explained that all federal or restricted programs will continue to follow the income requirements outlined in the regulatory on contractual documents. Sullivan referred to language in the proposed amendment to the Rules & Regulations “as needed,” stating that language is arbitrary, what will guide this? Malavé recommended deleting the “as needed” language on page four of the definition of moderate income. Werenko concurred. Discussion ensued regarding increasing the AMI to 150% and why not 200% or 175%? Staff stated that MFA was created to assist low to moderate income individuals and we don’t want to compete unnecessarily with private banking institutions. Motion to approve the amended MFA Rules and Regulations subject to the removal of the phrase “as needed” from the definition of “Persons of Very Low, Low or Moderate Income.” as presented: Malavé. Second: Wurzbürger. Vote: 6-0.

14 Award of Internal Audit Request For Proposals (RFP) (Julie Halbig). Halbig began by providing background information provided in the memo stating that the Board approved the Request for Proposal (RFP) for Internal Audit & Related Services on August 17, 2022. MFA received four responses to the RFP which all met minimum qualifications. The proposals were scored by an internal committee of staff members in accordance with the evaluation criteria outlined in the RFP. While Moss Adams did not receive the highest total score available under the RFP, they did receive the highest total score in Experience, Responsiveness to MFA and Technical Capabilities. Staff recommends that Moss Adams be selected to provide Internal Audit Services. Per the RFP, the contract is for a two year term and begins on November 30, 2022 and ends on November 30, 2024. She further informed the Board that at the option of the Policy Committee, the contract may be extended for three, one (1) year periods under the same terms and conditions. Under the RFP and MFA’s Procurement Policy, MFA has the discretion to award an RFP to the Offeror that is most advantageous to MFA based on an Offeror’s experience. Discussion ensued regarding a protest period and if the RFP allowed for one. Werenko (Board Counsel), advised that both the RFP and MFA’s Policies and Procedures outline a protest procedure that would be utilized in the event of a protest of the award to Moss Adams. Motion to approve the Award of Internal Audit Request For Proposals as presented: Wurzbürger. Second: Eichenberg. Vote: 6-0.

15 FY 2022 Strategic Plan Close Out (Donna Maestas-DeVries, Jeff Payne and Lizzy Ratnaraj). Payne explained that staff would be providing a closeout report for the strategic plan ending 9/30/22. He further informed the Board that this is a recap of the second year of the Strategic Plan. He reminded the Board that the benchmarks are tied to the incentive compensation plan. Payne, Maestas-DeVries and Ratnaraj provided an overview of the benchmark report for each of the five strategic plan goals: Motion to approve the FY 2022 Strategic Plan Close Out as presented: Malavé. Second: Wurzbürger. Vote: 6-0.

Closed Session

Action Required

Chair Reyes stated that on our agenda is a discussion of a matter concerning Space Needs Assessment Related to the Acquisition of Real Property that Board Legal Counsel has advised the Board to discuss in closed session pursuant to Section 10-15-1(H)(8) a of the Open Meetings Act which allows for discussion of matters related to the purchase of real property in closed session. Chair Reyes entertained a motion to close the meeting for the sole purpose of discussing Space Needs Assessment Related to the Acquisition of Real Property pursuant to Section 10-15-1(H)(8) of the Open Meetings Act . Sullivan. Second: C’de Baca.

Chair Reyes asked if there are any discussions regarding the motion to close the meeting for the sole purpose of discussing this Space Needs Assessment Related to the Acquisition of Real Property? Seeing none, all those in favor say aye, opposed same sign. The motion carries and the Board will now enter closed session. Vote: 6-0. Chair Reyes I would like everyone except the Board members present, Board counsel, Policy Committee and MFA’s Architect, Doug Heller to leave the room. I would also like staff to terminate the webcast at this time.”

16 Executive Session – Acquisition of Real Property

- Executive Session to be held pursuant to Section 10-15-1 H (8) of the Open Meetings Act: Discuss Space Needs Assessment Related to Acquisition of Real Property (Doug Heller, Izzy Hernandez and Jeff Payne)

17 Executive Session -Limited Personnel Matters (Removed from agenda)

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

Open Session

Action Required

- 18** At 12:50 p.m. Chair Reyes requested a motion to re-open the meeting; Malavé Second: Eichenberg. He further inquired if there are any discussion regarding the motion to open the meeting? Seeing none, all those in favor say aye, opposed same sign. The motion carries and the Board is now in open session. Vote: 6-0.

Chair Reyes confirmed that the Board is now convened in open session, that the webcast and recording are running again, and made the following statement: The Board met in closed session and discussed only the Space Needs Assessment Related to Acquisition of Real Property matters that were identified in the agenda at Item No. 16. No other issues were discussed, and no actions were taken.

- 19 Sally Malavé Recognition – years of service.** Chair Reyes welcomed Sally’s husband Gary to the Board Meeting and celebration of member Malavé. He then turned the meeting over to Executive Director Hernandez who began by thanking member Sally Malavé for her service to the MFA Board of Directors for over 12 years. He presented her with a Nambé plaque which read; “With sincere appreciation for your dedication and momentous contributions to the New Mexico Mortgage Finance Authority 2010-2022. MFA Board of Directors and Staff.” Chair Reyes, Board members and staff also shared experiences, their gratitude for her dedication and were all in agreement that we are all better off for having known her.

Other Board Items - Information Only

- 20 There were no questions asked of staff.**
- Staff Actions Requiring Notice to Board
 - COVID Staff Actions Requiring Notice to Board

Quarterly Reports - No Action Required

- 21 There were no questions asked of staff.**
- Quarterly Board Report

Announcements and Adjournment - Confirmation of Upcoming Board Meetings. Chair Reyes stated that next month’s meeting will be on December 14, 2022 (one week earlier) at the offices of the MFA.

There being no further business the meeting was adjourned at 1:16 p.m.

Approved: December 14, 2022

Chair, Angel Reyes

Secretary, Isidoro Hernandez

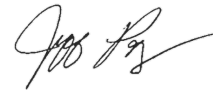
NEW MEXICO MORTGAGE FINANCE AUTHORITY**Finance/Operations Committee Meeting****Wednesday, December 6, 2022 at 1:30 p.m.**

Webex - call-in information is +1-408-418-9388 (access code): 2493 936 8982

or you can join the call from the calendar item

Agenda Item	COMMITTEE RECOMMENDED	BOARD ACTION REQUIRED
<u>Agenda</u> 1. Internal Audit Plan FY2023-23 (Julie Halbig)	3-0 approved	YES
<u>Information items</u> 1. October 2022 Wire Transfers		NO
1. October 2022 Check Register		NO
1. NCSHA Disclosure		NO

December 6, 2022

Committee Members present:Angel Reyes, Chair ☒ conference callState Treasurer Tim Eichenberg ☒ presentLt. Governor Howie Morales or Proxy Martina C'de Baca ☒ conference call


Tab 1



MEMO

TO: MFA Board of Directors
 Through: Finance Committee – December 6, 2022
 Through: Policy Committee – November 22, 2022
 FROM: Julie Halbig, Compliance Manager
 DATE: December 14, 2022
 RE: Internal Audit Plan for FY2023/2024

Recommendation:

Staff seeks discussion and approval for the FY2023/2024 Internal Audit Plan.

Internal Audit Plan:

FY2023

ERM and Risk Management	80
Employee Mgmt & Retirement Plans	120
HOME ARP	120
Information Technology	120
Homeowner Assistance Fund (HAF)	100
Follow-up, Annual Reporting and Administration	50
Total Hours Planned	590

FY2024

ERM and Risk Management	80
Tax-Exempt Mortgage Bonds	120
AP/Cash Disbursements and ACH transactions (includes accounting and servicing)	120
CDD - Weatherization Program (Utilities)	80
Follow-up, Annual Reporting and Administration	50
Total Hours Planned	450

Additional internal audit budget hours will be allocated to subservicing oversight loan portfolio review and monthly/quarterly quality assurance review of loan servicing within MFA.

Discussion:

Compliance has sought feedback with Chiefs and Department Directors to discuss areas where MFA may have exposed risk or vulnerabilities. The internal audit hours being requested for FY2023 are slightly higher than the norm of around 510-520. However, the past two years the internal audit budget has come in under the budgeted allotted hours. The need for additional hours requested in FY2023 are due to several reasons: (1) MFA has not conducted a more comprehensive enterprise risk management review since 2019 due to COVID circumstances so we estimate an increase in the number of hours. (2) As a matter of timing in the fiscal year, the internal auditor provides Follow-up, Annual Reporting and Administration to the MFA Board at the November Board meeting. The hours for this activity are allotted in the plan but typically are invoiced in the next fiscal year. (3) The Employee Management and Retirement Benefit internal audit has not been conducted since 2017. This internal audit reviews employee files, benefit deductions, Family and Medical Leave Act (FMLA) eligibility and compliance and ADP testing. The Employee Benefit Plan internal audit reviews participation data, contribution accuracy, distributions and user and system controls and (4) The HOME ARP (Homeless Prevention and Rapid Rehousing) and Homeowner Assistance Fund programs are two new federal programs that are recommended for internal audit before they are scheduled for external audit.

In addition, back in 2019, the Information Technology Department underwent an internal audit but it was focused solely on technology security. Observations related to cybersecurity were identified and MFA has been diligently implementing improvements. Due to the ever-changing IT environment, Management recommends a more comprehensive internal audit beyond technology security for IT.

Finally, additional internal audit budget hours have been utilized the past two fiscal years for an annual subservicing oversight review. This has helped MFA and IHFA revamp processes where needed for servicing of the loan portfolio. It has been recommended switching to twice a year loan portfolio review so that improvements in processes can be addressed on a more timely basis. MFA will coordinate with the internal auditor and IHFA to conduct a twice a year loan portfolio review.

Summary:

Staff requests approval for the FY2023/2024 Internal Audit Plan.



Internal Audit Hours Summary

Area	2022 Budgeted Hours	2022 Actual Hours	Variance (Over)/Under	Comments
ERM/Fraud Training	50	42	8	
Section 811 Program	80	88	-8	1 low risk observation identified
Subservicing Oversight	30	25	5	Process improvement recommendations provided
Vendor Management	70	63	7	Process improvement recommendations provided
HOME Rehab	130	134	-4	Performed HOME Rehab IA instead of Weatherization program. 1 low risk observation identified. Process improvement recommendations provided
Mortgage Operations	100	103	-3	No reportable observations
Risk Assessment/Follow-up/Annual Reporting and Administration	50	8	42	
Total hours through 9/30/22	510	463	47	



NEW MEXICO MORTGAGE FINANCE AUTHORITY
Contracted Services/Credit Committee Meeting
Tuesday, December 6, 2022 @ 10:00 am
MFA – Albuquerque

WebEx join the meeting from the calendar or call 1-408-418-9388 (access code): 2495 765 9373

AGENDA ITEM	TIME ALLOTTED	COMMITTEE RECOMMENDED	BOARD ACTION REQUIRED
1 Recommendation to Allocate State and Local Fiscal Recovery Funding (SLFRF) to an open Notice of Funding Availability (NOFA) (Robyn Powell and Ted Chavez)	10:00 – 10:15	YES 2-0	YES
2 State and Local Fiscal Recovery Funding (SLFRF) Notice of Funding Availability (NOFA) (Robyn Powell and Ted Chavez)	10:15 – 10:30	YES 2-0	YES
3 Questions/comments from Committee	10:30-10:45		YES

Committee Members present:

Rebecca Wurzbarger, Chair ☐ present ☐ absent ☒ conference call

Attorney General Hector Balderas or **Gideon Elliot** ☐ present ☐ absent ☒ conference call

Patricia Sullivan ☐ present ☒ absent ☐ conference call






120622 Contracted Services Agenda approval

Final Audit Report

2022-12-08

Created:	2022-12-08
By:	Sandra Marez (Smarez@housingnm.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAAIRi89I1elzcP1sn6uM-vZKactjXWNXen

"120622 Contracted Services Agenda approval" History

-  Document created by Sandra Marez (Smarez@housingnm.org)
2022-12-08 - 2:18:38 AM GMT
-  Document emailed to Izzy Hernandez (ihernandez@housingnm.org) for signature
2022-12-08 - 2:19:08 AM GMT
-  Email viewed by Izzy Hernandez (ihernandez@housingnm.org)
2022-12-08 - 2:36:37 AM GMT
-  Document e-signed by Izzy Hernandez (ihernandez@housingnm.org)
Signature Date: 2022-12-08 - 2:37:02 AM GMT - Time Source: server
-  Agreement completed.
2022-12-08 - 2:37:02 AM GMT

Tab 2



MEMO

TO: MFA Board of Directors

Through: Policy Committee on November 29, 2022
New Mexico Housing Trust Fund Advisory Committee on December 5, 2022
Contracted Services Committee on December 6, 2022

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

DATE: December 14, 2022

SUBJECT: Recommendation to Approve the Reallocation of State and Local Fiscal Recovery Funds

Recommendation

Staff recommends approval to reallocate \$5,000,000 of American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds (SLFRF) for the purpose of publishing a Notice of Funding Availability.

Background

On March 11, 2021, President Joseph R. Biden, Jr. signed the American Rescue Plan Act (ARPA) into law, which included the Coronavirus State and Local Fiscal Recovery Fund (SLFRF). This fund provides relief for eligible state, local, territorial and tribal governments to respond to the continued impact of COVID-19 on the economy, public health, state and local governments, individuals and businesses.

During the December 2021 special session, the New Mexico legislature allocated \$15 million of the state's ARPA SLFRF funding through House Bill 2 to New Mexico Housing Trust Fund. This funding was allocated at the March 2022 Board of Directors meeting to 1.) Emergency Assistance to Make Homes "Weatherization Ready" in the amount of \$3,750,000; 2.) Affordable Rental Development, specifically 2020 LIHTC projects affected by construction cost increases, in the amount of \$10,750,000; and 3.) the Housing Innovation Program in the amount of \$500,000.

Subsequently on November 7, 2022, MFA Policy Committee approved amended uses of the funding to allow for any approved rental development project with a demonstrated need for additional funding to be eligible to receive a grant or loan and approved \$500,000 of funds allocated to the Housing Innovation Program be reallocated to either rental housing development or Weatherization Ready, based on need and ability to expend funding prior to the contractual deadlines. The Housing Innovation Program NOFA is currently closed while staff revises the program and funding source.

Discussion

Staff is recommending that \$5,000,000 be diverted from Affordable Rental Development to the SLFRF NOFA to make available and expend funding in compliance with the Treasury timelines. Staff have requested additional Capital Outlay funds from the State in the amount of \$10,000,000 to provide

financing for affordable rental development projects, which will replace the \$5,000,000 in diverted funds.

Summary

Staff recommends approval to reallocate \$5,000,000 of American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds (SLFRF) for the purpose of publishing a Notice of Funding Availability.

Tab 3



MEMO

TO: MFA Board of Directors

Through: Policy Committee on November 29, 2022
New Mexico Housing Trust Fund Advisory Committee on December 5, 2022
Contracted Services Committee on December 6, 2022

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

DATE: December 14, 2022

SUBJECT: Recommendation to Approve the State and Local Fiscal Recovery Funds Notice of Funding Availability for Publication

Recommendation

Staff recommends approval of the State and Local Fiscal Recovery Funds Notice of Funding Availability (NOFA) for publication.

Background

On March 11, 2021, President Joseph R. Biden, Jr. signed the American Rescue Plan Act (ARPA) into law, which included the Coronavirus State and Local Fiscal Recovery Fund (SLFRF). This fund provides relief for eligible state, local, territorial and tribal governments to respond to the continued impact of COVID-19 on the economy, public health, state and local governments, individuals and businesses.

During the December 2021 special session, the New Mexico legislature allocated \$15 million of the state's ARPA SLFRF funding through House Bill 2 to the New Mexico Housing Trust Fund. At the March 2022 Board of Directors meeting, funding was approved for disbursements to 1.) Emergency Assistance to Make Homes "Weatherization Ready" in the amount of \$3,750,000; 2.) Affordable Rental Development, specifically 2020 LIHTC projects affected by construction cost increases, in the amount of \$10,750,000; and 3.) the Housing Innovation Program in the amount of \$500,000.

Subsequently on November 7, 2022, MFA Policy Committee approved amended uses of the funding to allow for any approved rental development project with a demonstrated need for additional funding to be eligible to receive an SLFRF grant or loan, and approved \$500,000 of funds disbursed to the Housing Innovation Program be reallocated to either rental housing development or Weatherization Ready, based on need and ability to expend funding prior to the contractual deadlines. The Housing Innovation Program NOFA is currently closed while staff revises the program and funding source.

Concurrently with this recommendation to approve publication of the SLFRF NOFA (via a separate memo), staff is recommending that \$5,000,000 be diverted from Affordable Rental Development to the SLFRF NOFA to make available and expend funding in compliance with the Treasury timelines. Staff have

requested additional Capital Outlay funds from the State in the amount of \$10,000,000 to provide financing for affordable rental development projects, which will replace the \$5,000,000 requested for this NOFA.

As Trustee of the New Mexico Housing Trust Fund, MFA may retain up to five percent (5%) of the funds disbursed annually for actual expenses in administering the Fund, allowing \$4,750,000 for eligible projects and \$250,000 for administrative expenses.

Discussion

This NOFA is written to comply with the SLFRF Final Rule published by the U.S. Department of the Treasury. To the extent allowable by the Final Rule, the NOFA aims to permit the greatest flexibility possible.

All proposed projects under this Notice of Funding Availability (NOFA) must comply with the Mortgage Finance Authority Act, the Affordable Housing Act, NM HTF Act and their associated Rules, ARPA and the SLFRF Final Rule, and all other applicable state and federal laws and regulations.

A complete copy of the NOFA is incorporated herein as Exhibit A

Timeline

The NOFA will be published on MFA's website and announced to potential applicants following MFA Board of Directors approval. 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. Applications which were submitted for a prior funding round, but which are still pending, will be given priority over new applications.

Summary

Staff recommends approval to publish the State and Local Fiscal Recovery Funds Notice of Funding Availability.

Exhibit A

State and Local Fiscal Recovery Funds
Notice of Funding Availability



State and Local Fiscal Recovery Funds

Notice of Funding Availability



Approved as of:

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Approved as of:

Introduction

MFA is pleased to announce that it is making available \$5 million of funding from American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Funds for the purposes defined by the U.S. Department of the Treasury (Treasury) Final Rule (Final Rule) which allow state, local, and Tribal governments to respond to the severe economic impact resulting from the pandemic and resulting recession.

