



MFA Housing New Mexico
 MFA March Board of Directors Meeting 2023
 March 15, 2023
 9:30 am-12:30 pm Mountain Time

Chair Convenes Meeting

- Roll Call (Izzy Hernandez)
- Approval of Agenda – Board Action
- Approval of 2/15/23 Board Meeting Minutes – Board Action
- Executive Director Updates

Board Action Items (Action Required?)

Presentation

- 1 Santa Fe Public Schools Technical Assistance Project (Monica Abeita, Executive Director, North Central NM Economic Development District, Hilario Chavez, Superintendent, Santa Fe Public Schools, Kristy Wagner, Deputy Superintendent of Operations, Santa Fe Public Schools, Gene Bostwick, Director of Construction and Real Property, Santa Fe Public Schools) Non-Action Item

Other

- 2 Election of Officers (Derek Valdo) YES

Finance Committee

- 3 Multifamily Bond Inducement Resolution Approvals (Viktoria Gonsior & Christi Wheelock) YES
- 4 New Mexico Preservation Loan Fund Program Proposal and Funding Request (Hannah Faulwell & George Maestas) YES

Contracted Services/Credit Committee

- 5 Felician Villa Apartments- American Rescue Plan Act-Fiscal Recovery Funds Request (ARPA-FRF) (Jacobo Martinez & George Maestas) YES
- 6 NM EnergySmart Request for Proposals (RFP) (Troy Cucchiara & Dimitri Florez) YES
- 7 Housing Opportunities for Persons with AIDS (HOPWA) (Jackie Homet) YES
- 8 Dream Tree State and Local Fiscal Recovery Funding NOFA Recommendation to Award Funds (Ted Chavez & Robyn Powell) YES
- 9 YES Housing, Inc. State and Local Fiscal Recovery Funding NOFA Recommendation to Award Funds (Ted Chavez and Robyn Powell) YES

- 10 North Central NM Economic Development District Senior Home Repair State and Local Fiscal Recovery Funding NOFA Recommendation to Award Funds (Ted Chavez & Robyn Powell) YES
- 11 Homewise State and Local Fiscal Recovery Funding NOFA Recommendation to Award Funds (Ted Chavez & Robyn Powell) YES
- 12 Limited Source Procurement Section 811 Project Rental Assistance (PRA) Program Award Recommendations (Carmela Arellano & Patrick Ortiz) YES

Other Board Items**Information Only****13 (Staff is available for questions)**

- Staff Action Requiring Notice to Board
- COVID Staff Actions

Monthly Reports**No Action Required****14 (Staff is available for questions)**

- 1/31/23 Financial Statements

Announcements and Adjournment**Discussion Only**

- 15 Building Tour Non Action Required
Following MFA Board of Directors Meeting
• 7425 Jefferson St NE, Albuquerque, NM 87109

Confirmation of Upcoming Board Meetings

- April 11, 2023 – Tuesday, Contracted Services 10:00 a.m. Finance Committee 1:30 p.m.
- April 19, 2023 - Wednesday- 9:30 a.m. (MFA Board of Directors Meeting)
- April 19, 2023 – Board Training; Strategic Planning 12:00 – 2:30 p.m. (immediately following the MFA Board of Directors Meeting)
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- May 17, 2023 - Wednesday- 9:30 a.m. (MFA Board of Directors Meeting)
- June 13, 2022 - Tuesday, Contracted Services 10:00 a.m. Finance Committee 1:30 p.m.
- June 21, 2022 – Wednesday – 9:30 a.m. (MFA Board of Directors Meeting)



NEW MEXICO MORTGAGE FINANCE AUTHORITY

Board Meeting

344 4th St. SW, Albuquerque, NM

Wednesday, March 15, 2023 - Wednesday- 9:30 a.m.

Proposed Agenda

Chair Convenes Meeting

- Roll Call (Izzy Hernandez)
- Approval of Agenda – Board Action
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Action Required?

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Board Summary Meeting
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Other

- 2 Election of Officers (Derek Valdo) -** as recommended by the Nominating Committee: Chair Reyes, Lieutenant Governor Morales and Attorney Raul Torrez. YES

Finance Committee

- 3 Multifamily Bond Inducement Resolution Approvals (Viktoria Gonsior & Christi Wheelock) -** MFA Staff recommends approval from the MFA Board to allow an annual inducement resolution for multifamily bonds up to the amount of the private activity bond volume cap designated for multifamily housing by the State Board of Finance, which based on that annual inducement resolution, delegate the authority to issue individual inducement resolutions to each project as a staff action. The following individuals would be authorized to execute the inducement resolutions issued through a staff action: Isidoro Hernandez, Executive Director, Lizzy Ratnaraj, Chief Financial Officer, Jeff Payne, Chief Lending Officer, and Donna Maestas-DeVries, Chief Housing Officer YES
- 4 New Mexico Preservation Loan Fund Program Proposal and Funding Request (Hannah Faulwell & George Maestas) -** Staff is proposing an initial plan for the New Mexico Preservation Loan Fund, which would provide funding to projects supporting the preservation of at-risk affordable housing in the state, including for use toward rehabilitation, acquisition, and predevelopment activities. After investigating the investment needed to provide funding to potential users for each eligible activity to initiate the program, staff is requesting a preliminary allocation of \$25,000,000 over a five phase process to fund the program at its inception YES

Contracted Services/Credit Committee

- 5 Felician Villa Apartments- American Rescue Plan Act-Fiscal Recovery Funds Request (ARPA-FRF) (Jacobo Martinez & George Maestas) -** A FRF grant request in the amount of \$2,800,000 for the Felician Villa Apartments, located in Rio Rancho, New Mexico. Felician Villa Apartments is a New Construction project that will create 66 one and two bedroom units for seniors 55 years and older and will give preference to active and retired military members. Four of the units will be income restricted to households earning 30% or less of Area Median Income (AMI). Thirty-Seven of the units will be income-restricted to households earning 50% or less of AMI. Twenty-four units will be income restricted to households earning 60% or less of AMI. The additional unit will be a non-revenue producing management unit. YES
- 6 NM EnergySmart Request for Proposals (RFP) (Troy Cucchiara & Dimitri Florez) -** Based on the responses to the NM EnergySmart RFP, staff recommends Board approval for Central New Mexico Housing Corporation to serve the Northern Territory, Southwestern Regional Housing and Community Development Corporation to serve the

Southern Territory, and International Center for Appropriate and Sustainable Technology to serve the Multifamily Territory. Board approval would allow the NM EnergySmart service providers to receive a one-year contract with the option of three additional annual renewals. YES

- 7 **Housing Opportunities for Persons with AIDS (HOPWA) (Jackie Homet)** - Staff requests approval to issue the Housing Opportunities for Persons with AIDS Program (HOPWA) Request for Proposals (RFP) for program years 2023-2025 with potential extensions for the 2025-2026, 2026-2027 and 2027-2028 program years. YES
- 8 **Dream Tree State and Local Fiscal Recovery Funding NOFA Recommendation to Award Funds (Ted Chavez & Robyn Powell)** - Staff recommends approving the DreamTree Project State and Local Fiscal Recovery Funds (SLFRF) Notice of Funding Availability (NOFA) application in the amount of \$200,000 for construction costs to support a homeless shelter in Taos, contingent upon DreamTree resolving unresolved MFA monitoring fundings. YES
- 9 **YES Housing, Inc. State and Local Fiscal Recovery Funding NOFA Recommendation to Award Funds (Ted Chavez and Robyn Powell)** - Staff recommends partially approving the Yes Housing, Inc.'s State and Local Fiscal Recovery Funds (SLFRF) Notice of Funding Availability (NOFA) application and awarding funds in the amount of \$627,026.45. YES
- 10 **North Central NM Economic Development District Senior Home Repair State and Local Fiscal Recovery Funding NOFA Recommendation to Award Funds (Ted Chavez & Robyn Powell)** - Staff recommends approving the NCNEMDD Senior Home Repair State and Local Fiscal Recovery Funds Notice of Funding Availability (NOFA) application and awarding funds in the amount of \$1,000,000. YES
- 11 **Homewise State and Local Fiscal Recovery Funding NOFA Recommendation to Award Funds (Ted Chavez & Robyn Powell)** - Staff recommends approving the HomeWise State and Local Fiscal Recovery Funds (SLFRF) Notice of Funding Availability (NOFA) application in the amount of \$400,000 for the purpose of acquisition, rehabilitation, and sale of four affordable condos at 119 High Street, Albuquerque, New Mexico. YES
- 12 **Limited Source Procurement Section 811 Project Rental Assistance (PRA) Program Award Recommendations (Carmela Arellano & Patrick Ortiz)** - In 2020, MFA received a \$3,567,029 million award to participate in HUD's FY19 Section 811 Project Rental Assistance (PRA) program, which provides project-based rental assistance for extremely low-income person with disabilities who are linked with long-term services. The rental assistance covers the difference between the tenant payment (Extremely Low-Income: at or below 30% area median family income) and the property's contract rent. Staff recommends approval to award Greater Albuquerque Housing Partnership (GAHP) a total of \$707,104.16 under Rental Assistance Contracts (RACs) over the 5-year period of the award to commence on the effective date of the RAC. MFA must have the total award expended by September 30, 2032. YES

Other Board Items

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- COVID Staff Actions

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No Action Required

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NEW MEXICO MORTGAGE FINANCE AUTHORITY
Board Meeting Minutes
344 4th St. SW, Albuquerque, NM
Wednesday, February 15, 2023 at 9:30 a.m.