The entire Final Rule published by the Treasury can be found at:

<https://home.treasury.gov/system/files/136/SLFRF-Final-Rule.pdf>; <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>.

Program Background

On March 11, 2021, President Joseph R. Biden, Jr signed the American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Fund (SLFRF) into law. This legislation provides relief for eligible state, local, territorial and tribal governments to respond to the continued impact of COVID-19 on the economy, public health, state and local governments, individuals and businesses.

During the 2021 special session and 2022 regular session, the New Mexico legislature allocated a total of \$25 million of the state's ARPA SLFRF funding through House Bill 2 for the New Mexico Mortgage Finance Authority to acquire, build and rehabilitate, including weatherization, affordable energy efficient housing, financing and other housing services statewide, pursuant to the provisions of the New Mexico Housing Trust Fund Act and the Affordable Housing Act.

All proposed projects under this Notice of Funding Availability (NOFA) must comply with the Mortgage Finance Authority Act, the Affordable Housing Act, NM HTF Act and their associated Rules, ARPA and the SLFRF Final Rule, and all other applicable state and federal laws and regulations.

MFA Point of Contact

Applicants are encouraged to direct questions regarding the SLFRF NOFA and Application Guidelines to:

New Mexico Mortgage Finance Authority
344 Fourth Street SW
Albuquerque, NM 87102
Phone: (505) 767-2277 or toll-free statewide (800) 444-6880
E-mail: tchavez@housingnm.org
TTY/Voice: 711, or if no answer
1-800-659-8331 (English) OR 1-800-327-1857 (Spanish)

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.

Approved as of:

Frequently Asked Questions

In an effort to provide clarification or answers to questions about this NOFA and addenda, MFA will publish all response to any inquiries in the “Frequently Asked Questions” section on MFA’s website at: <https://housingnm.org/State and Local Fiscal Recovery Funds NOFA>.

Application Submission

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. 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 meeting of the MFA Board of Directors will be treated as one funding round and evaluated concurrently.

Applications which were submitted for a prior funding round, but which are still pending, will be given priority over new applications. If sufficient funds are not available to fund all projects in a funding round that meet the requirements outlined in this NOFA, the project receiving the highest score will be recommended to the Board of Directors for approval, followed by the next highest scoring project, etc. until the remaining funds are no longer sufficient to fulfill the next highest scoring project’s requested amount. The required application forms will be provided electronically and may be downloaded from MFA’s website at: <https://housingnm.org/State and Local Fiscal Recovery Funds NOFA>.

Applications must be submitted via email to and include “SLFRF Application” in the subject line.

Eligible Applicants

Applicants should have among its purposes significant activities related to providing housing or services to Persons of Low or Moderate Income.

Eligible applicants include, but are not limited to, non-profit organizations, for-profit organizations, governmental housing agencies or authorities, regional housing authorities, governmental entities, governmental instrumentalities, tribal governments, tribal housing agencies, developer, builders, corporations, limited liability companies, partnerships, joint ventures, syndicates, associations, or other entities that can assume contractual liability and legal responsibility by executing one or more written agreements entered into with MFA. Individual applicants are not eligible.

To the extent applicable, applicants will be asked to provide:

- Organization under state, local, or tribal laws and provide proof of such organization and that the applicant is in good standing, as applicable.
- 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.
- 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.

Approved as of:

- 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.
- Not having been defaulted on any obligation covered by a surety or performance bond.

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

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

Affordability Period Compliance

All funding awarded will be subject to an affordability period as shall be established by MFA, provided, however, that where an affordability period is not practical, the conveyance shall not be subject to an affordability period, but nevertheless, any such conveyance may be subject to recapture on a pro-rated basis as determined by MFA in its discretion.

Eligible Beneficiaries

The SLFRF Final Rule defines eligible households and communities that are presumed to be “impacted” versus “disproportionately impacted” by the pandemic and states certain enumerated uses for each population. Impacted classes experienced the general, broad-based impacts of the pandemic, while disproportionately impacted classes faced meaningfully more severe impacts, often due to preexisting disparities.

Impacted Households

The households or communities presumed to be impacted include:

- Low- or moderate-income households or communities (defined as: 1) income at or below 300% of the Federal Poverty Guidelines for the household size; or 2) income at or below 65% of area median income)
- Households that experienced unemployment
- Households that experienced increased food or housing insecurity
- Households that qualify for the Children's Health Insurance Program, Childcare Subsidies through the Child Care Development Fund Program, or Medicaid
- When providing affordable housing programs: households that qualify for the National Housing Trust Fund and Home Investment Partnerships Program

Disproportionally impacted Households

The households or communities presumed to be disproportionately impacted include:

- Low-income households or communities (defined as: 1) income at or below 185% of the Federal Poverty Guidelines for the household size; or 2) income at or below 40% of area median income)
- Households residing in Qualified Census Tracts (QCTs)
- Households that qualify for certain federal benefits

Approved as of:

- Households receiving services provided by Tribal governments
- Households residing in the U.S. territories or receiving services from these governments

Eligible Activities for Impacted Households

Awards made under this NOFA may be used for a range of affordable housing activities for impacted households that experienced a public health or negative economic impact from the pandemic. Below is a list of eligible activities, as defined in the Final Rule:

- Transitional shelters (e.g., temporary residences for people experiencing homelessness)
- Emergency home repair of existing owner-occupied housing
- Emergency assistance for pressing and unavoidable household needs, e.g., private septic tank and well repair
- Home weatherization activities
- Programs or services to improve access to stable, affordable housing among individuals who are homeless, and the development of affordable housing to increase supply of affordable and high-quality living units (e.g., land acquisition, construction, pre-construction costs, operating costs, etc.)
- Development of affordable housing (including operating [Section 108](#) subsidies) and wraparound services such as behavioral health services, employment services, and other supportive services
- Other affordable housing developments targeted to specialized populations are also eligible, for example recovery housing for individuals in recovery from substance use or youths aging out of foster care
- New construction or acquisition, rehabilitation, and resale of single-family homes including manufactured housing
- Home rehabilitation and maintenance, or repair of existing owner-occupied housing
- New construction or acquisition/rehabilitation of permanent rental housing.
- New construction or acquisition/rehabilitation of housing for special needs populations including, but not limited to, transitional, group or congregate housing, and temporary housing for the homeless

Eligible Activities for Disproportionately Impacted Households

Awards made under this NOFA may be used for a range of affordable housing activities for disproportionately impacted households that experienced a public health or negative economic impact from the pandemic. Below is a list of eligible activities as defined in the Final Rule:

- Rehabilitation, renovation, maintenance, or costs to secure vacant or abandoned properties to reduce their negative impact
- Costs associated with acquiring and securing legal title of vacant or abandoned properties and other costs to position the property for current or future productive use
- Removal and remediation of environmental contaminants or hazards from vacant or abandoned properties, when conducted in compliance with applicable environmental laws or regulations
- 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

Approved as of:

- Greening or cleanup of vacant lots, as well as other efforts to make vacant lots safer for the surrounding community
- Conversion of vacant or abandoned properties to affordable housing
- Inspection fees and other administrative costs incurred to ensure compliance with applicable environmental laws and regulations for demolition, greening, or other remediation activities

Funding Terms and Conditions

All awards will be subject to the availability of funds, applicable law, and funding source regulation. 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 in the form of loans or grants, which may be for interim and/or permanent financing. The terms and conditions for each award will be based on the financing needs of each project or activity. Loan terms and conditions may range from no interest, deferred payment loans to revolving line of credit loans to loans with near-market interest rates and terms.

All loans will be secured by mortgages and/or other appropriate liens/security interests. The recording of Land Use Restriction Agreements (LURAs) will be required for all loans, and in some cases, grants. LURAs will remain in place throughout any required affordability period 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 imposed through permanent affordability mechanisms such as deed restrictions or land trusts.

Funding Limits and Restrictions

All awarded projects must incorporate an energy-efficiency component.

Funding Limits and Restrictions

Awards are contingent on sufficient appropriations and are further subject to applicable law and funding source regulation. If these are not available, any award or other agreement between MFA and any successful, eligible applicant will terminate upon written notice being given by MFA to the applicant. MFA's decision as to whether sufficient appropriations are available or whether SLFRF awards may be subject to applicable law will be accepted by any applicant and will be final.

MFA, in its discretion, may set limits on the amount of SLFRF funding to be awarded per application, per NOFA, per NOFA Addendum, per quarter, per year, or otherwise.

Cancellation of Notice of Funding Availability or Rejection of Applications

MFA may cancel this NOFA at any time for any reason and may reject all applications (or any application) which are/is not responsive.

Evaluation of Applications and Documentation

MFA staff will evaluate applications using the Threshold Requirements and Ranking Criteria as described in the following sections. MFA will follow its own policies and procedures to obtain the necessary award approvals. MFA reserves the right to make final award decisions at its discretion.

Approved as of:

Staff may contact applicants for clarification of information provided. In the event of a tie score, staff will recommend approval based on need as determined by staff. All loans, grants and related agreements will include provisions for adequate security against the loss of SLFRF 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.

Threshold Requirements

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

- The application is complete and legible, including all required documents, and is submitted by the application deadline.
- The application complies with all applicable requirements established in this NOFA, and any applicable addendum.
- 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.
- 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.
- The applicant provides sufficient evidence of 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").
- 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.

Applications that do not meet all of the threshold requirements will not receive further consideration for funding and will be returned to the applicant.

Ranking Criteria

Applicants will be scored on the following ranking criteria below. Applicants must score a minimum of 70% of the total points possible to be considered.

Criterion	Points Possible
1. Enumerated Uses The project is an Enumerated Use and is eligible within the Final Rule. Enumerated uses are provided above, under <i>Eligible Activities for Impacted Households</i> and <i>Eligible Activities for Disproportionately Impacted Households</i> . If yes, full points can be awarded.	40

Approved as of:

If no, additional analysis will be required, based on the Final Rule, to determine eligibility and need.	
2. 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
3. Financial feasibility The project is evaluated on its financial 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
4. Project Design and Implementation Plan The project is evaluated on the project design and implementation plan presented in the application form, including method for determining eligible beneficiaries, address long-term affordable housing needs for the targeted population, service delivery or implementation plan, and the incorporation of 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

Application Format and Instructions to Applicants

All applicants must complete the SLFRF Application Form and provide all required documents included on the Application Required Documents Checklist. The Application Form and the Application Required Document Checklist are located on MFA's website at <https://housingnm.org/State and Local Fiscal Recovery Funds NOFA>.

Incurred Expenses

MFA will not be responsible for any expenses incurred by an applicant in applying for SLFRF 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 will provide written notice of the award to all applicants within 15 days of the date of the award. The award will be contingent upon signing final loan/grant documents.

Application Confidentiality

Prior to the application deadline, MFA encourages inquiries and contacts with its Contact Person from potential applicants regarding the NOFA and/or sound housing project policies and procedures. MFA will not disclose any information regarding a proposed application provided during such inquiries and contacts to any third party, except as may be required under MFA's Request to Inspect Documents policy. After the application deadline and until awards are made and notice given to all applicants, MFA

Approved as of:

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, except as may be required under MFA's Request to Inspect Documents policy.

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

Irregularities in Applications

MFA may waive technical irregularities in the form of proposal of any applicant selected for 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 will 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 Housing Innovation Program application and who has furnished, when required, information and data to prove that the applicant's financial resources, production or service 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 or grant pursuant to the State and Local Fiscal Recovery Funds NOFA 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 5 business days after the notice of award or decline. Upon the timely filing of a protest, the Contact Person will 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 5 business days of notice of protest. A committee appointed by MFA's Board Chair will review the protest and responses to the protest and, if necessary, as dictated by MFA policies and procedures, will make a recommendation to MFA's Board of Directors regarding the disposition of the protest.

MFA's Board of Directors or their committee assignee will make a final determination regarding the disposition of the protest. Applicants or their representatives will not communicate with MFA's Board of Directors, the committee or staff members regarding any proposal under consideration, except when specifically permitted to present testimony to the committee of MFA's 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 MFA's Board of Directors, the committee or staff members during any portion of the review process or does not follow the prescribed Application and Protest process.

Approved as of:

Third-Party Code of Conduct

Applicant will conduct themselves in a manner consistent with MFA's Third-Party Code of Conduct which is located on MFA's website at:

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

Applicant will promptly disclose information MFA may reasonably request relating to conflicts or potential conflicts of interest.

Tab 4



MEMORANDUM

TO: MFA Board of Directors

Through: Policy Committee – December 5, 2022

FROM: Kathryn Turner, Assistant Director, Housing Development Department

DATE: December 14, 2022

SUBJECT: Modification to Allocation Review Committee (ARC) Rules and Appointment of Low-Income Housing Tax Credit (LIHTC) Allocation Review Committee (ARC) Members

Recommendation:

Staff recommends an adjustment to the Allocation Review Committee (ARC) Rules to better reflect the diverse make-up of the Committee and recommends the appointment of Edward Archuleta and Ken Carson Jr. to the LIHTC ARC.

Background:

The functions of the ARC are set forth in MFA's 2023 Qualified Allocation Plan (QAP), Section IV.F.3. "Allocation Review Committee (ARC)". The Chairman of the Board of MFA will appoint an ARC. The functions of this committee will be to: 1) review the Project rating and ranking results in the staff's proposed award summary, 2) determine whether or not the proposed awards have been made consistent with this QAP, 3) conduct the appeals process and 4) make final award recommendations to the Board of Directors. MFA will notify Applicants of the preliminary status of their Projects with the use of a preliminary Reservation Letter, preliminary waitlist letter or rejection letter, after ARC's approval of the staff's proposed awards and before the appeal process begins. Such letters will be scheduled to be issued approximately 90 days after the Application deadline. Except for appeals as described in Section IV.F.4 below, the provisions of this section are not applicable to tax-exempt bond financed Projects.

Members beyond the MFA Board of Directors Representative, and per the existing ARC Rules (attached), are expected to be professionals with finance, development, or lending expertise, however the make-up of the committee has included professionals from the energy and legal sectors, as well as those in the housing and homeless service areas. The diverse make-up of the group has led to a well-rounded Allocation Review Committee, and the modification to the ARC Rules reflects this more accurately.

Current ARC Members:

1. Patricia Sullivan – Associate Dean, College of Engineering, NMSU (MFA Board of Directors Representative);
2. Bob White – Of Counsel, Robles, Rael & Anaya, P.C.;

3. Rosalyn Nguyen Chafey – Attorney, Presbyterian Healthcare Services;
4. Michael A. D’Antonio – Energy Policy Consultant;
5. Adelmo “Del” Archuleta – former President, Molzen-Corbin;
6. Nicole Martinez – Executive Director, Mesilla Valley Community of Hope; and
7. *Lyle Greenberg – formerly with Charter Bank (rotating off)*

Discussion:

The committee is currently comprised of seven members. However, Lyle Greenberg has indicated a wish to rotate off the committee and staff recommends expanding the committee size to eight members, still below the limit of nine per the ARC Rules (attached).

There are two individuals that are willing and able to participate on the committee:

Edward Archuleta, a University of New Mexico alumni, has worked with St. Elizabeth Shelters and Supportive Housing in Santa Fe for the last 12 years in various roles, starting as intern, and currently serving as Executive Director. Prior to joining St. Elizabeth, he worked as a consultant to environmental non-profit organizations and successfully established the first land conservation program in New Mexico. Mr. Archuleta also worked with a non-profit agency on land use planning and sustainable development; was a licensed real estate broker specializing in conserving ecologically and historically significant properties; and held positions within the Office of the Secretary of State. He has an extensive history on boards and committees across the State and brings real estate, environmental design, and supportive housing experience to the committee. (See attached Resume)

Ken Carson Jr. an Albuquerque, New Mexico native attended New Mexico State University. Mr. Carson has a 40-year career as a banker including as a Federal Bank Examiner, leading the New Mexico State Banking department and President of MyBank of Belen. He opened Nexus Brewery in Albuquerque in May of 2011. Mr. Carson has a long history of philanthropic and volunteer work across New Mexico and brings years of banking experience to the ARC. (See attached Resume)

Summary:

In order to fill the vacated seat left by Lyle Greenberg and add valuable expertise to the committee, it is staff’s recommendation to expand the committee by one, to make the overall size of the committee eight. Edward Archuleta and Ken Carson Jr. have both expressed interest and availability, and staff believes they would provide significant experience, knowledge and backgrounds to the Allocation Review Committee. Additionally, a modification to the ARC Rules for 2023 is recommended to better reflect the beneficial diversity of backgrounds on both the existing and future Allocation Review Committee.

MFA Tax Credit Allocation Review Committee (ARC) Rules

MFA's Allocation Review Committee (ARC) was created by the Board of Directors to (1) confirm that program procedures set forth in the Qualified Allocation Plan have been followed during the Allocation Round, and (2) to hear and decide appeals.

MFA's Board of Directors appoints Committee members based on suggestions provided by MFA staff. The Committee is comprised of at least four (4) and no more than nine (9) members, one of which will be a current member of the MFA Board. The remaining members will be comprised of professionals with finance, development, or lending expertise in the sectors of finance, development, legal, energy, housing or homeless services, among other backgrounds. The Board will renew and/or appoint new members to the Committee as needed due to vacancies. The Committee Chair will be the MFA Board Representative.

A majority of all Allocation Review Committee Members shall constitute a quorum to conduct the business of the ARC, and the act of a majority of the Members of the ARC present at any ARC meeting shall be deemed the act of the ARC.

The full Committee will meet once per year, for approximately two to four hours. After staff has determined tax credit award recommendations it will make a detailed presentation of the procedures that were followed.

After staff recommendations are reviewed and approved by the ARC, preliminary approval and rejection letters are issued to all Applicants. Letters are mailed to Applicants via US Mail and email, return receipt requested. These letters describe and begin the appeals process. If needed, the ARC will meet a second time to hear any appeals to the proposed tax credit award scoring.

Because of the limited number of meetings, members will be expected to attend all meetings, including the appeals hearings (if needed). ARC members are expected to review and be familiar with the annual Qualified Allocation Plan and allocation process and are expected to review materials provided by staff in advance of meetings. These meetings may be held virtually or in-person. From time to time, the meetings may be held outside of Albuquerque. Members of the ARC are eligible for travel reimbursements in accordance with MFA's travel policies and guidelines.

Board Representative and ARC Chair:

- Patricia Sullivan, NMSU, Las Cruces, NM

Current members of the ARC include:

- Michael A. D'Antonio, Albuquerque, NM
- Robert White, Robles, Rael, & Anaya, P.C., Albuquerque, NM
- ~~Lyle Greenberg, Albuquerque, NM~~
- Nicole L. Martinez, Mesilla Valley Community of Hope, Las Cruces, NM
- Adelmo (Del) Archuleta, formerly with Molzen Corbin, Albuquerque, NM
- Rosalyn Nguyen Chafey, Presbyterian Healthcare Services, Albuquerque, NM
- Edward Archuleta, St. Elizabeth Shelter, Santa Fe, NM

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- Ken Carson, Jr., formerly with MyBank of Belen, Albuquerque, NM

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MFA Tax Credit Allocation Review Committee (ARC) Rules

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The full Committee will meet once per year, for approximately two to four hours. After staff has determined tax credit award recommendations it will make a detailed presentation of the procedures that were followed.

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- Michael A. D'Antonio, Albuquerque, NM
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- ~~Lyle Greenberg, Albuquerque, NM~~
- Nicole L. Martinez, Mesilla Valley Community of Hope, Las Cruces, NM
- Adelmo (Del) Archuleta, formerly with Molzen Corbin, Albuquerque, NM
- Rosalyn Nguyen Chafey, Presbyterian Healthcare Services, Albuquerque, NM
- Edward Archuleta, St. Elizabeth Shelter, Santa Fe, NM
- Ken Carson, Jr., formerly with MyBank of Belen, Albuquerque, NM

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Edward J. Archuleta
 PO Box 2952 Santa Fe, NM 87504
 505-204-4548 edarchuleta@aol.com

Professional Experience:

2018 – Present

*St. Elizabeth Shelters and Supportive Housing
 Santa Fe, NM*

Executive Director: Oversee two homeless shelters and three supportive housing programs

2010 – 2018

*St. Elizabeth Shelters and Supportive Housing
 Santa Fe, NM*

Intern, Shift Supervisor and Case Manager: Assisted in the day to day operations of a homeless shelter; worked with guests in obtaining vital documents, counseling, employment and housing.

2003 – 2010

*Eco Environmental Consulting
 Santa Fe, NM*

Principal: Consultant to environmental non-profit organizations on programming and fundraising; statewide coordinator for New Mexico Land & Wildlife Conservation Program; successfully lobbied state legislature for \$5 million in funding to establish the state's first land conservation program and drafted legislation for same

1992 – 2008

*Eco Realty of Santa Fe and Western Equities Real Estate, Inc.
 Santa Fe, NM*

Realtor: Licensed real estate broker specializing in working with first time homebuyers and in conserving ecologically and historically significant properties.

1997 - 2003

*1000 Friends of New Mexico
 Santa Fe, NM*

Santa Fe and Northern New Mexico Director: Oversaw a non-profit office promoting effective land use planning and sustainable development; lobbied elected and appointed officials on city, county and state smart growth legislation; managed campaign to create a \$20 million conservation and open space program in Santa Fe County.

1994 - 1997

*State of New Mexico, Office of the Secretary of State
 Santa Fe, NM*

Assistant to the Secretary of State and Director of Administrative Support: Supervised fiscal, legal, and information systems staff consisting of thirty-three employees; and assisted Secretary of State in fulfilling her constitutional and statutory duties.

Other professional experience includes architectural and landscape design, historic preservation, urban planning, event planning and political consulting.

Education:

1978 - 1982	University of New Mexico, Albuquerque, NM Bachelor of Arts in Environmental Design Minor in Southwest History Honors Program, cum laude
1992	Santa Fe School of Real Estate, Santa Fe, NM New Mexico Real Estate License

Boards and Committees:

2018 – Present	New Mexico Coalition to End Homelessness
2011 – 2016	Santa Fe Community Housing Trust
2003 – 2008	New Mexico Natural Lands Protection Committee
2002 – 2008	Cerrillos Hills Park Coalition, Special Advisory Trustee
1998 – 2008	Think New Mexico, A Public Policy Think Tank
1998 – 2008	Santa Fe Business/Capitol District Design Review Committee
2002 - 2003	Governor-Elect Bill Richardson's Environmental Issues Transition Team
2001 - 2004	The Trust for Public Land, New Mexico Advisory Council
2000 - 2005	Santa Fe Railyard Park & Plaza Design Committee
1999 - 2006	Old Santa Fe Association
1998 - 2003	Santa Fe Watershed Association
1998 - 2002	Santa Fe County Open Space and Trails Committee
1998 - 2002	Santa Fe Area Green Building Coalition
1998 - 2001	Santa Fe Plaza Renovation Task Force
1998 - 2001	Sierra Club, Rio Grande Chapter – Sprawl Issues Committee
1996 - 1998	Santa Fe Fiesta Council
1993 - 1995	Historic Santa Fe Foundation
1991 - 1993	Santa Fe County Development Review Committee
1990 - 1996	St. Elizabeth Shelter for the Homeless
1989 - 1992	Santa Fe Urban Policy Board
1988 - 1996	Guadalupe Historic Foundation
1987 - 1992	New Mexico Columbus Quincentenary Commission
1985 - 1987	Santa Fe Council for the Arts
1983 - 1985	Santa Fe Mayor's Task Force for Affordable Housing
1982 - 1984	Santa Fe Northwest Sector Planning Committee

Kenneth Carson, Jr.

1409 Valle Lane NW

Albuquerque, NM 87107

505 480-4960

SUMMARY OF QUALIFICATIONS

Over 28 years in the BANKING INDUSTRY including 14 successful years as Bank President and Board Member--Key Leader with responsibility for daily management, growth, strategy implementation and profitability.

- grew bank from no market share in Valencia county to 18% market share
- consistently exceeded Valencia county competitor's growth rate for past 14 years
- One of the fastest growing banks in NM
- Top 10% in revenue generation compared BPR peer group
- ROE at holding company level in excess of 14%, YTD 2007

Experienced TEAM BUILDER & LEADER with a demonstrated track record in all areas of personnel development.

Accomplished MARKETING professional with a proven ability to grow lead sales teams. Skilled in developing new business and services & expanding existing accounts—instantly establishes rapport with customers; demonstrates strong presentation, negotiation and prospecting skills; develops lasting customer relationships ensuring long-term account loyalty & frequent business referrals

Extensive COMMUNITY INVOLVEMENT—participates in a variety of community-oriented and professional organizations to provide additional networking and referral opportunities

PROFESSIONAL EXPERIENCE

Nexus Brewery/Albuquerque January 2010 to present

Founder/Owner

Developed business plan, concept, marketing plan. Opened May of 2011

First Community Bank/ Albuquerque

SVP ACH Risk Manager and E Banking Supervisor (Sept. 2008 to Sept. 2009)

Responsible for overall supervision of the ACH, Wire and Customer Care call center. In addition to risk manager over ACH credit transaction.

Supervised clean up and reorganization of the Electronic Banking area where the bank was under a MOU for various operational deficiencies

SVP and Special Assets Manager (March 2008 thru Sept. 2008)

Responsible for overall supervision of the problem loan department.

MY BANK / Belen, New Mexico [1993-March 2008]

President and CEO

Responsible for overall supervision of community bank with current assets of \$146M and 91 employees among five branches in Bernalillo, Valencia and Torrance counties.

☐ **Consistently resilient to internal and external challenges--upward growth** in assets and expansion of community presence

☐ **"Ken's ability to balance asset growth with serving the needs of customers and employees consistently results in his exceeding achievement goals...he excels in creating**

a

productive atmosphere...he displays excellent decision making skills...Ken Carson has made this bank what it is today." -Martin Sisneros , Chairman of the Board (through August 2008)

Kenneth Carson, Jr.

STATE OF NEW MEXICO / Santa Fe, New Mexico**Director** [1988-1993]**Financial Institutions Division****Regulation and Licensing Department**

Oversaw successful administration and setting policy for personnel and the industries regulated, to include banks, savings and loans, credit unions, mortgage companies, small loan companies and collection agencies. When appointed by Governor, was the youngest Director in the country.

☑ *Managed department through the Savings & Loan crisis with active field presence*

☑ *Raised professionalism of Examiners through training and mentoring; rewrote Examination Procedures for all regulated industries*

STATE OF NEW MEXICO / Santa Fe, New Mexico**Deputy Director -** [1987-1988]**Financial Institutions Division**

Supported Director in all aspects of setting and enforcing policies

PROFESSIONAL
EXPERIENCE
(Continued)

NEW MEXICO NATIONAL BANK (Moncor Bank) / Albuquerque, New Mexico**Commercial Loan Officer (Vice President)** [1984-1986]**Credit Administrator (Vice President)** [1983-1984].**Compliance Officer** [April 1983-December 1983]

Gained increasing levels of responsibility at start up bank. Learned all aspects of loans.

EDUCATION

NEW MEXICO STATE UNIVERSITY / Las Cruces, New Mexico

Bachelor of Business Administration, Emphasis in Finance

AFFILIATIONS

Former Member: **Belen Noon Optimist**Former Member: **Los Lunas Rotary Club**Member: **NAACP**Former Board Member: **FANNIE MAE Advisory Council**Former Board Member: **Western States School of Banking**Former Board Member: **New Mexico First**Former Board Member: **Greater Albuquerque Chamber of Commerce**Former Board Member: **Albuquerque Hispano Chamber of Commerce**Former Board Member: **Belen Chamber of Commerce**Former Board Member: **La Vida Felicidad**Former Board Member: **Valencia County Habitat for Humanity**Former Investment Committee Member: **Albuquerque Foundation**Former Board Member: **Golden Apple Foundation**Board Member: **Workforce Connection of Central NM (Immediate Past Chairman)**Board Member: **Ralph J.****Bunche Charter School (Chairman)**Member and Former Nat'l Board Member, President, Treasurer: **Omega Psi Phi Fraternity**

References Available Upon Request

Tab 5

MFA 2023 Legislative Agenda

New Mexico Housing Trust Fund (NMHTF)

\$48 million

This appropriation could help acquire, build, rehabilitate, preserve, finance, weatherize and/or provide energy efficiency upgrades for approximately 2,500 quality affordable homes for low-income New Mexicans.

Background: The New Mexico Housing Trust Fund was created by the New Mexico Legislature in 2005 with an initial appropriation of \$10 million and subsequent appropriations of \$17.05 million through 2021.

In 2022, Senate Bill 134 was enacted by the Legislature, allocating 2.5% of severance tax bonding capacity to the New Mexico Housing Trust Fund for the purposes of carrying out the provisions of the New Mexico Housing Trust Fund Act. This allocation of funding will commence with the severance tax bonding capacity estimated in **2024**, with funding available beginning in July 2024.

Additionally, in 2022, \$34 million dollars was allocated to the New Mexico Housing Trust Fund (\$25 million of American Rescue Plan Act State and Local Fiscal Recovery Funds, \$9 million of Capital Outlay) for the purposes of carrying out the New Mexico Housing Trust Fund Act. This funding was allocated to (1) rental housing development to support cost overruns resulting from supply chain issues and labor cost increases, (2) to energy efficient weatherization rehabilitation for single-family and multi-family housing, (3) down payment assistance for first time homebuyers, and (4) to the Restoring our Communities program which was designed to increase single-family housing stock through the acquisition, rehabilitation and resale of homes that are vacant or abandoned.

MFA leveraged last years' funding to enhance eligible activities in conjunction with the Low-Income Energy Conservation Program, or NM Energy \$mart, which weatherizes the homes of approximately 750 low-income families each year using two federal sources, the Weatherization Assistance Program (WAP) and the Low-Income Home Energy Assistance Program (LIHEAP), in addition to utility company sources. Funding allocated to the New Mexico Housing Trust Fund is being leveraged with these Federal dollars to provide an even bigger impact by making homes ready for the Weatherization Assistance Program and covering costs for repairs that are not allowed under the Federal funding sources. This funding is providing hundreds of homeowners and renters with energy saving repairs that make homes safer, more comfortable, and more efficient for some of the lowest income New Mexicans.

The funding allocated to down payment assistance is being deployed to assist homebuyers with up to \$25,000 through the Down Payment Advantage program, which is a true gift of funds. Eligible homebuyers can also receive an additional \$10,000 in the form of an amortizing second mortgage, for a total of \$35,000 towards the purchase of a home. In a housing environment of rising interest rates and with the cost of a median priced home ever increasing, this program provides homebuyers with a real advantage for achieving homeownership.

Results: The New Mexico Housing Trust Fund has grown from approximately \$27 million in appropriations to over \$34 million as a result of interest earned over the years. Through a competitive application process, MFA has awarded over \$63 million, including the state's \$22 million investment, interest income and loan repayments, to 37 housing projects totaling 4,791 housing units. These impressive developments have leveraged approximately \$698 million in other funding sources: that's over a 31-to-1 return on the state's initial investment. An additional investment in the New Mexico Housing Trust Fund will be used to support these important programs that address the continuum of housing needs, from homelessness to homeownership.

Support for the Linkages Program

Last year, the state supported expanding the Linkages program which required an additional recurring \$5,910,384 compared to State's Human Services Department's current FY 2022 budget for a total Linkages FY2023 budget of \$10,720,768. On November 30, 2022 both the MFA Legislative Oversight Committee and the Health and Human Services Committee endorsed legislative requests to increase the allocation to \$20 million in funding.

Background: Linkages is a state-funded permanent supportive housing program designed to provide rental subsidies, utility assistance and supportive services to vulnerable populations in order to link them with community-based, individualized services. 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. Program participants must be homeless or at risk of homelessness, be extremely low-income and have a serious mental illness or co-occurring diagnosis. As part of the program, participants receive monthly rental and utility assistance, ongoing case management with monthly visits as well as voluntary behavioral health services. **Results:** The program provides safe, affordable housing for participants, wrap-around services and leverages Medicaid dollars. MFA and HSD are operating the program at nearly 100% capacity, and there is still extensive demand. Due to the great need for Linkages, support services agencies have had to start waitlists. Sadly, there are few options while applicants are on waitlists. Due to lack of housing and support services, persons experiencing chronic homelessness cycle through expensive de facto housing solutions, including jails, prisons, emergency rooms, psychiatric hospitals and short-term shelters. Some studies estimate that on average a person experiencing chronic homelessness costs taxpayers between \$30,000 to \$50,000 per year. Housing for persons with serious behavioral health conditions that incorporates long term support can help alleviate these costs.

Affordable Housing Act Oversight Duties

\$250,000

This appropriation will 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.

Background: The Affordable Housing Act was signed into law in 2004. Like the Local Economic Development Act (LEDA), it is an exemption to the state's Anti-Donation clause. It permits the state and local governments to contribute public funds, land, buildings and other resources to create and preserve affordable housing. MFA is charged with rulemaking authority and oversight of the Act but receives no funds for these purposes. **Results:** The priority and focus of this funding is to help local governments, municipalities, and jurisdictions implement approved housing plans and ordinances, paving the way for communities to increase housing stock and deploy housing solutions that meet local needs while leveraging local resources. To date, MFA has assisted 36 local governments in adopting an affordable housing ordinance and 36 local governments in creating affordable housing plans. These local governments have donated land and resources totaling more than \$73 million for affordable housing as of November 2022.

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56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

MAKING AN APPROPRIATION TO THE NEW MEXICO HOUSING TRUST FUND.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. APPROPRIATION.--Forty-eight million dollars (\$48,000,000) is appropriated from the general fund to the New Mexico housing trust fund for expenditure in fiscal year 2024 and subsequent fiscal years by the New Mexico mortgage finance authority for the purposes of carrying out the provisions of the New Mexico Housing Trust Fund Act. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.

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11/10/22

1 SENATE BILL

2 **56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023**

3 INTRODUCED BY

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6 DISCUSSION DRAFT

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10 AN ACT

11 MAKING AN APPROPRIATION TO THE HUMAN SERVICES DEPARTMENT FOR A
12 PROGRAM TO PROVIDE PEOPLE WHO ARE HOMELESS WITH ACCESS TO
13 SUBSTANCE USE DISORDER TREATMENT, BEHAVIORAL HEALTH SERVICES
14 AND SUPPORTIVE HOUSING.

15
16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

17 SECTION 1. APPROPRIATION.--Twenty million dollars
18 (\$20,000,000) is appropriated from the general fund to the
19 human services department for expenditure in fiscal year 2024
20 to provide people who are homeless with access to substance use
21 disorder treatment, behavioral health services and supportive
22 housing. Any unexpended or unencumbered balance remaining at
23 the end of fiscal year 2024 shall revert to the general fund.
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_____ BILL

56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

MAKING AN APPROPRIATION TO FUND THE OVERSIGHT DUTIES RELATED TO
THE AFFORDABLE HOUSING ACT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. APPROPRIATION.--Two hundred fifty thousand
dollars (\$250,000) is appropriated from the general fund to the
department of finance and administration for expenditure by the
New Mexico mortgage finance authority in fiscal year 2024 and
subsequent fiscal years for the purpose of funding the
oversight of the Affordable Housing Act. Any unexpended or
unencumbered balance remaining at the end of a fiscal year
shall not revert to the general fund.

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Tab 6



MEMO

TO: MFA Board of Directors
Through Policy Committee – October 11, 2022

FROM: Jeanne Redondo

DATE: December 14, 2022

SUBJECT: Multifamily Housing Development Changes in Financing

Recommendation:

The attached summary and spreadsheet are presented for information and discussion.

Background:

During the June 2022 board meeting, the board asked for more information regarding where supply/costs issues were headed during the presentation of the Broadway McKnight Tax Credit Assistance Program (TCAP) grant request. The board approved requests for loan modifications and/or grant requests to cover cost increases for three projects during the June 2022 board meeting.

Discussion:

Staff compiled a list of loan and tax credit allocations from 2020 through 2022 that are summarized on the following page. Approved loans and tax credits are grouped by the year the tax credits were allocated. Below the list of approved loans and tax credits is an anticipated application for \$316,885 additional tax credits that has not yet been presented to the board.

Projects awarded in 2020 generally experienced increases of in total development costs and a reduction in the equity provided by investors for awarded credits. In two instances, requests for additional MFA financing was approved. In all other cases, the developer was able to find other sources to cover the increased costs.

In 2021, costs increases were higher. All of the awarded 9% projects had additional tax credit allocations or increases to loans. As of today, staff was informally notified of further costs increases for Belen Vista, Mariposa Apartments and West Berry, but has not yet received schedules with the cost information.