Chair Reyes convened the meeting on February 15, 2023 at 10:08 a.m. (due to snow 2 hour delay) Secretary Hernandez called the roll. Members present: Chair Angel Reyes, Gideon Elliot (designee for Attorney General Hector Balderas) via conference call, Martina C'de Baca (designee for Lieutenant Governor Howie Morales), Treasurer Laura Montoya (phone 10:15 a.m. arrived in person at 10:18 a.m. during tab 1), Rebecca Wurzbarger via conference call and Derek Valdo (arrived at 10:15 a.m. during ED highlights). Absent: Patricia Sullivan. Hernandez informed the Board that everyone had been informed about today's meeting in accordance with the New Mexico Open Meetings Act.

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

Approval of Agenda – Motion to approve the February 15, 2023 board agenda as recommended: Wurzbarger. Second: C'de Baca. Vote: 4-0. Chair Reyes made a motion following tab nine modifying the agenda to remove items 10, 11 & 12. Montoya. Second: C'de Baca. Vote: 6-0.

Approval of January 18, 2023 Board Meeting Minutes – Board Action. Motion to approve the January 18, 2023 Board Meeting Minutes as presented: C'de Baca. Second: Wurzbarger. Vote: 4-0.

Member Valdo arrived at 10:15 a.m. during ED highlights.

Hernandez provided his Executive Director updates, stating later in his presentation he would discuss the legislative session: Delinquencies 12.01% (1/23) vs. 15.67% (3/20). Mortgage Ops – Behind last year's production (weekly avg.) '21 - \$11.0m / '22 - \$9.3m / \$6.5M (as of 2/3/23) last couple of weeks have averaged \$9M. 1st Home (GOV) Int. 5.625% (2/11/23). HAF: 2457 served w/\$17.1M - \$6.8K Avg. **Significant meetings/presentations:** 1/17-2/15: Legislative Session. 1/24: Mtg with LFC Staff. 2/13: Various Legislator Meetings. 1/27: SB 139/SB140 – Senate Health and Public Affairs Committee Hearing. 1/31: Laguna #3 Groundbreaking. 2/7: Mtg w/Governor's COO & Housing Advisor – Housing Agency Bill. 2/10: Mtg w/SBOF – Recurring Funding Planning. **Upcoming Actions/Activities:** Hernandez stated that he provided MFA highlights/talking points. He then made reference to HB 414 that established a housing department at the state level. Our concern is that it takes ownership of the Housing Trust Fund; which we've been managing for the last 18 years and believe have done a tremendous job, so moving it to another agency is of some concern to us. We will continue to meet with the sponsors and legislators to let them know our concerns and highlight our successes as an organization and with the bill itself. This piece of legislation is being sponsored by Representatives Chasey and Romero it has been assigned to two committees but have not been put on the schedule.

Treasurer Montoya joined by phone at 10:15 arrived in person at 10:18 during tab 1.

Consent Agenda

- 1 NextHome/NextDown Policy Revision Correction (Jeff Payne) – Finance Committee.** Payne provided a brief summary of the consent agenda NextHome/Next Down Polity Revision Correction. He informed the Board that staff recommends a correction to the NextHome and NextDown programs and policies approved at the January Board of Directors meeting. The previous NextHome and NextDown program policy offered down payment assistance in the amount of 3% of the loan amount and this was not updated in the request made at the January Board of Directors meeting. The existing FirstHome/FirstDown program calculates the DPA assistance at 3% of purchase price. To minimize confusion with borrowers and lenders, the amount of DPA assistance for the newly revised NextHome/NextDown programs should also be calculated as a percentage of sales price and not the loan amount. Motion to approve the NextHome/Next Down Policy Revision Correction as recommended: Wurzbarger. Second: Valdo. Vote: 6-0.

Finance Committee

- 2 12/31/22 Quarterly Financial Statement Review (Lizzy Ratnaraj).** Ratnaraj informed the Board that this report would be for the 3-month period ending 12/31/22 for MFA's fiscal year. She began her review of the financial statements which are located behind tab two and will be made a part of 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, and the effect of GASB31 on financial data. She explained that the GASB 31 requires fair value reporting of all investments, including MBS, recorded for audit purposes only. It was brought to Board's attention that as higher-interest loans are added to the portfolio, the chart shows the fair value of investment assets increased. Motion to approve the 12/31/22 Quarterly Financial Statement Review as presented: Montoya. Second: C'de Baca. Vote: 6-0.

Contracted Services/Credit Committee

- 3 New Mexico MFA Subservicing Agreement (Teresa Lloyd).** Lloyd began her presentation with a request for approval to negotiate a three-year Mortgage Loan Subservicing and Single Family Program Support Services Agreement with Idaho Housing Finance Agency (IHFA) with two additional one-year extensions. She provided background information provided in the memo located behind tab three, which will be made a part of the official board packet. She explained that on June 1, 2016 MFA implemented a new hybrid, subservicing model with IHFA. The Hybrid Sub-Servicing model developed between MFA and IHFA MFA will continue the transition of the mortgage loan purchase activities and maintain a long-term subservicing relationship with IHFA. Staff recommends continuing the subservicing model with IHFA for five years until September 30, 2028 and reevaluating the arrangement at the end of the agreement term. Motion to approve the New Mexico MFA Subservicing Agreement as presented: Valdo. Second: Wurzbarger. Vote: 6-0.

Other

- 4 Request for Use of New Mexico Housing Trust Fund for FirstDown Downpayment Assistance (Jeff Payne).** Payne began his presentation with a recommendation to the Board for approval of an allocation \$5 million from the New Mexico Housing Trust Fund (NMHTF) to fund the FirstDown, single family downpayment assistance program. Payne further explained that the FirstDown program is currently funded through General Fund allocated to the Housing Opportunity Fund. The estimated funding need FirstDown in FY 2023 is \$13.3 million. To date, we have funded and committed \$3.5 million from General Fund. We request an allocation from the NMHTF of \$5 million. The program policy and borrower requirements will remain unchanged. Motion to approve the Request for Use of New Mexico Housing Trust Fund for FirstDown Downpayment Assistance as presented: Montoya. Second: Wurzbarger. Vote: 6-0.
- 5 Recommendation to Approve Allocation of Available New Mexico Housing Trust Funds (Robyn Powell).** Powell began her presentation requesting Board's approval of staff's recommendation to allocate up to \$5,000,000 of funding available in the New Mexico Housing Trust Fund for the purpose of additional requests for funding resulting from the State and Local Fiscal Recovery Funds Notice of Funding Availability. All awards will be made following the MFA Delegations of Authority. Staff is recommending that up to \$5 million in available funds be allocated to the uses outlined in the State and Local Fiscal Recovery Funds Notice of Funding Availability (NOFA) so that the NOFA can remain open for applications. All awards will be approved subject to the MFA Delegations of Authority, the New Mexico Housing Trust Fund Act, and MFA Rules and Regulations. In addition, staff recommends amending the current NOFA to add language under Funding Limits and Restrictions, which will provide MFA flexibility when evaluating requests for awards for existing projects and programs. Motion to approve the Recommendation to Approve the Allocation of Available New Mexico Housing Trust Funds and amend the State and Local Fiscal Recovery Funds NOFA as presented: C'de Baca. Second: Elliot. Vote: 6-0.
- 6 Appointment of the Nominating Committee (Chair, Angel Reyes) - Nominating Committee appointed to Elect Officers.** Chair Reyes informed the Board that he has appointed a Nominating Committee to Elect Officers, they are Lieutenant Governor Howie Morales, Attorney General Raúl Torrez and himself. He further informed the Board that (a) The Nominating Committee shall be responsible for presenting nominations for officers, other than the Chairman and the Executive Director, including without limitation the Vice Chairman, the Secretary, the Assistant Secretary, the Treasurer and the Assistant Treasurer. (b) The Chairman shall appoint a Nominating Committee during or prior to April of each year. The Nominating Committee shall consist of three members of the Authority. (c) The

nominations shall be presented, and elections held no later than the June meeting of the board of directors held in such year. The vote for officers shall be held in such manner as the directors may determine. Non Action Item