All 2022 carryover applications that have been received to date included substantial cost increases. Laguna #3's cost increases will be covered by the tribe and increased equity from the investor. Calle Cuarta's increases are included at the bottom of the page where the anticipated application is placed. The carryover applications for the rehabilitation projects

under development by the Albuquerque Housing Authority covered the increased cost through developer loans. Felician Villa and The Three Sisters carryover applications are pending. However, staff has been informally notified to anticipate cost increases and potential requests for additional MFA financing through loans or tax credits.

Summary:

Costs continue to rise at levels unprecedented before the pandemic. Staff is anticipating that some developers will request supplemental tax credits in the 2023 9% tax credit round. Additionally, through both conversations with contractors and Housing Finance Agencies across the nation, staff anticipates that the high construction cost levels seen currently may continue into the foreseeable future, and may not return to pre-pandemic levels.

**NM Mortgage Finance Authority
Multifamily Housing Development
Changes in Financing**

Loans and LIHTC Approved by MFA Board:

2020 - LIHTC Round & Other Loan Apps

Project	NC or AR	# Units	Increase/Decrease						
			Loan/Grant Increases	Loan/Grant Increase/Unit	LIHTC Credit Increases	LIHTC Equity Increases	LIHTC/Equity Increase/Unit	TDC	TDC/Unit
6100 Harper	AR	59	-	-	-	45,635	773	(301,956)	(5,118)
A'diidi ni'kuwaa	NC	39	-	-	-	(322,755)	(8,276)	4,779,115	122,541
Broadway/McKnight	NC	54	600,000	11,111	-	(238,656)	(4,420)	3,025,528	56,028
Copper Terrace	AR	100	1,800,000	18,000	-	(472,063)	(4,721)	6,602,660	59,108
Encantada Apartments	AR	47	-	-	-	(179,167)	(3,812)	578,934	12,318
Luminaria Senior	NC	91	-	-	-	342,685	3,766	961,699	10,568
PAHA Homes #2	NC	30	-	-	-	(201,280)	(6,709)	45,000	1,500
Villa Mirasol	NC	48	-	-	-	(339,422)	(7,071)	3,529,791	73,537
Totals/Average		468	2,400,000	15,584	-	(1,365,023)	(2,917)	19,220,771	41,070

2021 - LIHTC Round & Other Loan Apps

Project	NC or AR	# Units	Increase/Decrease						
			Loan/Grant Increases	Loan/Grant Increase/Unit	LIHTC Credit Increases	LIHTC Equity Increases	LIHTC/Equity Increase/Unit	TDC	TDC/Unit
Vista de Socorro	NC	32	660,000	20,625	273,507	2,406,621	75,207	4,998,177	156,193
Belen Vista	AR	57	600,000	10,526	235,000	2,067,793	36,277	3,349,719	58,767
Hiland Plaza	NC	91	-	-	420,392	3,081,533	33,863	4,854,904	53,351
West Berry	NC	56	370,589	6,618	190,000	931,546	16,635	1,833,741	32,745
Mariposa Apartments	AR/NC	58	600,000	10,345	-	(240,487)	(4,146)	4,149,566	71,544
Casa de Encantada	NC	152	1,500,000	9,868	-	394,352	2,594	2,986,596	19,649
Totals/Average		446	3,730,589	10,509	1,118,899	8,641,358	19,375	22,172,703	49,715

2022 - LIHTC Round & Other Loan Apps

Project	NC or AR	# Units	Increase/Decrease						
			Loan/Grant Increases	Loan/Grant Increase/Unit	LIHTC Credit Increases	LIHTC Equity Increases	LIHTC/Equity Increase/Unit	TDC	TDC/Unit
Laguna #3	NC	20	-	-	-	208,242	10,412	3,181,952	159,098
Felician Villa Apartments	NC	66	-	-	-	-	-	-	-
Calle Cuarta**	AR	61	-	-	-	-	-	-	-
The Three Sisters Apts	NC	70	-	-	-	-	-	-	-
120 La Plata	NC	32	-	-	-	168,694	5,272	1,763,864	55,121
9000 Veranda	AR/NC	35	-	-	-	402,026	11,486	2,791,201	79,749
Totals/Average		284	-	-	-	778,962	8,954	7,737,017	88,931

Loans and LIHTC Not Yet Approved by MFA Board:

Project	NC or AR	# Units	Increase/Decrease						
			Loan/Grant Increases	Loan/Grant Increase/Unit	LIHTC Credit Increases	LIHTC Equity Increases	LIHTC/Equity Increase/Unit	TDC	TDC/Unit
Calle Cuarta**	AR	61	-	-	316,885	3,619,103	59,330	9,834,793	161,226
Totals/Average		61	-	-	316,885	3,619,103	59,330	9,834,793	161,226

*TDC excludes land, reserves and commercial costs

**Calle Cuarta carryover application indicates an intent to apply for supplemental tax credits in the 2023 LIHTC round.

**NM Mortgage Finance Authority
Multifamily Housing Development
Changes in Financing**

Loans and LIHTC Approved by MFA Board:

2020 - LIHTC Round & Other Loan Apps

Project	NC or AR	Allocation Year	Credit Swap?	4% or 9%	Board Approved	Residential SF	# Units
6100 Harper	AR	2020	No	9%	06/17/20	68,628	59
A'diidi ni'kuwaa	NC	2021	Yes	9%	06/17/20	35,773	39
Broadway/McKnight	NC	2021	No	9%	06/17/20	58,917	54
Copper Terrace	AR		No	9%	11/22/22	99,137	100
Encantada Apartments	AR		No	9%	06/17/20	43,679	47
Luminaria Senior	NC		No	9%	06/17/20	68,800	91
PAHA Homes #2	NC		No	9%	06/17/20	42,081	30
Villa Mirasol	NC	2021	Yes	9%	06/17/20	64,747	48
Totals/Average						481,762	468

2021 - LIHTC Round & Other Loan Apps

Project	NC or AR	Allocation Year	Credit Swap?	4% or 9%	Board Approved	Residential SF	# Units
Vista de Socorro	NC	2021/22	Yes	9%	05/19/21	30,695	32
Belen Vista	AR	2022	No	9%	05/19/21	56,603	57
Hiland Plaza	NC	2021	No	9%	05/19/21	76,515	91
West Berry	NC	2021	No	9%	05/19/21	55,958	56
Mariposa Apartments	AR/NC	2022	No	9%	05/19/21	50,757	58
Casa de Encantada	NC		No	4%	07/21/21	97,698	152
Totals/Average						368,226	446

2022 - LIHTC Round & Other Loan Apps

Project	NC or AR	Allocation Year	Credit Swap?	4% or 9%	Board Approved	Residential SF	# Units
Laguna #3	NC	2021/22	No	9%	05/19/21	29,380	20
Felician Villa Apartments	NC	2021/22	No	9%	05/19/21	61,436	66
Calle Cuarta**	AR	2022	No	9%	05/19/21	65,241	61
The Three Sisters Apts	NC	2021	No	9%	05/19/21	76,294	70
120 La Plata	NC	2021	No	9%	05/19/21	36,811	32
9000 Veranda	AR/NC	2022	No	9%	05/19/21	40,442	35
Totals/Average						309,604	284

Loans and LIHTC Not Yet Approved by MFA Board:

Project	NC or AR	Allocation Year	Credit Swap?	4% or 9%	Board Approved	Residential SF	# Units
Calle Cuarta**	AR	2022	No	9%	05/19/21	65,241	61
Totals/Average						65,241	61

*TDC excludes land, reserves and commercial costs

**Calle Cuarta carryover application indicates an intent to apply for supplemental tax credits in the 2023 LIHTC Round

NM Mortgage Finance Authority
Multifamily Housing Development
Changes in Financing

Original Loan(s)/LIHTC											Original Totals					
HOME	HOME-CHDO	HOME-SF	NHTF	NMHTF	Primero	Ventana	Risk Share	PRLF	LIHTC	Equity	TDC*	TDC/Unit	TDC/Residential SF	MFA/Unit	Total Construction Cost	Construction/SF
			400,000						912,789	8,305,549	11,917,194	201,986	\$ 173.65	147,552	5,142,294	74.93
292,500			400,000						626,772	5,515,042	7,022,022	180,052	\$ 196.29	159,168	4,664,560	130.39
			400,000						954,720	9,068,933	13,823,431	255,989	\$ 234.63	175,351	8,429,698	143.08
1,000,000				500,000					1,232,333	11,705,993	16,604,484	172,963	\$ 178.55	137,562	6,912,000	74.32
400,000			400,000						633,630	5,754,553	7,026,928	149,509	\$ 160.88	139,459	2,507,090	57.40
									1,142,400	10,052,115	16,648,928	182,955	\$ 241.99	110,463	9,440,382	137.21
									671,000	5,904,210	7,499,828	249,994	\$ 178.22	196,807	5,382,269	127.90
360,000									848,640	7,891,563	10,245,532	213,449	\$ 158.24	171,908	6,400,000	98.85
2,052,500	-	-	1,600,000	500,000	-	-	-	-	7,022,284	64,197,958	90,788,347	193,992	\$ 188.45	146,048	48,878,293	\$ 101.46

Original Loan(s)/LIHTC											Original Totals					
HOME	HOME-CHDO	HOME-SF	NHTF	NMHTF	Primero	Ventana	Risk Share	PRLF	LIHTC	Equity	TDC*	TDC/Unit	TDC/Residential SF	MFA/Unit	Total Construction Cost	Construction/SF
240,000			400,000	1,500,000					495,000	4,355,564	6,022,081	188,190	\$ 196.19	202,986	3,587,695	116.88
400,000			400,000						787,639	6,930,530	10,400,278	182,461	\$ 183.74	135,623	3,054,783	53.97
									1,232,333	11,213,109	17,248,992	189,549	\$ 225.43	123,221	10,566,721	138.10
	840,000			1,000,000					900,143	8,415,495	12,390,418	221,257	\$ 221.42	183,134	7,476,116	133.60
400,000			400,000						801,704	7,214,614	11,081,543	191,061	\$ 218.33	138,183	4,396,752	86.62
				2,000,000					1,463,655	12,761,795	28,973,192	190,613	\$ 296.56	97,117	16,637,734	170.30
1,040,000	840,000	-	1,200,000	4,500,000	-	-	-	-	5,680,474	50,891,107	86,116,504	193,086	\$ 233.87	131,101	45,719,801	\$ 124.16

Original Loan(s)/LIHTC											Original Totals					
HOME	HOME-CHDO	HOME-SF	NHTF	NMHTF	Primero	Ventana	Risk Share	PRLF	LIHTC	Equity	TDC*	TDC/Unit	TDC/Residential SF	MFA/Unit	Total Construction Cost	Construction/SF
									928,988	7,594,477	8,351,882	417,594	\$ 284.27	379,724	5,438,400	185.11
	1,000,000		400,000						1,228,760	10,812,007	15,539,617	235,449	\$ 252.94	185,030	9,389,391	152.83
	915,000		400,000	1,000,000					1,078,540	9,490,203	15,596,068	255,673	\$ 239.05	193,528	9,244,043	141.69
	1,000,000		400,000						1,341,912	11,941,822	16,805,583	240,080	\$ 220.27	190,597	10,474,078	137.29
						1,000,000			749,825	6,597,800	10,012,951	312,905	\$ 272.01	237,431	4,419,617	120.06
						1,000,000			765,840	6,738,718	11,435,474	326,728	\$ 282.76	221,106	4,459,871	110.28
-	2,915,000	-	1,200,000	1,000,000	-	2,000,000	-	-	6,093,865	53,175,027	77,741,575	273,738	\$ 251.10	212,289	43,425,400	\$ 140.26

Original Loan(s)/LIHTC											Original Totals					
HOME	HOME-CHDO	HOME-SF	NHTF	NMHTF	Primero	Ventana	Risk Share	PRLF	LIHTC	Equity	TDC*	TDC/Unit	TDC/Residential SF	MFA/Unit	Total Construction Cost	Construction/SF
	915,000		400,000	1,000,000					1,078,540	9,490,203	15,596,068	255,673	\$ 239.05	193,528	9,244,043	141.69
-	915,000	-	400,000	1,000,000	-	-	-	-	1,078,540	9,490,203	15,596,068	255,673	239	193,528	9,244,043	142

TC round.

**NM Mortgage Finance Authority
Multifamily Housing Development
Changes in Financing**

Current Loan(s) / Grant (s) / LIHTC														Current Totals					
HOME	HOME-CHDO	HOME-SF	NHTF	NMHTF	Primero	Ventana	Risk Share	PRLF	TCAP	FRF	CDBG-CV	LIHTC	Equity	TDC*	TDC/Unit	TDC/Residential SF	MFA/Unit	Total Construction Cost	Construction /SF
			400,000									912,789	8,351,184	11,615,238	196,868	\$ 169.25	148,325	4,269,600	62.21
292,500			400,000									626,772	5,192,287	11,801,137	302,593	\$ 329.89	150,892	10,032,913	280.46
			400,000						600,000			954,720	8,830,277	16,848,959	312,018	\$ 285.98	182,042	10,595,980	179.85
1,000,000				500,000						1,800,000		1,232,333	11,233,930	23,207,144	232,071	\$ 234.09	145,339	10,330,414	104.20
400,000			400,000									633,630	5,575,386	7,605,862	161,827	\$ 174.13	135,647	2,596,313	59.44
												1,142,400	10,394,800	17,610,627	193,523	\$ 255.97	114,229	11,186,412	162.59
												671,000	5,702,930	7,544,828	251,494	\$ 179.29	190,098	5,382,269	127.90
360,000												848,640	\$7,552,141	13,775,323	286,986	\$ 212.76	164,836	6,400,000	98.85
2,052,500	-	-	1,600,000	500,000	-	-	-	-	600,000	1,800,000	-	7,022,284	62,832,935	110,009,118	235,062	\$ 228.35	148,259	60,793,901	\$ 126.19

Current Loan(s) / Grant (s) / LIHTC														Current Totals					
HOME	HOME-CHDO	HOME-SF	NHTF	NMHTF	Primero	Ventana	Risk Share	PRLF	TCAP	FRF	CDBG-CV	LIHTC	Equity	TDC*	TDC/Unit	TDC/Residential SF	MFA/Unit	Total Construction Cost	Construction /SF
400,000			400,000	2,000,000								768,507	6,762,185	11,020,258	344,383	\$ 359.02	298,818	5,518,987	\$ 179.80
	1,000,000		400,000									1,022,639	8,998,323	13,749,997	241,228	\$ 242.92	182,427	5,522,604	\$ 97.57
												1,652,725	14,294,642	22,103,896	242,900	\$ 288.88	157,084	14,553,588	\$ 190.21
	840,000			1,000,000							370,589	1,090,143	9,347,041	14,224,159	254,003	\$ 254.19	206,386	8,370,808	\$ 149.59
	1,000,000		400,000									801,704	6,974,127	15,231,109	262,605	\$ 300.08	144,382	7,000,891	\$ 137.93
				3,500,000								1,463,655	13,156,147	31,959,788	210,262	\$ 327.13	109,580	18,413,180	\$ 188.47
400,000	2,840,000	-	1,200,000	6,500,000	-	-	-	-	-	-	370,589	6,799,373	59,532,465	108,289,207	259,230	\$ 295.37	183,113	59,380,058	\$ 161.26

Current Loan(s) / Grant (s) / LIHTC														Current Totals					
HOME	HOME-CHDO	HOME-SF	NHTF	NMHTF	Primero	Ventana	Risk Share	PRLF	TCAP	FRF	CDBG-CV	LIHTC	Equity	TDC*	TDC/Unit	TDC/Residential SF	MFA/Unit	Total Construction Cost	Construction /SF
												928,988	7,802,719	11,533,834	576,692	\$ 392.57	390,136	7,629,099	259.67
	1,000,000		400,000									1,228,760	10,812,007	15,539,617	235,449	\$ 252.94	185,030	9,389,391	152.83
	915,000		400,000	1,000,000								1,078,540	9,490,203	15,596,068	255,673	\$ 239.05	193,528	9,244,043	141.69
	1,000,000		400,000									1,341,912	11,941,822	16,805,583	240,080	\$ 220.27	190,597	10,474,078	137.29
						1,000,000						749,825	6,766,494	11,776,815	368,025	\$ 319.93	242,703	5,202,255	141.32
						1,000,000						765,840	7,140,744	14,226,675	406,476	\$ 351.78	232,593	5,902,625	145.95
-	2,915,000	-	1,200,000	1,000,000	-	2,000,000	-	-	-	-	-	6,093,865	53,953,989	85,478,592	347,066	\$ 296.09	239,098	47,841,491	\$ 154.52

Current and Pending Loan(s) / Grant (s) / LIHTC														Current Totals					
HOME	HOME-CHDO	HOME-SF	NHTF	NMHTF	Primero	Ventana	Risk Share	PRLF	TCAP	FRF	CDBG-CV	LIHTC	Equity	TDC*	TDC/Unit	TDC/Residential SF	MFA/Unit	Total Construction Cost	Construction /SF
	915,000		400,000	1,000,000								1,395,425	13,109,306	25,430,861	416,899	\$ 389.80	252,857	12,753,500	195.48
-	915,000	-	400,000	1,000,000	-	-	-	-	-	-	-	1,395,425	13,109,306	25,430,861	416,899	390	252,857	12,753,500	195

**NM Mortgage Finance Authority
Multifamily Housing Development
Changes in Financing**

Increase/Decrease						
Loan/Grant Increases	Loan/Grant Increase/Unit	LIHTC Credit Increases	LIHTC Equity Increases	LIHTC/Equity Increase/Unit	TDC	TDC/Unit
-	-	-	45,635	773	(301,956)	(5,118)
-	-	-	(322,755)	(8,276)	4,779,115	122,541
600,000	11,111	-	(238,656)	(4,420)	3,025,528	56,028
1,800,000	18,000	-	(472,063)	(4,721)	6,602,660	59,108
-	-	-	(179,167)	(3,812)	578,934	12,318
-	-	-	342,685	3,766	961,699	10,568
-	-	-	(201,280)	(6,709)	45,000	1,500
-	-	-	(339,422)	(7,071)	3,529,791	73,537
2,400,000	15,584	-	(1,365,023)	(2,917)	19,220,771	41,070

Increase/Decrease						
Loan/Grant Increases	Loan/Grant Increase/Unit	LIHTC Credit Increases	LIHTC Equity Increases	LIHTC/Equity Increase/Unit	TDC	TDC/Unit
660,000	20,625	273,507	2,406,621	75,207	4,998,177	156,193
600,000	10,526	235,000	2,067,793	36,277	3,349,719	58,767
-	-	420,392	3,081,533	33,863	4,854,904	53,351
370,589	6,618	190,000	931,546	16,635	1,833,741	32,745
600,000	10,345	-	(240,487)	(4,146)	4,149,566	71,544
1,500,000	9,868	-	394,352	2,594	2,986,596	19,649
3,730,589	10,509	1,118,899	8,641,358	19,375	22,172,703	49,715

Increase/Decrease						
Loan/Grant Increases	Loan/Grant Increase/Unit	LIHTC Credit Increases	LIHTC Equity Increases	LIHTC/Equity Increase/Unit	TDC	TDC/Unit
-	-	-	208,242	10,412	3,181,952	159,098
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	168,694	5,272	1,763,864	55,121
-	-	-	402,026	11,486	2,791,201	79,749
-	-	-	778,962	8,954	7,737,017	88,931

Increase/Decrease						
Loan/Grant Increases	Loan/Grant Increase/Unit	LIHTC Credit Increases	LIHTC Equity Increases	LIHTC/Equity Increase/Unit	TDC	TDC/Unit
-	-	316,885	3,619,103	59,330	9,834,793	161,226
-	-	316,885	3,619,103	59,330	9,834,793	161,226

Tab 7



MFA

Neighborhood Stabilization Program

Theresa Laredo-Garcia, Program Development Manager

MFA Board Meeting
December 14, 2022

Neighborhood Stabilization Program (NSP)

Overview

- NSP was established as a result of the 2008 mortgage crisis to:
- Provide emergency assistance to stabilize communities with high rates of abandoned and foreclosed homes in order to preserve and improve communities and;
- Provide affordable housing opportunities by assisting households whose annual incomes are up to 120% of the area median income (AMI).
- MFA successfully completed 78 single family home projects and one multifamily rental development using NSP funds under the original grant allocations from 2008-2014. MFA was awarded \$8,206,664 and together with program income, expended a total of \$15,235,922

MFA's New State NSP

- In October 2019, MFA entered into a contract with New Mexico Department of Finance and Administration – Local Government Division (DFA) to receive and expend the state's remaining NSP Grant funds.
- MFA staff developed a *new* State NSP which was limited to Acquisition, Rehab and Sale of NSP funded properties.
- MFA received the following NSP grant allocations from DFA under this contract:
 - NSP 1 - \$1,526,506
 - NSP 3 - \$2,000,000
 - Of the amount allocated, NSP required a 25% set aside for below 50% AMI

MFA's New State NSP

- MFA procured partnerships with Homewise Inc. and Tierra del Sol Housing as contracted service providers to expend these NSP funds using NSP Acquisition/Rehab/Sale Activities.
- MFA's staff is pleased to provide the board with an update on these activities and the close out status of the program.

NSP Update

- MFA expended 100% of NSP 1 and NSP 3 funds by March 31, 2022, in compliance with Joint Powers Agreements with DFA.
- MFA met and exceeded the 25% set aside for 50% or below AMI
- NSP 3 has been successfully closed out.
- NSP 1 has one property remaining that is estimated to be completed and sold to an eligible homebuyer by 3/31/23.
- NSP 1 will be closed out by within 30 days of the sale of the final property.
- MFA's NSP program was monitored by DFA in September 2022.
 - There were no findings or observations.

NSP Update

As of September 30, 2022

- MFA acquired a total of 15 NSP properties.
- MFA resolved a “stranded property” which was in litigation and assigned to MFA through the award of State NSP funds.
- There is one property pending completion under NSP 1.
- MFA completed the acquisition, rehabilitation and sale of 14 foreclosed properties.
 - The properties were sold to NSP eligible homebuyers at or below 120% AMI.
 - The NSP program provided homebuyer assistance for each property, secured by a Mortgage and Restrictive Covenant to ensure long term affordability.

NSP Property Acquired from State

Property Location	Original Appraised Value	Acquisition Cost	Appraisal After Rehab	% Increase in Value after Rehab	Total Project Cost	Sales Date	Sales Price	Homebuyer Assistance	NSP Unrecovered Funds	Program Income	Homebuyer Area Median Income
SW Albuquerque	\$	\$	\$220,000	N/A	\$229,266	2/9/2022	\$133,000	\$	\$	\$	116%

NSP Area Median Income

Bernalillo County	1 Person	2 People	3 People	4 People	5 People	6 People	7 People	8 People
AMI 50%	\$23,650	\$27,000	\$30,400	\$33,750	\$36,450	\$39,150	\$41,850	\$44,550
AMI 120%	\$56,700	\$64,800	\$72,900	\$81,000	\$87,500	\$93,950	\$100,450	\$106,900

Sandoval County	1 Person	2 People	3 People	4 People	5 People	6 People	7 People	8 People
AMI 50%	\$19,150	\$21,850	\$24,600	\$27,300	\$29,500	\$31,700	\$33,900	\$36,050
AMI 120%	\$45,850	\$52,400	\$58,950	\$65,500	\$70,750	\$76,000	\$81,250	\$86,500

Dona Ana County	1 Person	2 People	3 People	4 People	5 People	6 People	7 People	8 People
AMI 50%	\$23,650	\$27,000	\$30,400	\$33,750	\$36,450	\$39,150	\$41,850	\$44,550
AMI 120%	\$56,700	\$64,800	\$72,900	\$81,000	\$87,500	\$93,950	\$100,450	\$106,900

NSP Program Outcomes

- MFA rehabilitated 15 vacant properties to affordable single-family housing with NSP Funds.
- Properties were sold to homebuyers at or below 120% AMI
 - 4 properties < 50% AMI
 - 9 properties between 50% and 120% AMI
 - Final property TBD
- Total program income \$1,924,361 – Average 58% return
- Average homebuyer assistance \$47K or 22% of sales price
- MFA completed rehab and sold stranded property to homebuyer at 116% AMI.



Questions or Comments?

MFA Board Meeting
December 14, 2022

Tab 8



MEMO

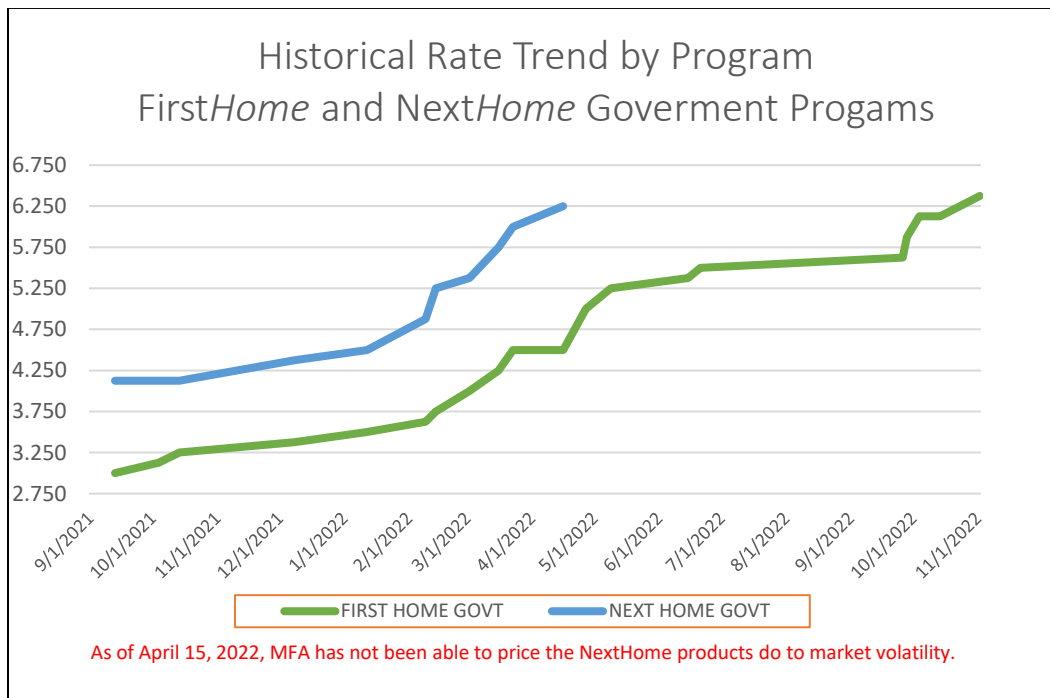
TO: MFA Board of Directors

FROM: Rene Acuña
Director of Homeownership

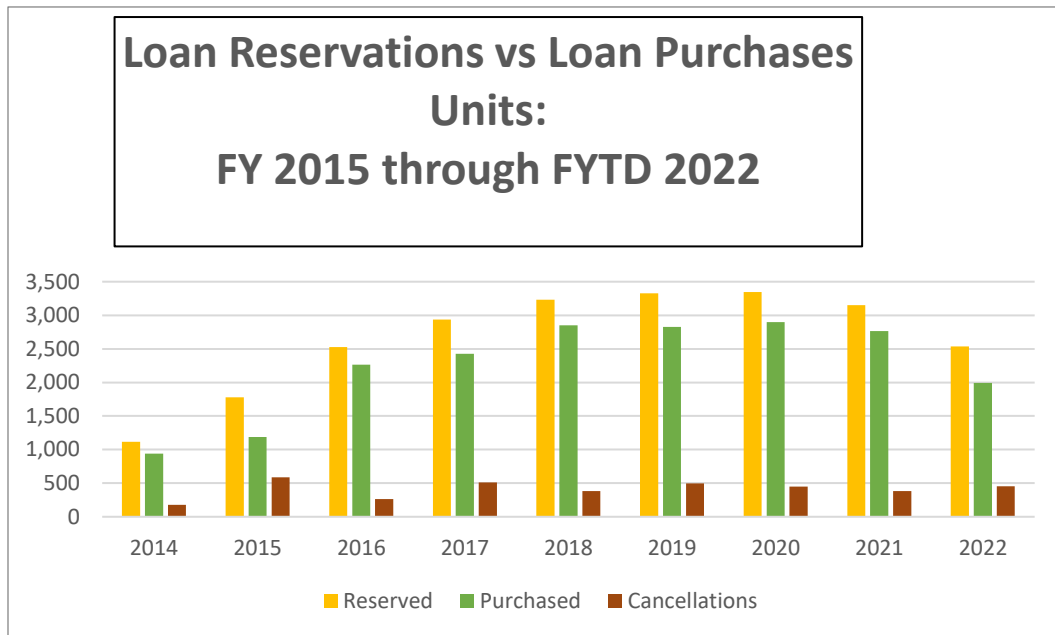
DATE: November 16, 2022

SUBJECT: Semiannual Single Family Production Report

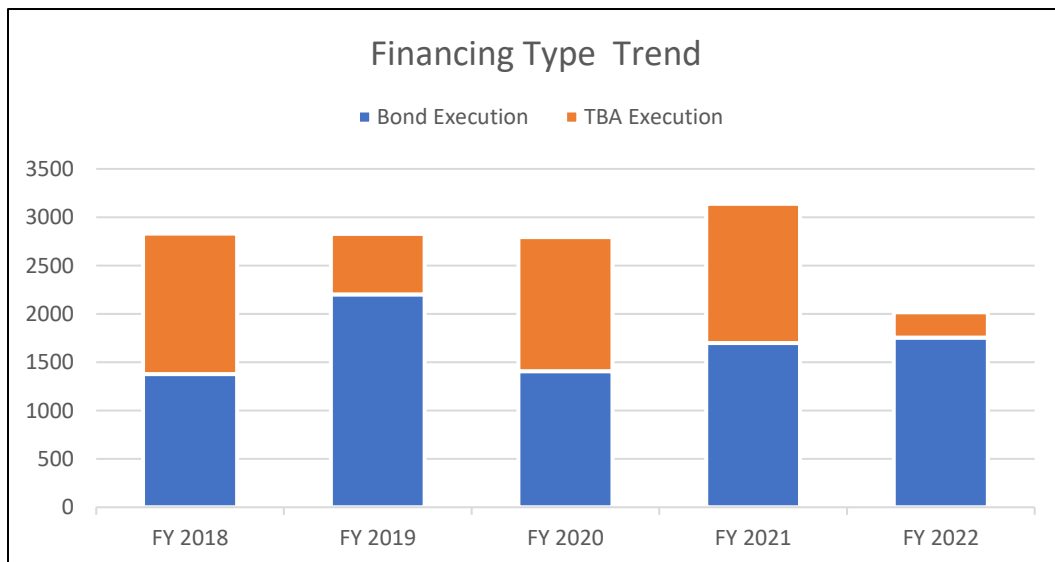
- Interest Rate History by Program



- Historical Reservation and Purchased Loan Trend



- Financing Executions



- Reservations by Program

Reservations by Program	Fiscal Year 2022 (10/01/2021 - 9/30/2022)	Fiscal Year 2021 (10/01/2020 - 9/30/2021)
FIRST HOME GOV'T	70.03%	67.31%
FIRST HOME FNMA 80% AMI	9.66%	8.07%
FIRST HOME FNMA ABOVE 80% AMI	7.38%	3.21%
NEXT HOME GOV'T -NEXT DOWN DPA	10.10%	18.58%
NEXT HOME FNMA 80% AMI	0.45%	0.98%
NEXT HOME FNMA ABOVE 80% AMI	2.38%	1.84%

- Comparison of Down Payment Assistance (DPA) Sources

Down Payment Comparison	Fiscal Year 2022 (10/01/2020 - 9/3/2022)	Fiscal Year 2021 (10/01/20 - 9/30/2021)
FIRST DOWN (30YR)	75.61%	76.57%
FIRST DOWN (15YR)	0.38%	0.08%
FIRST DOWN (10YR)	0.14%	0.04%
HOME NOW	7.39%	1.44%
NEXTDOWN FORGIVABLE LOAN	16.43%	21.87%

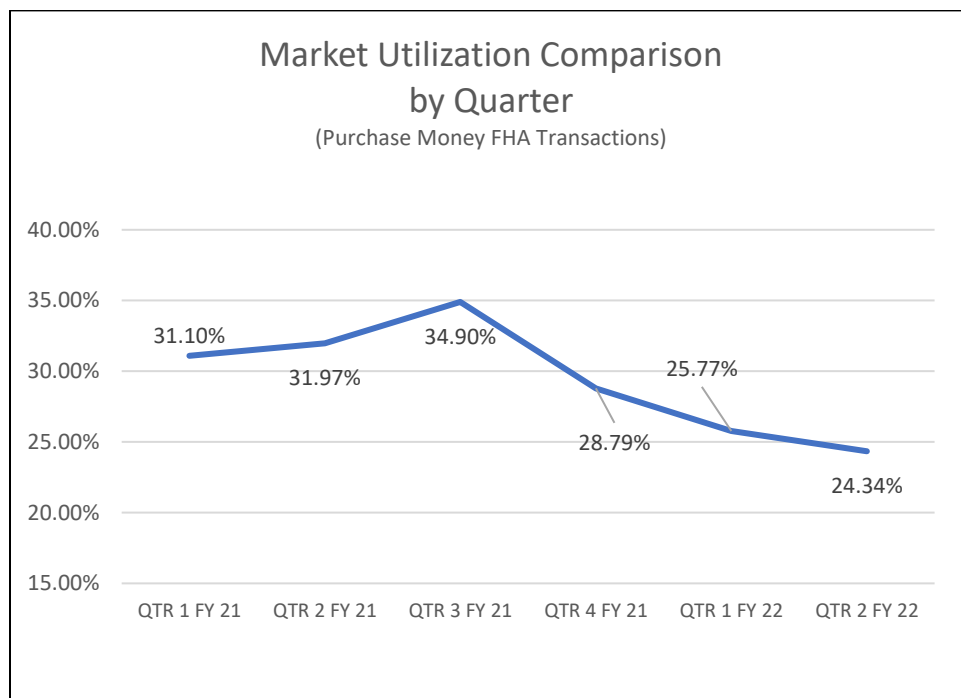
- Comparison of Loan Types

Loan Type Comparison	Fiscal Year 2022 (10/01/2021- 9/30/2022)	Fiscal Year 2021 (10/01/20 - 9/30/2021)
FHA	77.22%	83.87%
Conventional	19.86%	14.07%
HUD Section 184	0.45%	0.35%
VA	1.78%	1.37%
USDA / RHS	0.69%	0.25%
FHA 203K	0.00%	0.06%