- 7 **Strategic Marketing Plan update (Paul Dahlgren).** Dahlgren began his presentation by providing an overview of the communications department. He then presented information from the pp presentation provided behind tab seven, which will become a part of the official board packet. He further provided information from the communications department regarding recent accomplishments and current, ongoing, and future marketing and communications initiatives at MFA. Non Action Item
- 8 **Update – Annual Real Estate Owned Portfolio (Teresa Lloyd).** Lloyd began her presentation by explaining that the Real Estate Owned (REO) portfolio update is provided annually to the Board and is for FY2022. MFA's REO portfolio typically consists of single family and multi-family loans that MFA services and has foreclosed. Most of the single family, first mortgage loans that MFA services were originated through our Partners program. As a result, most of the properties that come into our REO portfolio are Partners loans. Lloyd reviewed two loans (provided in the memo); one, of which was foreclosed in May 2022 and the other was a repurchase from the Ginnie Mae pool – working on a loan modification, which is pending execution. She further explained that MFA attempts to work with the borrowers and Habitat for Humanity affiliates to avoid taking these homes back. She announced that as of December 31, 2022, MFA holds no REO properties in its portfolio. Non Action Item
- 9 **Quarterly Multifamily Project Completion Report (George Maestas).** Maestas provided an overview of the multifamily project pipeline completion report which includes funding source and are listed by the project's loan application or tax credit allocation year. Overall, there are 56 active projects comprised of 4,359 units in 28 different municipalities and 18 counties across the state. They represent over \$44.8m in annual tax credits, \$98.8m in Private Activity Bonds and \$51.3m in other MFA financing for a total of \$194,859,135. Thirty-five (35) projects are currently under construction; one project added, three removed. Approximately 10 projects are expected to complete by end of quarter 2. He further informed the Board that no projects closing in quarter one 2023. A total of 20 projects are eligible for COVID extensions. He then went over the upcoming ground breakings and ribbon cuttings. Maestas reviewed the figures provided for economic impact as well as jobs. Non-Action Item.

Removed - Closed Session

Action Required

- 10 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)

Removed - Open Session

Action Required

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

- 11 Approve Purchase Agreement Related to Acquisition of Real Property (Chair Angel Reyes) YES
- 12 Approve Real Property Financing Resolution (Chair Angel Reyes) YES

Other Board Items - Information Only

- 13 There were no questions asked of staff.
 - Staff Actions Requiring Notice to Board
 - COVID Staff Actions Requiring Notice to Board
 - 12/31/22 Quarterly Investment Financial Report
 - Strategic Plan Dashboard

Quarterly Reports - No Action Required

- 14 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 March 15, 2023 at the offices of the MFA.

There being no further business the meeting was adjourned at 11:58 p.m.

Approved: March 15, 2023

Chair, Angel Reyes

Secretary, Isidoro Hernandez

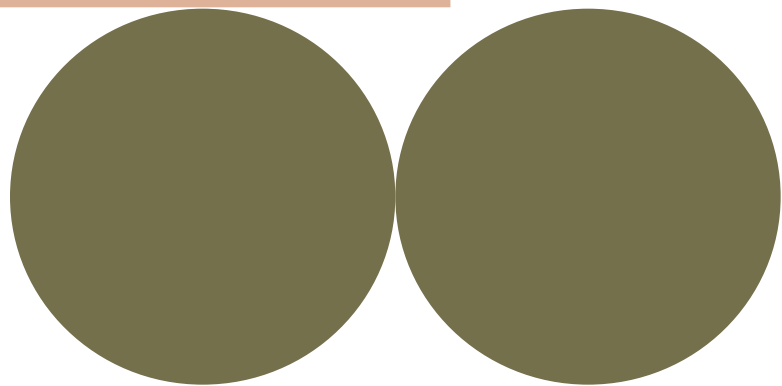
NCNMEDD HOUSING TECHNICAL ASSISTANCE

Santa Fe Public Schools

FEBRUARY 2023



WILLIFORD, LLC



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Introduction

PROJECT BACKGROUND

Santa Fe is the capital of New Mexico and the fourth largest city in the state. It is widely known for its art scene, history, culture, and outdoor recreation. This makes the city a highly desirable place for people to live and visit. Housing, however, has not kept up with the demand, especially housing that is affordable to locally employed households. Specifically, many teachers and other school staff are unable to afford housing within the city and are forced to commute long distances to work. The Santa Fe Schools District owns a 7-acre parcel of land that sits between two schools and is suitable for employee housing. They are interested in developing affordable rentals that meet the needs of School District staff. An employee survey was conducted to garner a better definition of how many units are needed at what price points.



Santa Fe's affordability problem has greatly affected the school district's ability to retain teachers and other staff. The creation of affordable worker housing poses a solution to this problem. The North Central New Mexico Economic Development District (NCNMEDD) hired the consultant team consisting of Williford LLC and Living Design Group to provide technical assistance on the design and financial modeling of an employee housing development on this land. The report was funded by New Mexico's Mortgage Finance Authority (MFA) and managed by NCNMEDD.

CURRENT HOUSING MARKET

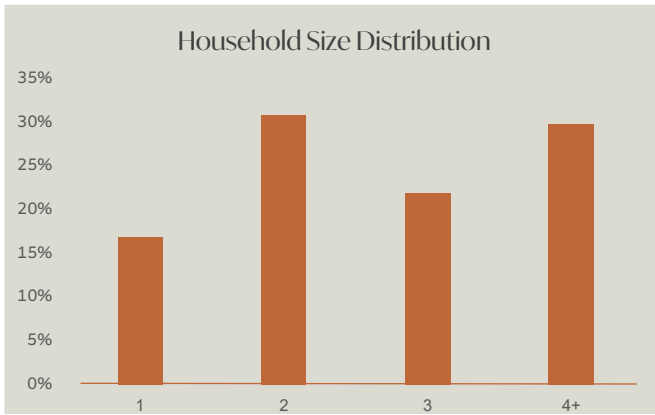
According to the City of Santa Fe's Consolidated Plan (2018) there is a large gap between renters in need of affordable housing and the supply of available housing at affordable price points. As a result, a large portion of Santa Fe residents are housing cost burdened. Specifically, over 30% of residents are spending more than 30% of their income on housing. Families of color and single person households are the most likely to be severely cost-burdened. The largest gap in rental housing is for very low-income households, those making less than \$19,000 a year (30% AMI). Furthermore, there is a shortage of 2,600 rental units priced below \$625 per month. The greatest need is for units priced between \$375 and \$500 a month.

This lack of affordable housing is exacerbated by the poor condition of large portions of Santa Fe's housing stock. Over 400 homes are in substandard condition (incomplete kitchen/plumbing facilities) and are in probable need of rehabilitation.

EMPLOYEE SURVEY

The Santa Fe Public School District created an employee survey that garnered 586 responses. The survey showed great support for Santa Fe Public Schools (SFPS) investing resources in housing. Though some respondents are currently satisfied with their current housing situation many are dissatisfied (44%). Of the employees who report being dissatisfied, many find their home too expensive, are discontent with their landlord, or want to live without roommates. Additionally, about 12% of respondents are planning to move out of the Santa Fe area in the next five years.

In order to better understand Santa Fe Public School employees and their needs, survey-takers were asked about household size and their desired number of bedrooms. A majority of households are two or three people (53%) and nearly half of households have kids (47%). The majority want a home with two or three bedrooms.



Source: Data from Santa Fe Public Schools Housing Survey, created by consultant team

Respondents who want to move are seeking several amenities. The most desired amenities include: yard space, proximity to services, and a garage. Other common responses include extra storage space and walkable neighborhoods. An overwhelming majority of respondents are supportive of Santa Fe Public Schools investing resources into housing programs and opportunities for employees. 71% of respondents are very supportive and 11% are somewhat supportive. Only 5% of respondents are unsupportive.

HOUSEHOLD INCOMES AND PURCHASING POWER

The following table portrays examples of possible household incomes of school district employees. The third column captures what these households can afford based on 30% of their income; this number includes utilities. The table is meant to help create rental price mixes for the purposes of project financing. Certified employees include teachers, nurses, counselors and various related service providers. Classified employees include paraprofessionals and educational assistants.

Household	Annual Income	Affordable Rent (30% of income, includes utilities)	Number of Bedrooms
Level 1 Certified Employee (1-person, starting salary)	\$50,000	\$1,387	1
Classified Employee Base 25 step 11 (1-person),	\$22,441	\$622	1
Two Certified Level 1 Employees (2-people)	\$100,000	\$2,419	2
Two Classified Employees, Base 25 (2-people)	\$37,952	\$1,053	2
Two Certified Level 2 Employees and child (3-people)	\$120,000	\$2,419	3

Process



PROJECT GOALS

At the site visit, the stakeholder group established the following goals:

- Build rental housing that can serve school district employees and other members of the community to help attract and retain a qualified workforce in this location;
- Build desirable, durable housing that is a source of community pride, make it compatible with the scale and walkable nature of the adjacent residential neighborhood and maintain a sense of community;
- Increase the variety of housing choices ranging from studio to 3-bedroom units;
- Make the housing affordable to district employees and compatible with housing in the surrounding market.