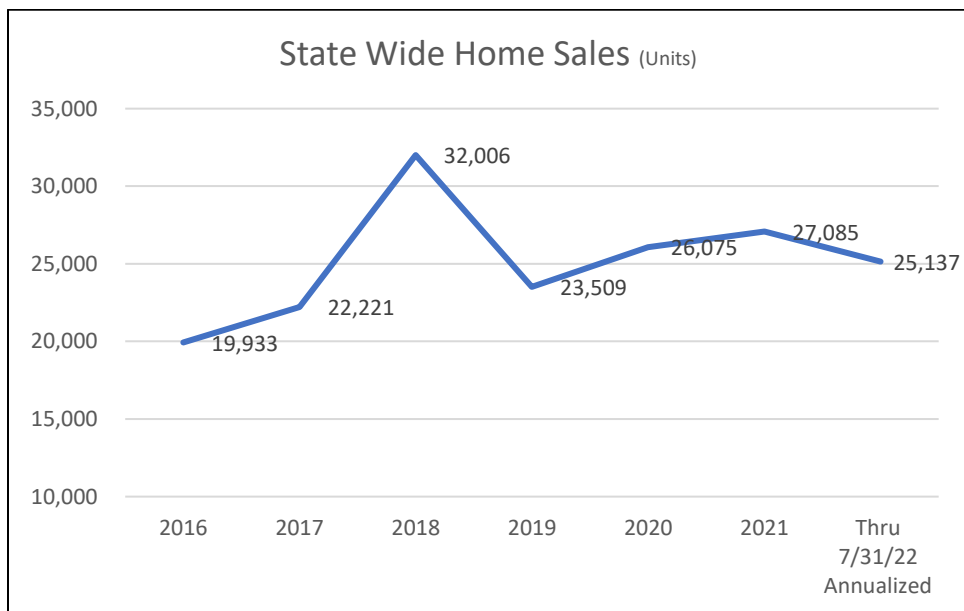
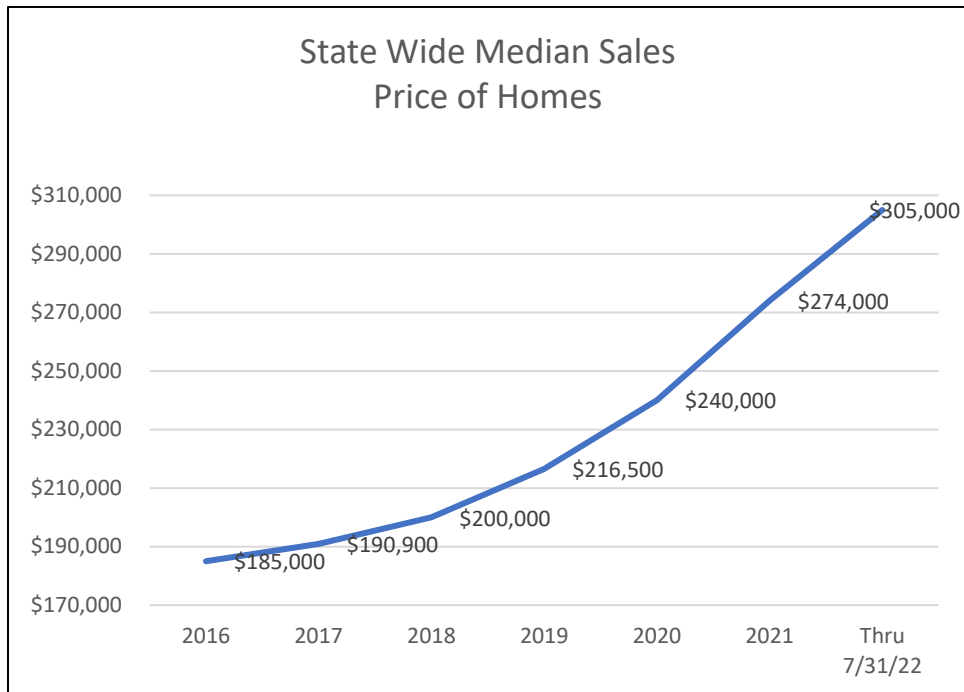
- Borrower Demographic

	Fiscal Year 2022 (10/01/2021 - 9/30/2022)	Fiscal Year 2021 (10/01/2020 - 9/30/2021)
Average Sales Price	\$199,557	\$187,731
Average Loan Amount	\$194,064	\$183,444
Average Down Payment Assistance Amount	\$7,413	\$7,281
Average Household Income	\$53,244	\$56,481
Average Family Size	2.55-person household	2.5-person household
Ethnicity	59.20 percent Minority	69.92 percent Minority
Average Borrower Age	35 years old	35 years old
Average Number of Dependents	1 dependent	1 dependent
Primary Borrower Gender	48.60% female/ 49.32% male	45.63% female/ 52.84% male
Average FICO score	689	686

- MFA Program Utilization



- Median Sales Price and Home Sales Trend for New Mexico



Tab 9

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Tab 12

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Tab 13

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Tab 14a

**Staff Actions Requiring Notice to Board
During the Period of November 2022**

Department and Program	Project	Action Taken	Comments / Date Approved
Servicing	Monthly Quality Control Loan Servicing August 2022 Report	Approval of report issued by REDW – no findings.	Approved by PC on November 7, 2022
Servicing	Quarterly Quality Control Loan Servicing September 2022 Report	Approval of report issued by REDW – no findings.	Approved by PC on November 22, 2022
Policy and Planning	State and Local Fiscal Recovery Funds	Approval of amended uses of funding to include any rental development project with demonstrated need, and \$500,000 reallocated for either rental housing development or Weatherization Ready, based on need.	Approved by PC on November 7, 2022

Tab 14b

Staff Actions Requiring Notice to Board
During the Period of November 9, 2022 – December 10, 2022

Department and Program	Project	Action Taken	Comments / Date Approved

Tab 14c

Q4 2022 QUARTERLY MULTIFAMILY PIPELINE REPORT SUMMARY

Fifty-nine (59) ACTIVE PROJECTS representing:

- ~\$47.1 million in annual tax credits
- ~\$65.3 million in MFA-issued bonds
- ~\$49.5 million in MFA loans
- Totaling \$161,857,934 in combined funding
- Consisting of 4,477 apartment units
- Located in 26 municipalities in 17 counties across the state

Three project CLOSINGS in Q4:

- EMLI at Wells of Artesia- a 198-unit 2022 4% LIHTC new construction project in Artesia
- West Berry- a 56-unit 2021 9% LIHTC new construction project in Hobbs
- A'diidi ni' kuwaa- a 40-unit 2020 9% LIHTC new construction project in Mescalero

Thirty (37) projects are currently UNDER CONSTRUCTION:

- No projects added, none removed, 37 projects remain under const. (same as last qtr)
- Approximately 14 projects are expected to complete by end of calendar year.

COVID-19 DELAYS:

- The IRS issued Notice 2022-52, granting two-year extensions for 9% projects awarded from 2018 to 2020, and an additional one year was granted to the 2021 9% projects; therefore, a total of 20 projects are eligible for extensions; of the 20
 - one is completed,
 - four are in the final phase of approval
 - four are expected to be completed in 2022,
 - seven will be completed in 2023 and
 - four will be completed in 2024.

Construction COMPLETION:

- Fifteen projects are now complete and either awaiting final inspections or formal notification of completion

Upcoming Ground Breakings/Ribbon-cuttings:

- West Berry's groundbreaking was held on Wednesday, October 5th (Hobbs)
- Trailhead at Chamizal held a groundbreaking on November 2nd (Los Ranchos de Alb.)
- The Commons at Martineztown held a opening ceremony on November 2nd (ABQ)
- MFA is not aware of any other upcoming events

Estimated Economic Impact of the 37 projects (2,965 units) currently under construction:

- Approximately \$346 million in local income
- Approximately 4,744 jobs

Eventual Economic Impact of all 59 projects (4,477 units) once under construction:

- Approximately \$495 million in local income
- Approximately 6,781 jobs

Multifamily Project Completion Pipeline Report

Fiscal Year: 2022 Quarter: 4th Prepared: 10/7/2022	Total LIHTC Award: \$	47,073,662	Total Projects:	59	Which will result in \$495,549,340 in local income and 6,781 jobs from the direct and indirect impact of contruction activity, as well as the induced effect of spending income and tax revenue from the eventual construction activity.
	Total MFA-Issued \$	65,276,778	Total # of Apts:	4,477	
	Bond Amount:				
	Total MFA Loan and Grant Amount:	\$ 49,507,494	# of Projects Under Construction:	37	
Overall Awards: \$ 161,857,934					Which will result in \$346,697,450, in local income and 4,744 jobs from the direct and indirect impact of contruction activity, as well as the induced effect of spending income and tax revenue from the eventual construction activity.
					# of Municipalities Served: 26
					# of Counties Served: 17

Reported at February, May, August, and November Board Meetings for the prior quarter

Main Funding Source	Project Name	Project Location	Developer	Loan Closing Date Actual (A) or Projected (P)	No of Apts	NC - New Construction or AR - Acquisition/Rehab	Construction Start Approval Date Actual (A) or Projected (P)	33% Complete Date Actual (A) or Projected (P)	66% Complete Date Actual (A) or Projected (P)	Construction Completion Date Actual (A) or Projected (P)	Certificate of Occupancy/Placed in Service Date Actual (A) or Projected (P)	LIHTC Award Amount	MFA PAB Bond Amount	MFA Loan and Grant Amounts	MFA Loan or Grant Programs	Any Known Issues or Comments
9%	1 Laguna #3	Pueblo of Laguna	Laguna Housing Development and Management Enterprise	N/A No MFA loans	20	NC	(P) 12/1/2022	(P) 6/11/2023	(P) 12/30/2023	(P) 7/1/2024	(P) 7/1/2024	\$ 928,988	N/A	N/A	N/A	
	2 Calle Cuarta	Albuquerque	YES Housing	(P) 12/1/2022	61	NC	(P) 2/1/2023	(P) 5/12/2023	(P) 10/21/2023	(P) 9/1/2024	(P) 9/1/2024	\$ 1,078,540	N/A	\$ 915,000 \$ 400,000 \$ 1,000,000	HOME-CHDO NHTF NMHTF	
	3 120 La Plata	Albuquerque	Albuquerque Housing Authority	(P) 12/1/2022	32	AR	(P) 1/1/2023	(P) 5/23/2023	(P) 10/12/2023	(P) 3/1/2024	(P) 3/1/2024	\$ 749,825	N/A	\$ 1,000,000	Ventana	
	4 9000 Veranda	Albuquerque	Albuquerque Housing Authority	(P) 12/1/2022	35	AR	(P) 1/1/2023	(P) 5/23/2022	(P) 10/12/2023	(P) 3/1/2024	(P) 3/1/2024	\$ 765,840	N/A	\$ 1,000,000	Ventana	
	5 Felician Villa Apartments	Rio Rancho	Chelsea Investment Corp. & Catholic Charities	(P) 11/1/2022	65	NC	(P) 12/1/2022	(P) 4/2/2023	(P) 8/2/2023	(P) 12/1/2023	(P) 12/1/2023	\$ 1,228,760	N/A	\$ 1,000,000 \$ 400,000	HOME-CHDO NHTF	
	6 The Three Sisters Apartments	Las Cruces	Chelsea Investment Corp. & Catholic Charities	(P) 12/15/2022	69	NC	(P) 1/1/2023	(P) 5/3/2023	(P) 9/2/2023	(P) 1/1/2024	(P) 1/1/2024	\$ 1,341,912	N/A	\$ 1,000,000 \$ 400,000	HOME-CHDO NHTF	
	7 Vista de Socorro	Socorro	JL Gray	(P) 11/30/2022	32	NC	(P) 11/30/2022	(P) 4/18/2023	(P) 6/22/2023	(P) 12/29/2023	(P) 12/30/2023	\$768,507	N/A	\$400,000 \$400,000 \$2,000,000	HOME NHTF NMHTF	10% Test Extension to 12/31/2022.
	8 Belen Vista	Belen	Chelsea Investment Corp.	(P) 11/10/2022	57	AR	(P) 12/15/2022	(P) 3/16/2023	(P) 7/18/2023	(P) 11/14/2023	(P) 11/15/2023	\$787,639	N/A	\$1,000,000 \$400,000	HOME-CHDO NHTF	10% Test Extended to 12/31/2022
	9 West Berry	Hobbs	YES Housing	(A) 8/25/2022	56	NC	(P) 10/15/2022	(P) 12/1/2022	(P) 5/1/2023	(P) 11/1/2023	(P) 11/1/2023	\$1,090,143	N/A	\$840,000 \$1,000,000 \$2,000,000	HOME-CHDO NMHTF ALTSD	10% Test Extended to 12/31/2022

Main Funding Source																	
	Project Name	Project Location	Developer	Loan Closing Date Actual (A) or Projected (P)	No of Apts	NC - New Construction or AR - Acquisition/Rehab	Construction Start Approval Date Actual (A) or Projected (P)	33% Complete Date Actual (A) or Projected (P)	66% Complete Date Actual (A) or Projected (P)	Construction Completion Date Actual (A) or Projected (P)	Certificate of Occupancy/Placed in Service Date Actual (A) or Projected (P)	LIHTC Award Amount	MFA PAB Bond Amount	MFA Loan and Grant Amounts	MFA Loan or Grant Programs	Any Known Issues or Comments	
	10	Mariposa	Taos	Chelsea Investment Corp.	(P) 2/1/2023	58	AR/NC	(P) 2/1/2023	(P) 5/16/2023	(P) 9/18/2023	(P) 1/14/2024	(P) 1/15/2024	\$1,069,704	N/A	\$370,589 \$1,000,000 \$400,000	CDBG-CV HOME-CHDO NHTF	3/31/22 - In pre development stage 10% Test Extended to 12/31/2022
	11	Hiland Plaza	Albuquerque	Greater Albuquerque Housing Partnership	N/A No MFA loans	92	NC	(A) 1/22/2022	(A) 9/30/2022	(P) 1/31/2023	(P) 6/19/2023	(P) 6/19/2023	\$1,652,725	N/A	N/A	N/A	
	12	A'diidi ni'kuwaa	Mescalero	Mescalero Apache Housing Authority	(A) 9/21/2022	40	NC	(P) 10/31/2022	(P) 5/1/2023	(P) 11/1/2023	(P) 1/31/2024	(P) 1/31/2024	\$626,772	N/A	\$292,500 \$400,000	HOME NHTF	*Credit Swap - 2020 Credits Returned/Reissued as 2021 Credits Project is proposing change in project design due to cost 10% Test Extended to 12/31/2022
	13	Luminaria Senior	Albuquerque	Greater Albuquerque Housing Partnership	N/A No MFA loans	92	NC	(A) 1/4/2021	(A) 6/9/2021	(A) 10/27/2021	(A) 4/26/2022	(A) 8/26/2022	\$1,142,400	N/A	N/A	N/A	LURA completed Sept 28, 2022 8609s pending. Issued 8609 Sep 28, 2022
	14	PAHA Homes #2	Pueblo of Acoma	Pueblo of Acoma Housing Authority	N/A No MFA loans	30	NC	(A) 12/28/2020	(A) 11/4/2021	(A) 4/22/2022	(P) 11/15/2022	(P) 11/15/2022	\$671,000	N/A	N/A	N/A	
	15	Encantada Apartments	Los Lunas	Chelsea Investment Corp. & Catholic Charities	(A) 4/20/2021	48	AR	(A) 4/12/2021	(A) 10/28/2021	(A) 11/29/2021	(A) 4/25/2022	(P) 11/15/2022	\$599,897	N/A	\$400,000 \$400,000	HOME NHTF	Final report received, minor items need to be addressed
	16	6100 Harper	Albuquerque	Albuquerque Housing Authority	(A) 8/12/2021	59	AR	(A) 2/23/2021	(A) 9/21/2022	(P) 1/31/2023	(P) 11/15/2023	(P) 4/28/2023	\$912,789	N/A	\$400,000	NHTF	Extension to PIS to 12/31/2023
	17	Copper Terrace	Albuquerque	YES Housing	(A) 11/17/2020*	96	AR	(A) 12/30/2020	(A) 8/19/2021	(A) 2/28/2022	(P) 12/1/2022	(P) 12/1/2022	\$1,232,333	N/A	\$1,000,000 \$1,000,000	HOME-CHDO NMHTF	*Applying for additional funding-ARPA FRF PIS Extension to 12/31/2023
	18	Broadway/McKnight	Albuquerque	Albuquerque Housing Authority	(A) 7/26/2021*	54	NC	(A) 9/13/2021	(A) 5/16/2022	(A) 9/12/2022	(P) 11/15/2023	(P) 11/15/2023	\$954,720	N/A	\$400,000 \$600,000	NHTF TCAP	Full Forward of 2021 Tax Credits - PIS date extended to 2023 *Applying for additional gap funding-TCAP
	19	Villa Mirasol	Sunland Park	Thomas Development Group & HERO	(A) 9/1/2021*	48	NC	(P) 12/31/2022	(P) 3/31/2023	(P) 6/30/2023	(P) 11/15/2023	(P) 11/15/2023	\$848,640	N/A	\$360,000	HOME	Credit Swap - 2020 Credits 10% Required by 12/31/2022 Returned/Reissued as 2021 Credits *Applying for additional gap funding-ARPA FRF **Design Review Comments sent to Design
	20	The Bluffs	Los Alamos	Bethel Development & SW Regional	N/A No MFA loans	64	NC	(A) 7/29/2021	(A) 7/28/2022	(P) 11/15/2022	(P) 11/15/2023	(P) 11/15/2023	\$1,028,671	N/A	N/A	N/A	COVID-related PIS extension request granted through 12/31/2023. *As of 9/30/2022 project at 57%
	21	Siler Yard: Arts + Creativity Center	Santa Fe	New Mexico Inter-Faith Community Housing Development Corp.	N/A No MFA loans	65	NC	(A) 06/23/20	(A) 4/15/2021	(A) 8/16/2021	(P) 11/15/2022*	(A) 11/15/2022	\$1,040,000	N/A	N/A	N/A	COVID-related extension request granted through 12/31/2022. *Still in process of closing out final items.
22	Skyview Terrace	Hobbs	YES Housing	(A) 12/12/2019	72	NC	(A) 12/10/19	(A) 7/29/2020	(A) 11/20/2020	(A) 5/21/2021	(A) 5/25/2021	\$1,157,325	N/A	\$600,000	HOME-CHDO	Q4 -8609s were completed and sent to Developer for Signature	