SITE VISIT

Members of the consultant team and project stakeholders conducted a site visit on November 8th, 2022. The discussion covered the employee survey, community needs, site constraints, planning and zoning, and desired outcomes. There were three potential sites owned by the school district. Ultimately the third site was chosen for the site plan and financial modeling. These are the three sites:

- 1. Siringo** - Llano property: Corner of Siringo Road and Llano street, adjacent to the LaFarge Library. It is about 3.2 acres with major drainage cuts through the site. A major challenge for this site is the access, the topography, and electrical constraints.
- 2. Pinon site** - Otero Property: Located west of Pinon Elementary and approximately 9.5 acres. Constraints include no developed access, major electric utility lines along the south side of the property, and a utility easement through the site.
- 3. Sweeney - Ortiz Property** - Located along South Meadows Road between two school sites. There is access from South Meadows and is about 6 acres. There is a City of Santa Fe trails easement near the north end of the site and utility easement near the north end. There are some topography constraints as well.



SITE LOCATION

The Sweeney - Ortiz site was chosen as the priority site, because it was deemed the most viable for medium density workforce housing due to several factors. Firstly, the location was ideal because it is in a growing neighborhood, connected by a city trail, and has proximity to several schools. Secondly, this site felt more safe and quiet compared to the first site. This location has several nearby amenities, including the Southside City Library, the city trails network (walking and bicycle traffic), Santa Fe Country Club (open to the public), and several small parks, and movie theater options at Zafarano and Santa Fe Place mall. It's also within walking/biking distance of the commercial district along Airport Road, and has easy access to Santa Fe Place mall and the Zafarano Road commercial district.

Additionally, the location will be convenient for many SFPS employees due to its proximity to a high school, middle school, community school (K-8), and three elementary schools, which combined, serve nearly 35% of the entire district. Transportation options in the immediate area include city bus routes and a RailRunner commuter train station about three miles away. Santa Fe, famous for its entertainment attractions, also offers many fine dining, music, and art venues, most within five to ten minutes of the Ortiz-Sweeney site.

Participants included:

Monica Abeita, Executive Director, NCNMEDD
 Hilario Chavez, Superintendent
 Gene Bostwick, Director of Construction
 Grace Mayer, NEA-SF President
 Joshua Granata, General Counsel
 Kristy Wagner, Deputy Superintendent of Operations

Consultant team:

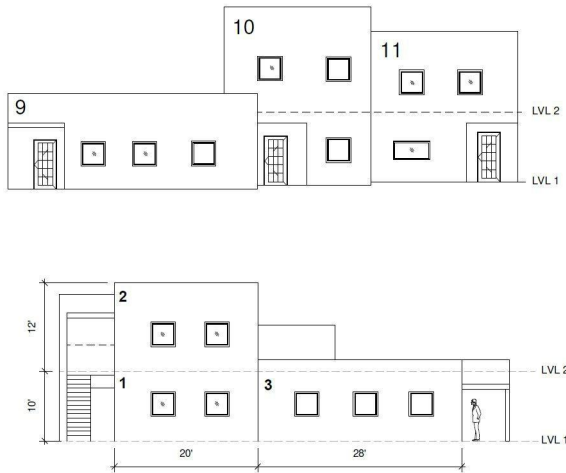
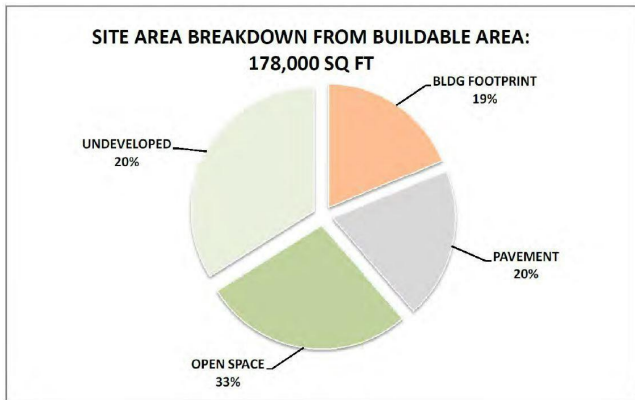
Willa Williford, Principal, Williford LLC
 Samantha Snyder, Williford LLC
 Jason Culbertson, Architect, Living Design Group
 Doug Patterson, President, Living Design Group



CONCEPT DESIGN



*Note: These images are for conceptual design only, and should not be used for construction purposes



DESIGN CRITERIA:

TOWNHOUSE FRONTAGE CONCEPT

- RESIDENTIAL STREET AS A LOOP WITH STORMWATER RETENTION IN THE MEDIAN
- OPEN SPACE IN THE MEDIAN
- OFFER GROUND ACCESS TO ALL UNITS
- PARKING IS ARRANGED ALONG THE FRONTAGE, BUT COULD ALSO BE INDIVIDUAL SINGLE 10'X20' DRIVEWAYS FOR EACH UNIT.SPOT WITH ADDITIONAL ONSTREET PARKING
- CURVES AND FOLLOWS THE GRADUAL NORTHWEST SLOPE TO PROVIDE MORE VISUAL HIEARCHY
- PRIVATE YARDS

40 UNITS

2BED/2BATH TOWNHOME FOOTPRINT
CAN ALSO BE 3BED/ 2 BATH

- 2 STORY
- LIVING, KITCHEN ON 1ST FLOOR
- BEDROOMS ON 2ND FLOOR
- 10' X 20' DRIVEWAY IN FRONT

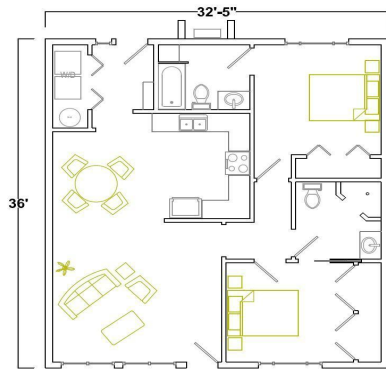
1BED/2BATH TOWNHOME FOOTPRINT

- 2 STORY
- LIVING, KITCHEN ON 1ST FLOOR
- BEDROOMS ON 2ND FLOOR
- 10' X 20' DRIVEWAY IN FRONT

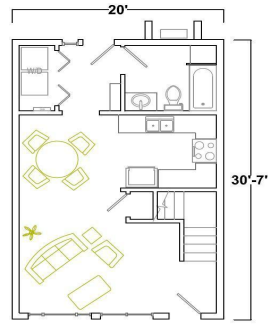
PRIVATE YARD

- GROUND FLOOR
- REMOVED FROM THE STREET

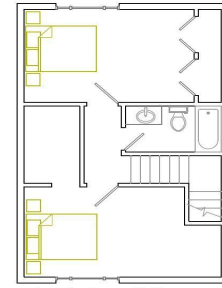




Two Bedroom Unit
Single level
1170 sq. ft.



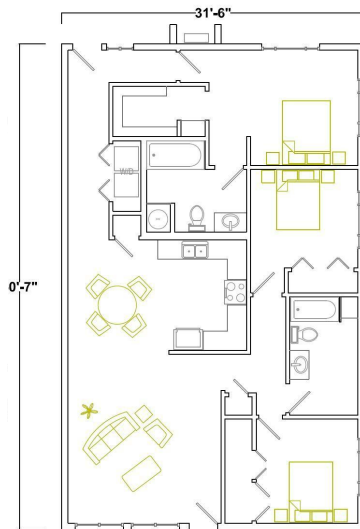
Two Bedroom Unit
Lower level
1220 sq. ft. (total both floors)



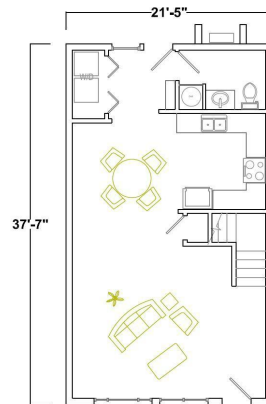
Two Bedroom Unit
Upper level
1220 sq. ft. (total both floors)

**Santa Fe Public Schools
Affordable Housing Initiative**

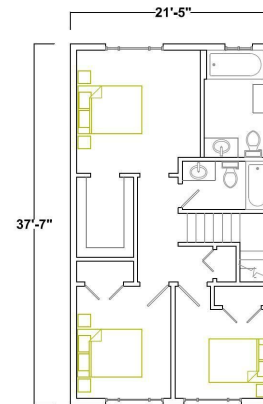
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Three Bedroom Unit
Single level - end unit
1590 sq. ft.



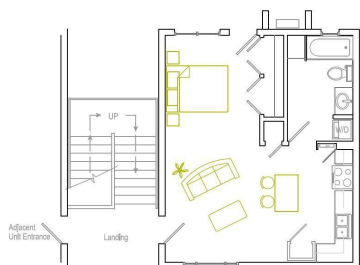
Three Bedroom Unit
Lower level
1600 sq. ft. (total both floors)



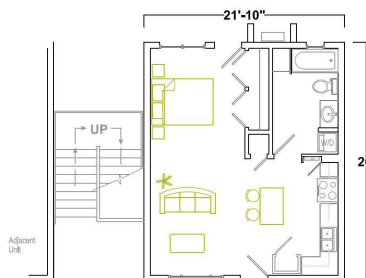
Three Bedroom Unit
Upper level
1600 sq. ft. (total both floors)

**Santa Fe Public Schools
Affordable Housing Initiative**

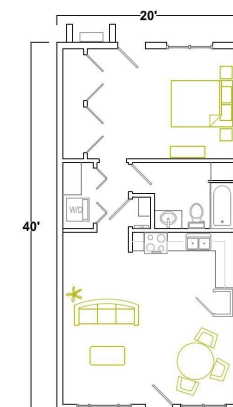
Scale: 1/8" = 1'-0"



Studio Unit
Single level - second floor unit
570 sq. ft.



Studio Unit
Single level - first floor unit
570 sq. ft.



One Bedroom Unit
Single level
800 sq. ft.

**Santa Fe Public Schools
Affordable Housing Initiative**

Scale: 1/8" = 1'-0"

PROJECT FINANCING

PROFORMA

A proforma is an analysis used to determine the financial feasibility of a development project.

The first component of this analysis is an estimation of development costs. This is done by researching the current costs for development including ‘hard costs’ that include the physical materials that go into the building and the construction labor, and ‘soft costs’ which include permitting costs and the fees of professionals such as architects and engineers who are needed to ensure a structurally sound project.

The second component of the proforma is a forecast of the revenue that can be generated by the development and the operating expenses that will be incurred annually once the project is up and running. There are several ways to approach this, but knowing the goal of this development is to create housing that is affordable to local residents, the anticipated rent amounts for the residential units are set based on the New Mexico Finance Authority 2022 Maximum Rent Tables based on the area median income for Santa Fe County. Operating expenses are forecasted based on other projects with similar characteristics.



SANTA FE HOUSING ASSUMPTIONS

Housing Program summary: 40 units, rental, 1, 2, and 3 Bedroom units

The rents listed below, under Operations, are expressed by a range of what school district employee households can afford by basing 30% of their income on housing. Most of these households fall into 60%-80% of the area median income range. The school district is exploring basing rent for each individual family on 30% of their income, rather than establishing set rents beforehand. Additionally, the school district is planning to pay for utilities.

Development

Land	\$0	In-kind from Santa Fe School District
Site Improvements	\$1,903,300	
Hard Costs	\$12,600,000	\$300/sf
Soft Costs	\$530,00	
Professional Fees	\$109,000	
Construction Finance	\$295,000	
Permanent Finance	\$82,537	
Construction Manager	\$45,000	
Operating Reserves	\$234,994	6 mo. of operating expenses and debt service
Total	\$15,799,831	

Operations

Rents	Studio: \$600-1200/month 1B: \$900, \$1400/month 2B: \$1,000, \$1,800/month 3B: \$2,000-\$2,500/month	60-100% AMI
Vacancy Rate	5%	
Other income	\$25,500/Year	Anticipated laundry income
PUPA OpEx	\$213,551	Annual operating expenses/unit

POTENTIAL SOURCES

Options to fill the gap between the development costs and the available financing include:

- Gap financing for construction (Congressional Directed Spending appropriation pending)
- Workforce housing grant and/or low-interest loan (MFA and/or Ventana Fund) Amount TBD
- SB9 Funds for teacherages - unlikely to qualify based on state priorities
- Local Bond initiative - would require a vote of the people, but provide benefit for employee housing in other areas of the district as well
- Partnering with local schools construction/trade programs to bring down construction labor costs

ACTION ITEMS

1. Create a funding plan
2. Finalize project architecture and engineering
3. Solicitate potential development partner/contractors through an RFP
4. Continue to develop project architecture and engineering designs
5. Create an employee housing management policy
6. Enter into an agreement with partners and funders
7. Begin construction
8. Lease to employees



Santa Fe Public Schools Affordable Housing Initiative

A Presentation for the New Mexico Mortgage Finance Authority

Presented by:

Hilario (Larry) Chavez, Superintendent

Kristy Janda Wagner, Deputy Superintendent of Operations

Gene Bostwick, Director of Construction & Real Property

SFPS Employee Housing Needs



SFPS Survey Results

95% would support an SFPS affordable workforce housing program

44% of employees are dissatisfied with their housing situation – issues include high cost, too little space, long commute

County & City Affordable Housing Studies

Affordable housing needs in Santa Fe have been growing as the population increases and rising housing costs outpace rising wages. Studies at the County and City levels could establish a basis for a SFPS housing program to qualify under state and federal program rules.

Estimated Potential Need & Occupants for a Rental Housing Development

Approx. 37% of district employees currently rent (statewide average is about 34%)

Approx. 87% of employees who rent are paying more than 30% of their gross income for rent & utilities. (City/County surveys)

Low-income occupants

SFPS Employees by annual income bracket: (approx.) :	\$30K or less: 329
	\$40K or less: 396
	\$50K or less: 535

Recruitment

An affordable housing incentive could play a significant role in recruiting highly qualified educators to the district.

Ortiz –Sweeney Site



Up to 50 units:
 10 - Studios
 16 – 1 Bedroom
 16 – 2 Bedroom
 8 – 3 Bedroom

**Santa Fe Public Schools
Affordable Housing Initiative**

**Workforce Housing at the
Sweeney - Ortiz Site**



**Phased construction with flexible mix of units.
Potential mix of rental and ownership units as market allows.**

Project Cost Projections



Planning and Engineering \$ 1,286,329

Architectural, MEP, Structural, Civil, Geo-technical

Project Financing, Management, Capital Reserves \$ 683,815

Professional Fees, Entitlement costs, Construction financing, permanent Financing, Capital Reserves

Site Development \$ 2,776,040

Earthwork, Utilities, Paving & concrete walks, Retaining walls, Pavilions & Commons, Solar

Housing units \$ 14,573,375

50 units: 10 Studios, 16 One Bedroom, 16 Two Bedroom, 8 Three Bedroom

Project Total: \$19,319,559

Potential for multi-phase construction:

Phase One: \$9.3M; Phase Two: \$5.5M Phase Three: \$4.6M



Funding Sources

SFPS anticipates the combination of several funding sources will be needed to complete the project.

SFPS Internal Funding Options

Low feasibility:

PSFA - SFPS share would be 94% of the cost and PSFA would contribute 6%.

Mortgage - barring legislative action, SFPS is precluded a property debt scenario

Use of SB9 funds - funds needed to serve schools and district buildings

Possible:

GO Bond (future) - Next GO Bond may have room for housing allocation

Private Donations - donations could realize 90% tax incentive savings (NM + FED)

SFPS Vacant Land Sales - would require school board & NM Board of Finance approval



Funding Sources cont.

Governmental Funding Options

New Mexico State Housing Programs, Grants, and Appropriations

- Mortgage Finance Authority
- NM Affordable Housing initiatives
- Low-Income tax Incentive programs
- NM Capital Outlay appropriations

Federally Funded Housing Programs, Grants, and Appropriations

- HUD Affordable and Workforce Housing programs (through NM organizations)
- Dept. of Energy housing-targeted programs
- Congressionally directed spending (project based)



Questions?



PROPOSED MFA OFFICERS MARCH 15, 2023

Nominating Committee

Chair, Angel Reyes
Lieutenant Governor Howie Morales
Attorney General Raúl Torrez

**Nominating Committee recommends the following members to fill the
MFA Officer Positions:**

Vice Chair: Derek Valdo

Secretary: Isidoro Hernandez

Assistant Secretary: Donna Maestas – De Vries

Treasurer: Rebecca Wurzbarger

Assistant Treasurer: Lizzy Ratnaraj



NEW MEXICO MORTGAGE FINANCE AUTHORITY

Finance/Operations Committee Meeting

Tuesday March 7, 2023 at 1:30 p.m.

Webex - call-in information is 1-408-418-9388 (access code): 2483 035 4429
or you can join the call from the calendar item

Agenda Item	COMMITTEE RECOMMENDED	BOARD ACTION REQUIRED
<u>Agenda</u>		
1 New Mexico Preservation Loan Fund Program Proposal and Funding Request (Hannah Faulwell & George Maestas)		YES
2 Multifamily Bond Inducement Resolution Approvals (Viktoria Gonsior & Christi Wheelock)		YES
<u>Information items</u>		
3 January 2023 Wire Transfers		NO
4 January 2023 Check Register		NO
5 NCSHA Disclosure		NO

Committee Members present:

Angel Reyes, Chair

State Treasurer Laura Montoya/

JR Rael *Terri Wares*

Lt. Governor Howie Morales or

Proxy Martina C'de Baca

☐ present

☐ absent

☒ conference call

☐ present

☐ absent

☒ conference call

☐ present

☐ absent

☒ conference call

Howie Morales



MEMO

TO: MFA Board
Through: Policy Committee (March 2, 2023)
Through: Finance Committee (March 7, 2023)

FROM: Viktoria Gonsior, Finance Analyst
Christi Wheelock, Tax Credit Program Analyst

DATE: March 15, 2023

SUBJECT: Multifamily Bond Inducement Resolution Approvals

Recommendation

This request recommends that the MFA Board streamline the approval of multifamily bond inducement resolutions similar to the single-family bond program. This would be accomplished by approving an annual inducement resolution for the program and, based on that annual inducement resolution, delegate the authority to issue individual inducement resolutions to each project. The following individuals would be authorized to execute the inducement resolutions, which will each be reported to the Board as a staff action:

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

Background

Currently the process to approve each multifamily bond transaction requires multiple layers of approval:

1. An inducement resolution is created by bond counsel for each project, which is then presented for approval to Policy Committee, Finance Committee and the MFA Board.
2. Following MFA Board approval, the Board Chair executes the Inducement Resolution, and it is then attested to by the Board Secretary.
3. Once the inducement resolution is approved, MFA submits that resolution with an application to the State Board of Finance for approval of private activity bond volume cap.
4. Upon approval of private activity bond volume cap, the Bond Resolution is presented for approval to Policy Committee, Finance Committee and the MFA Board. The bond resolution is executed by the Board Chair and attested to by the Secretary.