Main Funding Source	Project Name		Project Location	Developer	Loan Closing Date Actual (A) or Projected (P)		No of Apts	NC - New Construction or AR - Acquisition/Rehab	Construction Start Approval Date Actual (A) or Projected (P)		33% Complete Date Actual (A) or Projected (P)	66% Complete Date Actual (A) or Projected (P)	Construction Completion Date Actual (A) or Projected (P)	Certificate of Occupancy/Placed in Service Date Actual (A) or Projected (P)	LIHTC Award Amount	MFA PAB Bond Amount	MFA Loan and Grant Amounts	MFA Loan or Grant Programs	Any Known Issues or Comments				
																	\$1,000,000	NMHTF					
	23	1115 Calle La Resolana	Santa Fe	Santa Fe Civic Housing Authority	(A)	10/15/2020	45	NC	(A)	02/03/21	(A)	7/30/2021	(A)	5/9/2022	(P)	11/15/2022	(P)	11/15/2022	\$723,285	N/A	\$400,000 \$400,000	HOME NHTF	COVID-related extension request granted through 12/31/2022.
	24	Desert Hope	Las Cruces	Mesilla Valley Housing Authority	(A)	5/19/2022	40	AR	(A)	06/10/20	(A)	12/4/2020	(A)	4/1/2021	(A)	7/30/2021	(A)	11/11/2021	\$560,000	N/A	\$318,339	NHTF	Q4 -8609s were completed- Received from Developer 8/29/2022: Project Complete
	25	Canyon Walk	Los Alamos	Bethel Development & SW Regional	N/A	No MFA loans	70	NC	(A)	01/01/20	(A)	1/14/2021	(A)	8/21/2021	(A)	12/31/2021	(A)	12/31/2021	\$1,049,930	N/A	N/A	N/A	COVID-related extension request granted through 12/31/2021. *Pending 8609 Submittal
	26	Ochenta	Taos	Tierra Realty Trust & Golden Spread Rural Frontier	N/A	No MFA loans	80	NC	(A)	08/12/19	(A)	6/4/2020	(A)	12/17/2020	(A)	8/1/2021	(A)	12/15/2021	\$1,150,000	N/A	N/A	N/A	Placed in service 12/15/2021.9/28/2022 8609 Complete to Developer-pending Part II completion
4%	1	La Serena	Albuquerque	Vintage Housing	(P)	12/28/2022	102	NC	(P)	01/15/23	(P)	6/26/2023	(P)	12/5/2023	(P)	4/15/2024	(P)	5/15/2024	\$1,547,653	County-issued bonds	\$1,500,000	NMHTF	
	2	San Roque	Albuquerque	Vintage Housing	(P)	12/28/2022	137	NC	(P)	01/15/23	(P)	6/26/2023	(P)	12/5/2023	(P)	4/15/2024	(P)	5/15/2024	\$2,291,773	County-issued bonds	\$800,000 \$2,622,031 \$1,325,000	HOME NMHTF NHTF	
	3	Sandoval Flats	Rio Rancho	Rio Rancho Leased Housing Development	(P)	2/1/2023	216	NC	(P)	03/01/23	(P)	09/21/23	(P)	04/12/24	(P)	11/01/24	(P)	11/01/24	\$3,590,256	County-issued bonds	\$1,000,000	NMHTF	
	4	Trailhead at Chamizal	Los Ranchos de Albuquerque	Palindrome Properties Group	N/A	No MFA loans	204	NC	(P)	10/31/22	(P)	01/31/23	(P)	06/30/23	(P)	11/30/23	(P)	11/30/23	\$2,087,905	County-issued bonds	N/A	N/A	Bonds Closed August 2022 Sent preconstruction review to developer 6/2022
	5	Vista Mesa Villa	Grants	Community Preservation Partners	N/A	No MFA loans	100	AR	(P)	10/31/22	(P)	10/31/22	(P)	01/31/23	(P)	06/30/23	(P)	06/30/23	\$773,209	\$12,276,778	N/A	N/A	Bonds Closed June 2022 Arch currently waiting on updated drawings to address preconstruction review
	6	EMLI at Wells of Artesia	Artesia	DBG Properties LLC	(A)	7/28/2022	192	NC	(A)	06/06/22	(P)	12/1/2022	(P)	06/30/23	(P)	3/31/2024	(P)	03/31/24	\$1,734,183	\$33,000,000	\$800,000 \$500,000 \$500,000	HOME NHTF NMHTF	Bonds Closed July 2022
	7	Casa de Encantada	Rio Rancho	DBG Properties LLC	(A)	10/21/2021	152	NC	(A)	10/13/21	(P)	10/31/2022	(P)	01/31/23	(P)	9/30/2023	(P)	12/31/2023	\$1,508,725	County-issued bonds	\$2,000,000	NMHTF	As of 9/30 project at 25%
	8	Four Seasons	Hobbs	HW Development	N/A	No MFA loans	80	AR	(A)	10/26/20	(A)	4/22/2021	(A)	7/30/2021	(P)	12/31/2022	(P)	12/31/2022	\$328,052	County-issued bonds	N/A	NHTF	Need to check ADA compliance in kitchen (turning radius).
	9	The Commons at Martineztown	Albuquerque	Albuquerque Housing Authority	N/A	No MFA loans	96	AR	(A)	02/02/21	(A)	10/25/2021	(P)	11/15/2022	(P)	12/31/2022	(P)	12/31/2022	\$688,679	County-issued bonds	N/A	NMHTF	Third super - second site manager.
	10	Casa de Sierra	Albuquerque	DBG Properties LLC	N/A	No MFA loans	188	AR	(A)	3/4/2021	(A)	11/5/2021	(A)	6/15/2022	(P)	12/31/2022	(P)	12/31/2022	\$625,423	County-issued bonds	N/A	N/A	As of 9/30 project is at 85%

Main Funding Source		Project Name	Project Location	Developer	Loan Closing Date Actual (A) or Projected (P)	No of Apts	NC - New Construction or AR - Acquisition/Rehab	Construction Start Approval Date Actual (A) or Projected (P)	33% Complete Date Actual (A) or Projected (P)	66% Complete Date Actual (A) or Projected (P)	Construction Completion Date Actual (A) or Projected (P)	Certificate of Occupancy/Placed in Service Date Actual (A) or Projected (P)	LIHTC Award Amount	MFA PAB Bond Amount	MFA Loan and Grant Amounts	MFA Loan or Grant Programs	Any Known Issues or Comments
	11	550 Paseo	Rio Rancho	DBG Properties LLC	(A) 3/23/2021	240	NC	(A) 3/9/2021	(A) 5/3/2022	(P) 10/31/2022	(P) 6/30/2023	(P) 6/30/2023	\$1,719,114	County-issued bonds	\$750,000 \$2,000,000	HOME NMHTF	As of 9/30 Project is at 55%
	12	Ceja Vista	Albuquerque	GSL Development	(A) 12/16/2020	154	NC	(A) 10/06/20	(A) 8/18/2021	(A) 5/6/2022	(P) 12/31/2022	(P) 12/31/2022	\$996,816	County-issued bonds	\$1,500,000	NHTF	As of 9/30 project is at 75%
	13	Sandia Vista and Plaza David Chavez	Albuquerque	Cesar Chavez Foundation	N/A No MFA loans	213	AR	(A) 04/14/20	(A) 1/28/2021 (SV) (A) 5/14/2022 (DC)	(A) 5/31/2021 (SV) (A) 8/31/2022(DC)	(A) 2/20/2021 (SV) (P) 2/10/2023 (DC)	(A) 9/29/2021SV)* (P) 2/10/2023 (DC)	\$1,340,250	County-issued bonds	N/A	N/A	*Sandia Vista Substantially Complete, Few ADA Parking and Landscape Items set to be complete soon Plaza David Chavez ongoing, some delays noted due to city code requirements
	14	JLG South Number of Projects: 8	Columbus Deming Anthony	JL Gray	(A) 8/2/2020	215	AR	(A) 08/01/20	(A) 12/4/2020	(A) 1/21/2021	(A) 12/30/2021	(A) 12/30/2021	\$648,880	\$9,000,000	N/A	N/A	9/19/2022 Final 8609s to owner- pending Completion of Part II
	15	JLG Central Number of Projects: 6	Ruidoso Downs Belen Portales Las Vegas Artesia	JL Gray	N/A No MFA loans	214	AR	(A) 5/2/2022	(A) 7/31/2022	(A) 9/30/2022	(P) 12/1/2022	(P) 12/1/2022	\$903,432	\$11,000,000	N/A	N/A	
	16	La Vida Nueva	Albuquerque	Cesar Chavez Foundation	(A) 7/7/2017	314	AR	(A) 07/01/17	(A) 7/15/2019	(A) 5/11/2020	(A) 10/1/2020	(A) 9/29/2022	\$1,128,967	County-issued bonds	\$1,000,000 \$1,000,000	NHTF Primero	2017/2018 8609s released month of September. Remaining 2019/2020 8609s on hold until items on Arch Agreement are completed.
LOANS ONLY	1	Mountain View	Tucumcari	JL Gray	(P) TBD*	45	N/A	(P) TBD*	(P) TBD*	(P) TBD*	(P) TBD*	(P) TBD*	N/A	N/A	\$995,044	PRLF	*USDA RD experiencing delays in processing
	2	Las Rosas I	Tularosa	JL Gray	(P) TBD*	28	AR	(P) TBD*	(P) TBD*	(P) TBD*	(P) TBD*	(P) TBD*	N/A	N/A	\$682,555	PRLF	*USDA RD experiencing delays in processing
	3	Las Rosas II	Tularosa	JL Gray	(P) TBD*	29	AR	(P) TBD*	(P) TBD*	(P) TBD*	(P) TBD*	(P) TBD*	N/A	N/A	\$925,710	PRLF	*USDA RD experiencing delays in processing
	4	Sacramento Apts	Cloudcroft	JL Gray	(P) TBD*	20	AR	(P) TBD*	(P) TBD*	(P) TBD*	(P) TBD*	(P) TBD*	N/A	N/A	\$510,726	PRLF	*USDA RD experiencing delays in processing
Grant Only	1	Lamplighter Inn	Santa Fe	JL Gray	(P) 12/31/2022	58	AR	(P) 12/31/22	(P) 1/11/2023	(P) 2/22/2023	(P) 4/1/2023	(P) 4/1/2023	N/A	N/A	\$4,200,000	DFA CDBG-CV	

Tab 15

New Mexico Mortgage Finance Authority

Combined Financial Statements
and Schedules

October 31, 2022

NEW MEXICO MORTGAGE FINANCE AUTHORITY
FINANCIAL REVIEW
For the one-month period ended October 31, 2022

COMPARATIVE YEAR-TO-DATE FIGURES (Dollars in millions):		1 month 10/31/2022	1 month 10/31/2021	% Change Year / Year	Forecast 10/31/2022	Actual to Forecast	Forecast/Target 9/30/23
PRODUCTION							
1	Single family issues (new money):	\$0.0	\$0.0	0.0%	\$0.0	0.0%	\$337.5
2	Single family loans sold (TBA):	\$0.0	\$10.4	-100.0%	\$0.0	0.0%	\$37.5
3	Total Single Family Production	\$0.0	\$10.4	-100.0%	\$0.0	0.0%	\$375.0
4	Multifamily issues (new money):	\$0.0	\$11.0	-100.0%	\$0.0	0.0%	\$25.0
5	Single Family Bond MBS Payoffs:	\$7.0	\$14.5	-51.7%	\$10.6	-33.9%	\$126.9
STATEMENT OF NET POSITION							
6	Avg. earning assets:	\$1,638.9	\$1,463.2	12.0%	\$1,854.9	-11.6%	\$1,854.9
7	General Fund Cash and Securities:	\$103.1	\$92.6	11.4%	\$99.2	3.9%	\$99.2
8	General Fund SIC FMV Adj.:	(\$1.6)	(\$0.7)	130.3%	\$0.0	N/A	\$0.0
9	Total bonds outstanding:	\$1,303.8	\$1,143.6	14.0%	\$1,640.6	-20.5%	\$1,640.6
STATEMENT OF REVENUES, EXPENSES AND NET POSITION							
10	General Fund expenses (excluding capitalized assets):	\$2.6	\$1.9	38.3%	\$2.2	19.5%	\$27.3
11	General Fund revenues:	\$1.4	\$1.7	-16.8%	\$2.4	-41.1%	\$29.7
12	Combined net revenues (all funds):	(\$1.2)	(\$1.4)	-19.4%	\$0.2	868.4%	\$1.8
13	Combined net revenues excluding SIC FMV Adj. (all funds):	\$1.1	(\$0.6)	-303.9%	\$0.2	653.9%	\$1.8
14	Combined net position:	\$284.5	\$284.5	0.0%	\$286.8	-0.8%	\$286.8
15	Combined return on avg. earning assets:	-0.84%	-1.17%	-28.0%	0.11%	867.2%	0.11%
16	Combined return on avg. earning assets excluding SIC FMV Adj. (all funds):	0.83%	-0.45%	-282.0%	0.11%	-652.7%	0.11%
17	Net TBA profitability:	0.00%	1.33%	-100.0%	0.50%	0.0%	0.50%
18	Combined interest margin:	0.86%	0.59%	46.0%	0.51%	68.0%	0.51%
MOODY'S BENCHMARKS							
19	Net Asset to debt ratio (5-yr avg):	25.72%	27.95%	-8.0%	24.05%	6.9%	24.05%
20	Net rev as a % of total rev (5-yr avg):	2.68%	5.05%	-46.9%	9.08%	-70.4%	9.08%
SERVICING							
21	Subserviced portfolio	\$1,938.1	\$1,727.0	12.2%	\$1,926.1	0.6%	\$2,203.4
22	Servicing Yield (subserviced portfolio)	0.46%	0.44%	3.5%	0.46%	0.0%	0.41%
23	Combined average delinquency rate (MFA serviced)	8.80%	8.24%	6.8%	9.50%	-7.4%	9.50%
24	DPA loan delinquency rate (all)	8.89%	8.30%	7.1%	N/A	N/A	N/A
25	Default rate (MFA serviced-annualized)	0.72%	0.48%	50.0%	1.30%	-44.6%	1.30%
26	Subserviced portfolio delinquency rate (first mortgages)	11.04%	13.48%	-18.1%	N/A	N/A	N/A
27	Purchased Servicing Rights Valuation Change (as of 9/30/22)	\$11.5	\$3.6	220.0%	N/A	N/A	N/A

Legend:

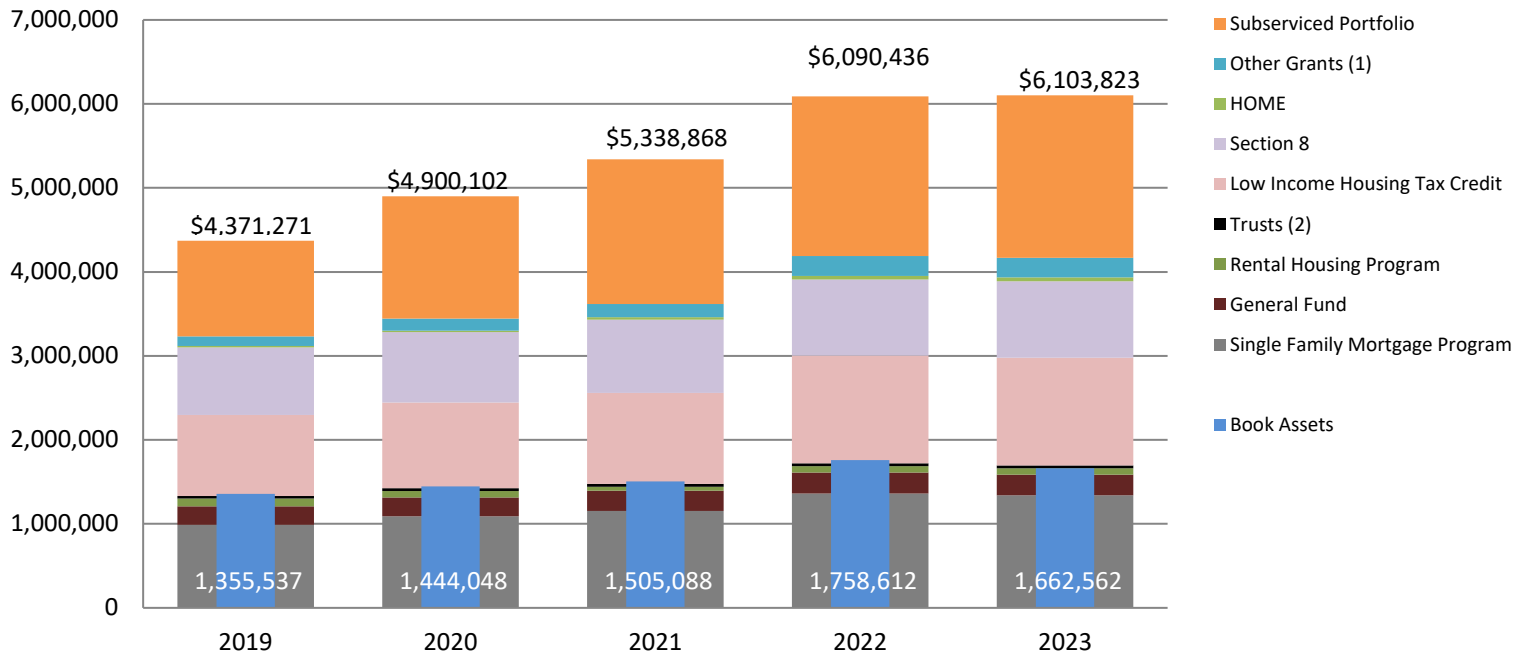
Positive Trend Caution Negative Trend Known Trend/Immaterial

NEW MEXICO MORTGAGE FINANCE AUTHORITY
FINANCIAL REVIEW
For the one-month period ended October 31, 2022

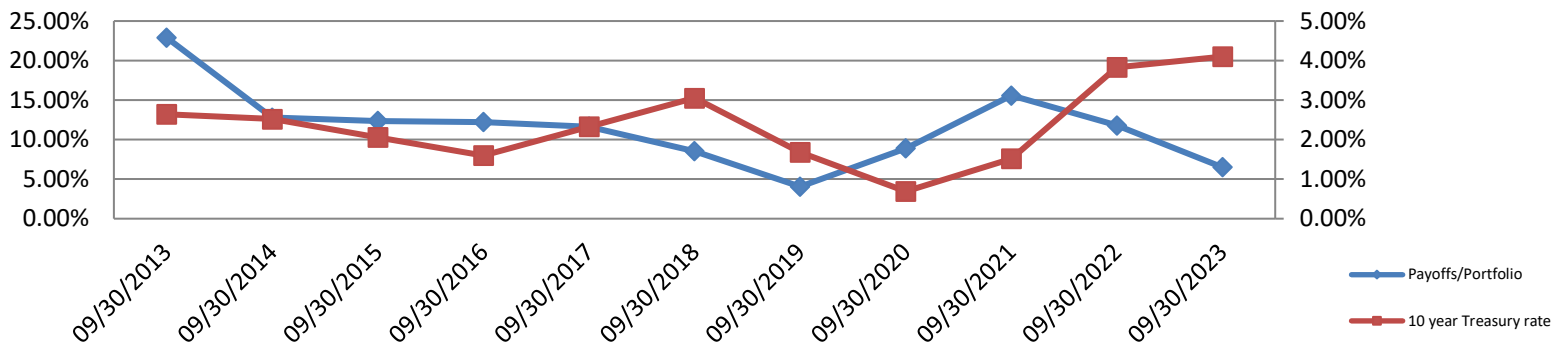
SUMMARY OF BOND ISSUES:Single Family Issues:Multi-family Issues:**CURRENT YEAR FINANCIAL TRENDS & VARIANCES:**

- The single-family production has decreased from last year due to headwinds from rising home prices, climbing mortgage rates, and high inflation. TBA loans sold to date is 100% lower than last year since the execution of the bonds was more favorable in FY22. 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 priced the 2022E Series for \$74.9 million in November, scheduled to close on December 15th. Payoffs slowed by 51.8% due to rising mortgage rates discouraging homeowners from refinancing their loans.
- No multifamily bond issuance during the month of October 2022.
- In one month of activities, the Return on Average earnings assets was negative 0.84%, which is better than last year. SIC Investments' losses (\$2.3m) and inability to sell the Mortgage Backed Securities (MBS) originated through our mortgage program into the secondary market, curtailing immediate recognition of revenue, is affecting general fund revenues and Moody's net revenue benchmark.
- The General Fund expenses increased by 38.3% due to increased compensation, technology system, and services contract for the HAF program, and increased purchase of Mortgage Servicing Rights (MSR), while the General Fund revenue decreased by 16.8% due to a shift to Mortgage Revenue Bond (MRB) financing instead of selling loans in the secondary market that provide one-time administrative fee income. The State Investment Council (SIC) General Fund portfolio valuation decreased by \$1.6m. While the investment losses are non-operational and unrealized, they are recognized as losses in the income statement and impact General Fund revenues, combined net revenues, and Return on Average Earning Assets.
- The combined interest margin of 0.86% 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 MF's investment income and discouraging homeowners from refinancing their loans
- Based on Moody's issuer credit rating scorecard, MFA's 25.72% 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 2.68% ratio (5-year average) is below the optimal range (10-15%) because of decreased FMV of SIC investments, lower TBA profitability resulting from market changes, and increased expense in the purchase of Mortgage Servicing Rights (MSR).
- 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 11.04%. The sub-serviced portfolio is approximately 85% FHA-insured loans. The Mortgage Bankers Association quarterly survey as of June 30, 2022, indicates that the delinquency rate for FHA loans nationally is 8.52%, and for New Mexico is 7.14%. FHA Single Family Loan Performance Trends for August 2022 showed 13.65% delinquency (for purchase loans only), which increased from 13.61% in September 2022.
- The fair market value for purchased servicing rights as of September 2022 is \$29.8 million, an increase of about \$11.5 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 \$18.2 million. Valuations are obtained every quarter.