5. A TEFRA hearing is held, and the Certificate of Governor is sent to Governor Lujan Grisham for certification.

The timing between steps one and three is generally between two to three months, depending on the meeting schedules. The State Board of Finance meets the third Tuesday of the month, and the MFA Board meets on the third Wednesday of the month.

Discussion

This recommendation would change the delegation of authority to approve the inducement resolution for individual projects by altering the process outlined above as follows:

1. Staff presents an inducement resolution at the beginning of the calendar year for all private activity bond volume cap approved by the State Board of Finance for multifamily issuances for approval through Policy Committee, Finance Committee and the MFA Board once annually.
2. An inducement resolution for each project is issued by MFA staff and included in the Staff Actions reported at the next board meeting.
3. Once the inducement resolution is issued, MFA submits that resolution with an application to the State Board of Finance for approval of private activity bond volume cap.
4. Upon approval of private activity bond volume cap, a Bond Resolution for the project is presented for approval to Policy Committee, Finance Committee and the MFA Board. The bond resolution is executed by the Board Chair and attested to by the Secretary.
5. A TEFRA hearing is held, and the Certificate of Governor is sent to Governor Lujan Grisham for certification.

Kutak Rock (MFA's bond counsel) advised MFA staff that MFA Board is permitted to delegate its authority to issue the inducement resolution because it is essentially a tax document that does not bind MFA to act or to issue bonds. It merely states an intention to reimburse certain qualified expenditures up to a specified amount and that the particular amount, terms and provisions of the issuance will be determined at a later date through the Bond Resolution. They indicated that this practice is not uncommon and is recommended when the board is comfortable delegating authority to MFA Executive Directors.

The recommended changes above would allow the streamlining of the process so that MFA can move more quickly to get an inducement resolution to the Developer, which allows them to begin including costs in eligible basis. Also, the approval of this action allows more flexibility in meeting the application deadline for the State Board of Finance in an environment where construction costs continue to rise. Finally, it respects the Finance Committee and MFA Board's time by only requiring that the project be presented once.

Summary

MFA Staff recommends approval from the MFA Board to allow an annual inducement resolution for multifamily bonds up to the amount of the private activity bond volume cap designated for multifamily housing by the State Board of Finance, which based on that annual inducement resolution, delegate the authority to issue individual inducement resolutions to each project as a staff action. The following individuals would be authorized to execute the inducement resolutions issued through a staff action:

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

Reimbursement Intent Delegation Resolution
Multifamily Housing Revenue Bond Program
Calendar Year 2023

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

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

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

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

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

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

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

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

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

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

Section 4. Effectiveness. This Resolution shall be effective immediately.

ADOPTED:

Aye:

Nay:

Abstain:

Absent:

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

Chair

(SEAL)

ATTEST:

Secretary



MEMO

TO: MFA Board of Directors

FROM: Hannah Faulwell, Preservation Program Specialist

DATE: March 15, 2023

SUBJECT: Establishment and Initial Funding of the New Mexico Preservation Loan Fund (NMPLF)

Recommendation

Staff recommends the establishment and funding of the New Mexico Preservation Loan Fund (NMPLF) on a phased-in basis to provide funding to projects supporting the preservation of at-risk affordable housing in the state. Staff is recommending an initial allocation of \$25,000,000 over five phases to fund the program at its inception.

Background

Why preserve?

The need for attention paid to preserving, rather than simply adding to, the existing affordable stock has been a topic of increasing interest and urgency nationwide. While developing new affordable housing is certainly necessary to address the shortage in the state of New Mexico, it is also necessary to preserve existing affordable housing so as not to exacerbate this shortage by losing what already exists. Attention toward this imperative has risen alongside the number of properties exiting affordability, as many federal and state affordable housing programs reach and surpass maturity, and as new research indicates that preservation is likely more cost-effective, more environmentally friendly, and often more equitable than new development.

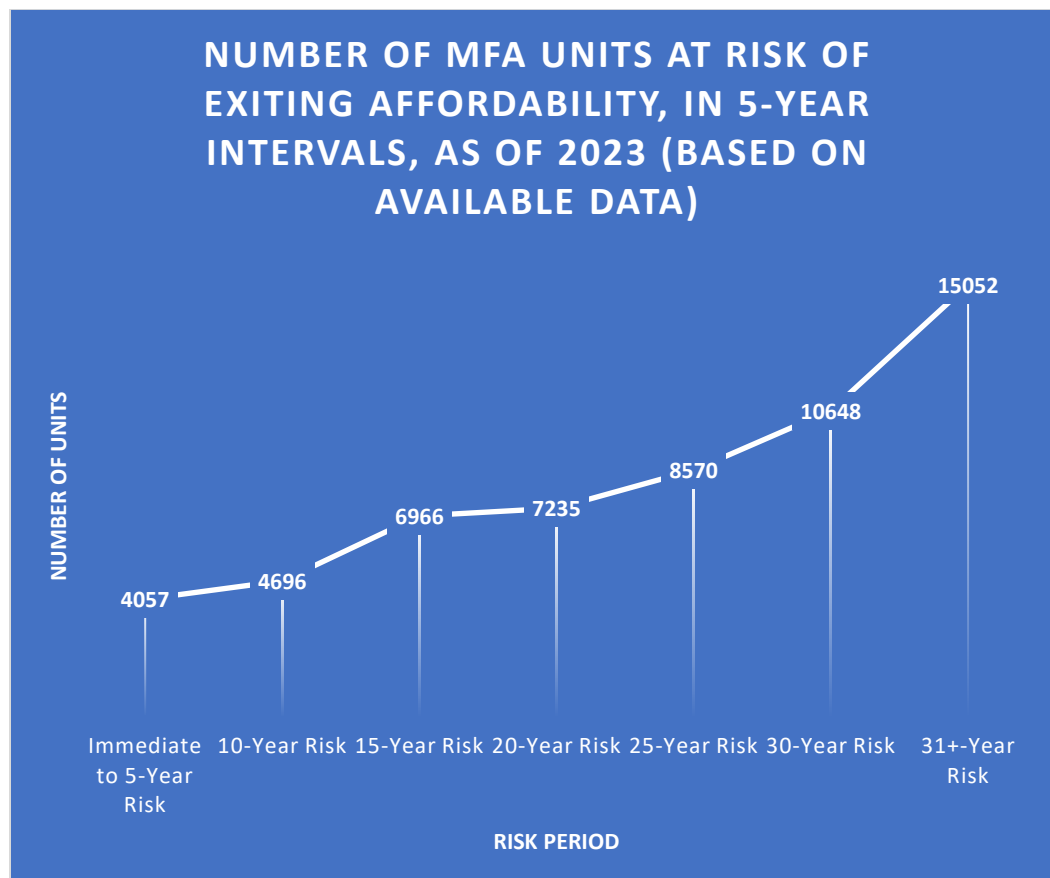
An affordable housing property may be considered “at-risk” if it is vulnerable to loss due to aging and physical deterioration or if it is reaching the end of its mandated affordability period, and therefore in danger of becoming unaffordable to low-income renters. One may also consider “at-risk” those properties vulnerable to profit-oriented actors interested in compromising a subsidized property’s long-term affordability by taking advantage of legal loopholes, such as by undertaking the Qualified Contract (QC) process to prematurely convert an affordable LIHTC property to market.

How can we preserve?

Effective preservation efforts provide capital to owners of aging properties for use in maintaining that property's financial viability and extending its physical longevity. Capital assistance can also help address logistical and cost-related barriers to preservation of a property's affordability, such as by providing acquisition funding to benevolent buyers seeking to purchase expiring or QC-eligible properties or by providing financing for predevelopment costs related to a LIHTC resyndication. By providing funding, the state or government agency has the opportunity to incentivize owners and buyers of low-income properties to enter a new, longer affordability period, while still promoting the physical and financial health of the aging property. Dedicating funding to preservation efforts also helps ensure projects continue to serve the residents they were originally intended to serve, as preservation funding provides an alternative to LURA modifications of income/rent limits that owners of distressed properties often must resort to as a means of boosting capital intake.

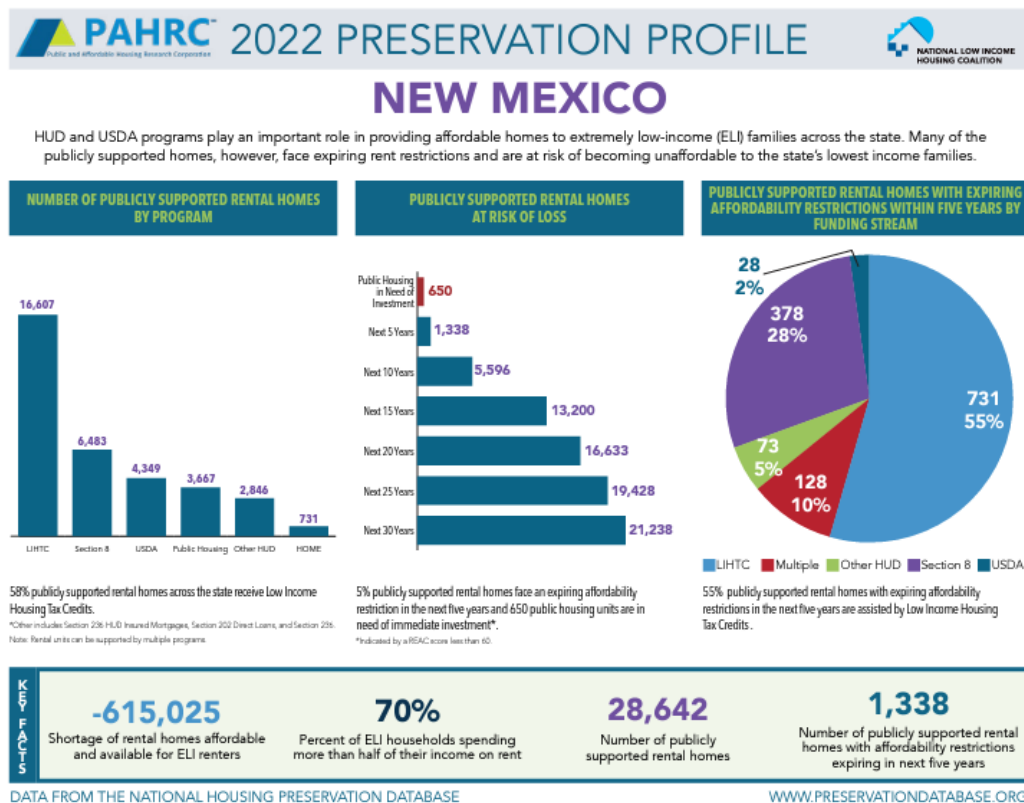
The scope of the problem in NM

Figure 1: Graph displaying the number of MFA units at risk of exiting affordability, in 5-year intervals, as of 2023 (based on available data)



In order to understand how much funding should be directed toward preservation efforts, one must understand the scope of the problem. As shown in the chart above, in New Mexico, 4,057 MFA-funded and/or monitored units are at risk of exiting affordability within the next five years. These include units with affordability restrictions expiring within the next five years as well as units within properties retaining the right to a Qualified Contract. From there, the number of units at risk of exiting affordability steadily rises to a staggering 10,648 units at risk of loss from the affordable stock within the next 30 years and 15,052 units at risk in the next 31 years and beyond. Of course, MFA is not the only affordable housing funding/monitoring entity in the state. As shown below in New Mexico's 2022 National Housing Preservation Database "Preservation Profile," thousands of properties funded/monitored by local housing authorities, USDA, city HOME participating jurisdictions (such as the cities of Albuquerque and Las Cruces), and other entities face similar risks.

Figure 2: National Housing Preservation Database 2022 New Mexico Preservation Profile, showing, in 5-year intervals, how many publicly supported rental homes are at risk of loss



Units lost from the affordable stock of these entities threatens MFA's vision that "all New Mexicans will have quality affordable housing opportunities" just the same as units lost from MFA's affordable stock; therefore, preservation funding must be made

available not just to existing MFA properties, but to all publicly supported properties throughout the state. Outreach to USDA and other HOME participating jurisdictions across the state will help boost widespread use of the program.

Program Models

The preservation funding program described in this Memo has been modeled off examples from other states where state housing agencies have already begun to comprehensively address the issues outlined above. In particular, elements of preservation programs from Ohio, Rhode Island, and Minnesota have been studied and adapted for the program proposed herein.

- Ohio Preservation Loan Fund¹
 - The Ohio Preservation Loan Fund supports predevelopment activities (“architectural drawings, permitting, professional fees, Phase I, engineering costs, etc.”), funds acquisition of existing affordable properties, and provides bridge financing “for preservation projects that have completed the tax credit compliance period.”
- RIHousing (Rhode Island) Preservation Loan Fund²
 - The RIHousing Preservation Loan Fund provides funding for “approved capital repairs to maintain properties in good working order” to “multifamily rental housing with expiring federal rental subsidies (HUD or USDA Rural Development Programs), and/or low-income housing tax credit developments.”
- Minnesota Housing Preservation Affordable Rental Investment Fund (PARIF) Program³
 - Minnesota Housing’s Preservation Affordable Rental Investment Fund (PARIF) Program allows funds to be used for “acquisition, rehabilitation or debt restructuring,” and applicants approved for funding “must agree to participate in the applicable federal assistance program and to extend the existing low-income, affordability restrictions for the maximum term permitted...[and] must also enter into an agreement that gives local units of government, housing and redevelopment authorities, and nonprofit housing organizations the right of first refusal (ROFR) if the property is offered for sale.”

¹ Ohio Housing Finance Agency, “Ohio Preservation Compact: The Ohio Preservation Loan Fund.” <https://ohiohome.org/opc/loanfund.aspx>

² RIHousing, “RIHousing Preservation Loan Fund Term Sheet,” <https://www.rihousing.com/wp-content/uploads/2020-Section-12-G.-RIHousing-Preservation-Loan-Fund-Term-Sheet-2019-10-01.pdf>

³ Minnesota Housing, “Multifamily Program Guides; Preservation Affordable Rental Investment Fund (PARIF) Program” <https://www.mnhousing.gov/sites/Satellite?c=Page&cid=1363132277702&d=Touch&pagename=External%2FPage%2FEXTStandardLayout>

Calculation of the funding request

In order to arrive at an amount for the program's total funding need, a series of calculations projected potential beneficial use of the program. First, an average cost for each eligible activity ("Initiative") within the preservation loan program was calculated by using similar recent projects' average activity cost per unit. Next, potential users for each Initiative within the next ten years were identified, based on available data. Then, the previously identified per-unit Initiative cost was applied to each potential user's unit count to reach a potential total funding request for each user. The sum of each Initiative's potential funding requests was calculated, resulting in the Total Initiative Funding Need. All Total Initiative Funding Needs were added together to reach a final Total Program Funding Need, 1/4 of which was taken and rounded down to reach a Total Initiative Funding Request.

Table 1: Calculations for Rehabilitation Initiative Total Initiative Funding Need

Potential users for the Rehab Initiative include owners of properties of 50 units or less in rural counties/tribal areas and/or with USDA funding which will be exiting affordability in the next 10 years. Such owners may use funding to rehabilitate the property in order to keep it habitable and financially feasible for a longer affordability period. The potential funding request takes an average per-unit construction cost and multiplies it by the property's unit count to arrive at a probable rehabilitation cost for each under-50 unit affordable rural property.			
Potential Users	Total Units	Potential Per-Unit Funding Request	Potential Total Funding Request
Artesia Properties	40	\$ 25,951	\$ 1,038,037
Battered Families	6	\$ 25,951	\$ 155,705
Casa Alegre Phase II Apartments	20	\$ 25,951	\$ 519,018
Depot Apartments	28	\$ 25,951	\$ 726,626
East Mesa Apartments	24	\$ 25,951	\$ 622,822
Kiva	11	\$ 25,951	\$ 285,460
La Paloma Sol Apartments I	38	\$ 25,951	\$ 986,135
La Paloma Sol Apartments II	38	\$ 25,951	\$ 986,135
Pinon Palmer Rental Rehab	24	\$ 25,951	\$ 622,822
Portales Estates	44	\$ 25,951	\$ 1,141,840
Portales Special Needs (James K Lyons)	9	\$ 25,951	\$ 233,558
Rio Verde Apartments	40	\$ 25,951	\$ 1,038,037
SD-Y2K	20	\$ 25,951	\$ 519,018
Villa De Tularosa Senior Housing	22	\$ 25,951	\$ 570,920
Vista Gallinas	15	\$ 25,951	\$ 389,264
Total Initiative Funding Need			\$ 9,835,397
Calculation for Average Potential Per-Unit Funding Request Based on JLG North/South/Central Portfolio			
Project	Total Construction Costs Per Unit		
JLG Central Penasco	\$ 20,911		
JLG Central NS/WS/IH	\$ 30,270		
JLG Central RV/SM	\$ 22,118		
JLG North Cliffside	\$ 27,315		
JLG North Pinos and Sandia Vista	\$ 27,816		
JLG South Columbus	\$ 27,391		
JLG South Franklin	\$ 25,834		
Average TDC Per Unit	\$ 25,951		

Table 2: Calculations for the Acquisition Initiative Total Initiative Funding Need