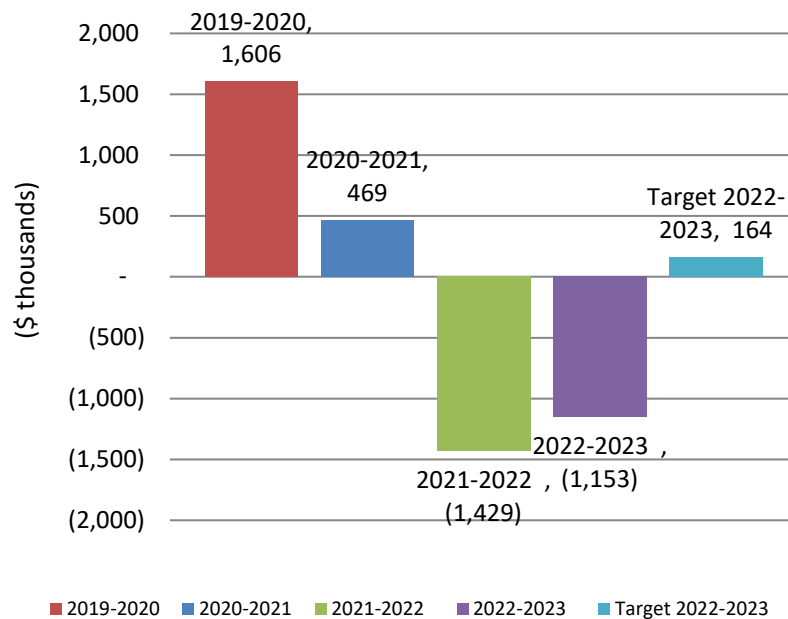
Assets Under Management as of 10/31/2022 (\$ in thousands)



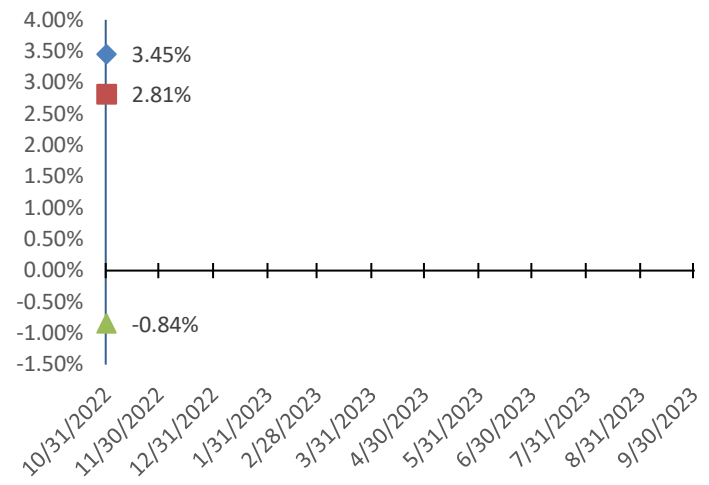
YTD Annualized Payoffs as a Percentage of Single Family Mortgage Portfolio as of 9/30/2023



YTD Excess Revenues over Expenses as of 10/31/2022



Yield Targets 9/30/2023



	2022	Target 2023
Loans Effective yield	3.31%	3.75%
Cash & Investments Effective yield	0.98%	1.50%
Rate of Return on Average Earning Assets	0.01%	0.11%

(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
OCTOBER 2022
(THOUSANDS OF DOLLARS)

	<u>YTD 10/31/22</u>	<u>YTD 10/31/21</u>
<u>ASSETS:</u>		
<u>CURRENT ASSETS:</u>		
CASH & CASH EQUIVALENTS	\$57,666	\$43,681
RESTRICTED CASH HELD IN ESCROW	11,032	9,363
SHORT-TERM INVESTMENTS	-	4,581
ACCRUED INTEREST RECEIVABLE	4,606	3,986
OTHER CURRENT ASSETS	5,039	3,910
ADMINISTRATIVE FEES RECEIVABLE (PAYABLE)	-	8
INTER-FUND RECEIVABLE (PAYABLE)	(0)	-
TOTAL CURRENT ASSETS	<u>78,343</u>	<u>65,528</u>
 CASH - RESTRICTED	 82,016	 59,798
LONG-TERM & RESTRICTED INVESTMENTS	60,844	68,060
INVESTMENTS IN RESERVE FUNDS	-	-
FNMA, GNMA, & FHLMC SECURITIZED MTG. LOANS	1,256,156	1,062,330
MORTGAGE LOANS RECEIVABLE	172,074	160,463
ALLOWANCE FOR LOAN LOSSES	(10,049)	(8,810)
NOTES RECEIVABLE	-	-
FIXED ASSETS, NET OF ACCUM. DEPN	1,780	1,885
OTHER REAL ESTATE OWNED, NET	2,904	2,391
OTHER NON-CURRENT ASSETS	13	-
INTANGIBLE ASSETS	18,295	17,566
TOTAL ASSETS	<u>1,662,377</u>	<u>1,429,211</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>		
REFUNDINGS OF DEBT	185	197
 TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	 <u>1,662,562</u>	 <u>1,429,408</u>
 <u>LIABILITIES AND NET POSITION:</u>		
<u>LIABILITIES:</u>		
<u>CURRENT LIABILITIES:</u>		
ACCRUED INTEREST PAYABLE	\$10,431	\$9,259
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	23,976	13,224
ESCROW DEPOSITS & RESERVES	10,866	9,094
TOTAL CURRENT LIABILITIES	<u>45,273</u>	<u>31,577</u>
 BONDS PAYABLE, NET OF UNAMORTIZED DISCOUNT	 1,303,795	 1,087,751
MORTGAGE & NOTES PAYABLE	28,553	25,941
ACCRUED ARBITRAGE REBATE	-	-
OTHER LIABILITIES	212	134
TOTAL LIABILITIES	<u>1,377,832</u>	<u>1,145,402</u>
DEFERRED INFLOWS	276	-
TOTAL LIAB/DEFERRED INFLOWS	<u>1,378,108</u>	<u>1,145,402</u>
 <u>NET POSITION:</u>		
NET INVESTED IN CAPITAL ASSETS	1,780	1,885
UNAPPROPRIATED NET POSITION (NOTE 1)	61,920	67,200
APPROPRIATED NET POSITION (NOTE 1)	220,755	214,921
TOTAL NET POSITION	<u>284,455</u>	<u>284,006</u>
 TOTAL LIABILITIES & NET POSITION	 <u>1,662,562</u>	 <u>1,429,408</u>

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NEW MEXICO MORTGAGE FINANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FIRST MONTHS ENDED OCTOBER 2022
(THOUSANDS OF DOLLARS)

	<u>YTD 10/31/22</u>	<u>YTD 10/31/21</u>
<u>OPERATING REVENUES:</u>		
INTEREST ON LOANS	\$4,106	\$3,396
INTEREST ON INVESTMENTS & SECURITIES	470	128
LOAN & COMMITMENT FEES	480	209
ADMINISTRATIVE FEE INCOME (EXP)	379	635
RTC, RISK SHARING & GUARANTY INCOME	4	4
HOUSING PROGRAM INCOME	17	99
LOAN SERVICING INCOME	1,404	691
OTHER OPERATING INCOME	-	-
SUBTOTAL OPERATING REVENUES	<u>6,860</u>	<u>5,163</u>
<u>NON-OPERATING REVENUES:</u>		
ARBITRAGE REBATE INCOME (EXPENSE)	-	-
GAIN(LOSS) ASSET SALES/DEBT EXTINGUISHMENT	(2,264)	(828)
OTHER NON-OPERATING INCOME	0	0
GRANT AWARD INCOME	5,085	3,556
SUBTOTAL NON-OPERATING REVENUES	<u>2,821</u>	<u>2,728</u>
TOTAL REVENUES	<u>9,681</u>	<u>7,891</u>
<u>OPERATING EXPENSES:</u>		
ADMINISTRATIVE EXPENSES	2,417	2,730
INTEREST EXPENSE	3,406	2,810
AMORTIZATION OF BOND/NOTE PREMIUM(DISCOUNT)	(230)	(271)
PROVISION FOR LOAN LOSSES	-	143
MORTGAGE LOAN & BOND INSURANCE	-	-
TRUSTEE FEES	13	10
AMORT. OF SERV. RIGHTS & DEPRECIATION	134	327
BOND COST OF ISSUANCE	-	5
SUBTOTAL OPERATING EXPENSES	<u>5,739</u>	<u>5,753</u>
<u>NON-OPERATING EXPENSES:</u>		
CAPACITY BUILDING COSTS	10	11
GRANT AWARD EXPENSE	5,084	3,555
OTHER NON-OPERATING EXPENSE	-	-
SUBTOTAL NON-OPERATING EXPENSES	<u>5,094</u>	<u>3,566</u>
TOTAL EXPENSES	<u>10,834</u>	<u>9,319</u>
NET REVENUES	(1,153)	(1,429)
OTHER FINANCING SOURCES (USES)	-	-
NET REVENUES AND OTHER FINANCING SOURCES(USES)	<u>(1,153)</u>	<u>(1,429)</u>
NET POSITION AT BEGINNING OF YEAR	<u>285,608</u>	<u>285,434</u>
NET POSITION AT 10/31/22	<u>284,455</u>	<u>284,005</u>

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

(Note 1) MFA Net Position as of October 31, 2022:

UNAPPROPRIATED NET POSITION:

\$ 26,595	is held by Bond Program Trustees and is pledged to secure repayment of the Bonds.
\$ 34,441	is held in Trust for the NM Housing Trust Fund and the NM Land Title Trust Fund.
\$ 883	is held for New Mexico Affordable Housing Charitable Trust.
\$ 61,920	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 (\$106,326 in loans plus \$10,803 unfunded, of which \$4,106 is committed).
\$ 35,984	for future use in Single Family & Multi-Family housing programs.
\$ 1,119	for loss exposure on Risk Sharing loans.
\$ 1,780	invested in capital assets, net of related debt.
\$ 18,179	invested in mortgage servicing rights.
\$ 29,088	for the future General Fund Budget year ending 09/30/23 (\$31,751 total budget less \$2,663 expended budget through 10/31/22.)
\$ 203,279	Subtotal - General Fund

APPROPRIATED NET POSITION: HOUSING

\$ 19,255	for use in the federal and state housing programs administered by MFA.
\$ 19,255	Subtotal - Housing Program
\$ 222,534	Total Appropriated Net Position
\$ 284,455	Total Combined Net Position at October 31, 2022

Total combined Net Position, or reserves, at October 31, 2022 was \$284.5 million, of which \$61.9 million was pledged to the bond programs, Affordable Housing Charitable Trust and fiduciary trusts. \$222.5 million of available reserves, with \$103.1 million primarily liquid in the General Fund and in the federal and state Housing programs and \$119.4 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 one month ended 10/31/2022

	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	720,447	720,447	700,449	8,405,392	(19,998)	7,684,945	8.57%
Interest on Investments & Securities	151,292	151,292	109,855	1,318,256	(41,437)	1,166,964	11.48%
Loan & Commitment Fees	254	254	14,612	175,344	14,358	175,090	0.14%
Administrative Fee Income (Exp)	724,654	724,654	700,739	8,408,864	(23,916)	7,684,210	8.62%
Risk Sharing/Guaranty/RTC fees	3,555	3,555	38,644	463,730	35,089	460,175	0.77%
Housing Program Income	16,910	16,910	28,007	1,530,014	11,097	1,513,104	1.11%
Loan Servicing Income	1,404,319	1,404,319	786,229	9,434,743	(618,091)	8,030,424	14.88%
Other Operating Income			-	-	-	-	
Operating Revenues	3,021,432	3,021,432	2,378,534	29,736,343	(642,897)	26,714,911	10.16%
Gain (Loss) Asset Sale/Debt Ex	(1,606,719)	(1,606,719)	-	-	1,606,719	1,606,719	
Other Non-operating Income	10	10	8	100	(2)	90	10.00%
Non-Operating Revenues	(1,606,709)	(1,606,709)	8	100	1,606,717	1,606,809	-1606708.68%
Revenue	1,414,723	1,414,723	2,378,543	29,736,443	963,819	28,321,720	4.76%
Salaries	551,712	551,712	609,849	7,978,035	58,137	7,426,323	6.92%
Overtime	2,400	2,400	2,891	37,585	491	35,184	6.39%
Incentives	6,642	6,642	51,786	677,169	45,144	670,528	0.98%
Payroll taxes, Employee Benefits	249,448	249,448	313,688	3,958,534	64,240	3,709,086	6.30%
Compensation	810,202	810,202	978,214	12,651,323	168,012	11,841,121	6.40%
Business Meals Expense	173	173	602	7,220	429	7,047	2.39%
Public Information	8,315	8,315	28,291	339,488	19,976	331,173	2.45%
In-State Travel	12,867	12,867	13,306	159,671	439	146,804	8.06%
Out-of-State Travel	5,617	5,617	22,337	268,046	16,720	262,429	2.10%
Travel & Public Information	26,972	26,972	64,535	774,425	37,563	747,453	3.48%
Utilities/Property Taxes	6,382	6,382	6,642	79,700	260	73,318	8.01%
Insurance, Property & Liability	20,587	20,587	18,886	226,628	(1,701)	206,041	9.08%
Repairs, Maintenance & Leases	111,173	111,173	148,913	1,643,951	37,740	1,532,778	6.76%
Supplies	1,645	1,645	2,975	35,700	1,330	34,055	4.61%
Postage/Express mail	3,706	3,706	3,400	40,800	(306)	37,094	9.08%
Telephone	1,637	1,637	1,892	22,701	255	21,064	7.21%
Janitorial	3,108	3,108	3,408	40,900	300	37,792	7.60%
Office Expenses	137,627	137,627	186,053	2,089,634	48,426	1,952,007	6.59%
Dues & Periodicals	2,944	2,944	5,231	62,773	2,287	59,829	4.69%
Education & Training	12,004	12,004	14,224	170,690	2,220	158,686	7.03%
Contractual Services	76,809	76,809	116,834	1,402,004	40,025	1,325,195	5.48%
Professional Services-Program			20,229	242,751	20,229	242,751	
Direct Servicing Expenses	1,324,913	1,324,913	407,131	4,885,567	(917,782)	3,560,654	27.12%
Program Expense-Other	8,200	8,200	15,037	180,448	6,838	172,249	4.54%
Rebate Analysis Fees			-	-	-	-	
Other Operating Expense	1,424,869	1,424,869	578,686	6,944,233	(846,183)	5,519,364	20.52%

GENERAL FUND
Fiscal Year 2022-2023 Budget
For the one month ended 10/31/2022

	One Month Actual	Year to Date Actuals	Year to Date ProRata Budget	Annual Budget	YTD Budget Under/(Over)	Annual Budget Under/(Over)	Expended Annual Budget %
Interest Expense	84,811	84,811	137,102	1,645,220	52,291	1,560,409	5.15%
Non-Cash Expenses	133,313	133,313	236,758	2,841,098	103,445	2,707,785	4.69%
Expensed Assets	358	358	6,654	79,850	6,296	79,492	0.45%
Operating Expenses	2,618,152	2,618,152	2,188,002	27,025,783	(430,149)	24,407,631	9.69%
Program Training & Tech Asst	691	691	12,658	151,900	11,968	151,209	0.45%
Program Development	9,264	9,264	9,327	111,925	63	102,661	8.28%
Capacity Building Costs	9,954	9,954	21,985	263,825	12,031	253,871	3.77%
Non-Operating Expenses	9,954	9,954	21,985	263,825	12,031	253,871	3.77%
Expenses	2,628,106	2,628,106	2,209,988	27,289,608	(418,118)	24,661,502	9.63%
Excess Revenue over Expenses	(1,213,383)	(1,213,383)	168,555	2,446,835	1,381,938	3,660,218	-49.59%

GENERAL FUND CAPITAL BUDGET
Fiscal Year 2022-2023 Budget
For the one month ended 10/31/2022

	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	34,298	34,298	362,571	4,350,847	328,273	4,316,549	0.79%
2950 COMPUTER HARDWARE	1,000	1,000	3,360	40,324	2,360	39,324	2.48%
2960 SOFTWARE LICENSES	-	-	-	-	-	-	
2920 FURNITURE & EQUIPMENT-10 YR	-	-	-	-	-	-	0.00%
2930 FURNITURE & EQUIP, 5 YR.	-	-	-	-	-	-	
2860 BUILDING	-	-	-	-	-	-	
Capital Budget	35,298	35,298	365,931	4,391,171	330,633	4,355,873	0.80%