Potential users for the Acquisition Initiative include buyers looking to purchase properties of 50 units or less in rural counties/tribal areas and/or with USDA funding which will be exiting affordability in the next 10 years. Other users include buyers looking to purchase LIHTC properties during the QC sales period (in which Preservation Funding would fill the gap between the property's market price and its QC sales price) (see below). The potential funding request for acquisition of small rural properties takes an average per-unit acquisition cost and multiplies it by the property's unit count to arrive at a probable acquisition cost for each under-50 unit affordable rural property.				
Potential Users	Units	Funding Request Type	Potential Per-Unit Funding Request	Potential Total Funding Request
Battered Families	6	Small rural, exiting affordability	\$ 35,275	\$ 211,652
Casa Alegre Phase II Apartments	20	Small rural, exiting affordability	\$ 35,275	\$ 705,508
Depot Apartments	28	Small rural, exiting affordability	\$ 35,275	\$ 987,711
East Mesa Apartments	24	Small rural, exiting affordability	\$ 35,275	\$ 846,610
East Mesa Apartments	24	Small rural, exiting affordability	\$ 35,275	\$ 846,610
Kiva	11	Small rural, exiting affordability	\$ 35,275	\$ 388,029
La Paloma Sol Apartments I	38	Small rural, exiting affordability	\$ 35,275	\$ 1,340,465
La Paloma Sol Apartments II	38	Small rural, exiting affordability	\$ 35,275	\$ 1,340,465
Pinon Palmer Rental Rehab	24	Small rural, exiting affordability	\$ 35,275	\$ 846,610
Portales Estates	44	Small rural, exiting affordability	\$ 35,275	\$ 1,552,117
Rio Verde Apartments	40	Small rural, exiting affordability	\$ 35,275	\$ 1,411,016
Tuscany at St. Francis	176	Small rural, exiting affordability	\$ 35,275	\$ 6,208,470
Tuscon	8	Small rural, exiting affordability	\$ 35,275	\$ 282,203
Villa De Tularosa Senior Housing	22	Small rural, exiting affordability	\$ 35,275	\$ 776,059
Vista Gallinas	15	Small rural, exiting affordability	\$ 35,275	\$ 529,131
Total Initiative Funding Need				\$ 18,272,656
Calculation for Average Potential Per-Unit Funding Request Based on JLG North/South/Central Portfolio				
Project	Acquisition Costs Per Unit			
JLG Central Penasco	\$ 13,525			
JLG Central NS/WS/IH	\$ 34,446			
JLG Central RV/SM	\$ 45,529			
JLG North Cliffside	\$ 43,551			
JLG North Pinos and Sandia Vista	\$ 30,289			
JLG South Columbus	\$ 50,355			
JLG South Franklin	\$ 29,231			
Average Acq Costs Per Unit	\$ 35,275			

Potential users for this type of Acquisition Initiative use include buyers looking to purchase LIHTC properties during the QC sales period (in which Preservation Funding would fill the gap between the property's market price and its QC sales price). The potential funding request for acquisition of QC properties takes the average per-unit gap between a property's market price and its QC price and multiplies it by the property's unit count to arrive at a probable "gap" for each QC-eligible property.

Potential Users	Units	Funding Request Ty	Potential Per-Unit Funding Reqt	Potential Total Funding Request
Arrowhead Ridge	180 QC	\$	14,433	\$ 2,597,872
Appleridge Apartments	80 QC	\$	14,433	\$ 1,154,610
Arroyo Villas Apartments	198 QC	\$	14,433	\$ 2,857,659
Artesia Properties	40 QC	\$	14,433	\$ 577,305
Aztec Properties II (Cielo Azul)	30 QC	\$	14,433	\$ 432,979
Bella Vista Apartments	41 QC	\$	14,433	\$ 591,737
Brentwood Gardens	122 QC	\$	14,433	\$ 1,760,780
Central Apartments	20 QC	\$	14,433	\$ 288,652
Deer Hollow Senior Apartments	20 QC	\$	14,433	\$ 288,652
Desert Palms Apartments	100 QC	\$	14,433	\$ 1,443,262
Desert Sun Apartments I/II	41 QC	\$	14,433	\$ 591,737
Desert Willow Apartments	224 QC	\$	14,433	\$ 3,232,907
Eaton Village Park Apartments II	96 QC	\$	14,433	\$ 1,385,531
El Paseo Apartments	166 QC	\$	14,433	\$ 2,395,815
Jack Rabbit Hill Development	16 QC	\$	14,433	\$ 230,922
La Luz Apartments	24 QC	\$	14,433	\$ 346,383
La Tierra Apartment Homes (Tierra del Oso)	60 QC	\$	14,433	\$ 865,957
Loma Parda (Tierra Foothills)	60 QC	\$	14,433	\$ 865,957
Manzano Mesa Apartments	224 QC	\$	14,433	\$ 3,232,907
Mariposa Village	60 QC	\$	14,433	\$ 865,957
Mesa Verde Apartments	142 QC	\$	14,433	\$ 2,049,432
Mesa Village Apartments	60 QC	\$	14,433	\$ 865,957
Mira Vista Villas	76 QC	\$	14,433	\$ 1,096,879
Montana Meadows Apartments	80 QC	\$	14,433	\$ 1,154,610
Montana Senior Village	48 QC	\$	14,433	\$ 692,766
Montana Sr. Village II	84 QC	\$	14,433	\$ 1,212,340
Mountain Vista Apartments	53 QC	\$	14,433	\$ 764,929
Otero Village	40 QC	\$	14,433	\$ 577,305
Paseo del Sol (El Paseo II)	124 QC	\$	14,433	\$ 1,789,645
Paseo del Sol Apartments	80 QC	\$	14,433	\$ 1,154,610
Polk Avenue Apartments	52 QC	\$	14,433	\$ 750,496
Portales Special Needs (James K Lyons)	9 QC	\$	14,433	\$ 129,894
Rio Volcan Apartments I	116 QC	\$	14,433	\$ 1,674,184
Rio Volcan Apartments II	124 QC	\$	14,433	\$ 1,789,645
SD-Y2K	20 QC	\$	14,433	\$ 288,652
Tsigo Bugeh Village	40 QC	\$	14,433	\$ 577,305
Valle Verde II Apartments	24 QC	\$	14,433	\$ 346,383
Valle Verde III Apartments	10 QC	\$	14,433	\$ 144,326
Ventana de Vida II/Pacheco	60 QC	\$	14,433	\$ 865,957
Villa de Gallup	40 QC	\$	14,433	\$ 577,305
Villa de Gallup II	52 QC	\$	14,433	\$ 750,496
Villa de San Felipe	69 QC	\$	14,433	\$ 995,851
Villa Hermosa Apartments	288 QC	\$	14,433	\$ 4,156,594
Villa Las Vegas	60 QC	\$	14,433	\$ 865,957
Walnut Street Courtyard Homes	25 QC	\$	14,433	\$ 360,815
White Sands Village	30 QC	\$	14,433	\$ 432,979
Wildewood Apts.	60 QC	\$	14,433	\$ 865,957
Total Initiative Funding Need				\$ 52,938,849

Calculation for Average Potential Per-Unit Funding Request Based on Three Recent MFA-Completed QCs

Project	QC Price Per Unit	Appraised "As Is" Market Value Per Unit	Difference
Villa Mentmore	\$ 26,726	\$ 10,069	\$ 16,656
Villa Real Apartments	\$ 81,536	\$ 59,667	\$ 21,869
Sandia Valley Phase I and II	\$ 56,902	\$ 52,130	\$ 4,772
Average Price Gap Per Unit			\$ 14,433

Table 3: Calculations for the Housing Authority Initiative Total Initiative Funding Need

<p>Potential Housing Authority Initiative users are local housing authorities owning public housing units in need of immediate investment (i.e., those with REAC scores of less than 60, indicating physical deterioration). Such owners may use funding to rehabilitate the property in order to keep it habitable and financially feasible for a longer affordability period. The potential funding request takes an average per-unit construction cost and multiplies it by the number of these units (according to data from the National Housing Preservation Database 2022 New Mexico Preservation Profile). Caps on funding awarded under this initiative will depend on volume and potential for additional resources (such as 4% LIHTC).</p>			
Potential Users	Units	Potential Per-Unit Funding Request	Potential Total Funding Request
Public Housing Units In Need of Immediate Investment*	650	\$ 35,275	\$ 22,929,008
Total Initiative Funding Need			\$ 22,929,008
*Indicated by a REAC score of less than 60; data from the National Housing Preservation Database			
Calculation for Average Potential Per-Unit Funding Request Based on JLG North/South/Central Portfolio			
Project	Total Construction Costs Per Unit		
JLG Central Penasco	\$ 20,911		
JLG Central NS/WS/IH	\$ 30,270		
JLG Central RV/SM	\$ 22,118		
JLG North Cliffside	\$ 27,315		
JLG North Pinos and Sandia Vi	\$ 27,816		
JLG South Columbus	\$ 27,391		
JLG South Franklin	\$ 25,834		
Average TDC Per Unit	\$ 25,951		

Table 4: Calculations for the Bridge Initiative Total Initiative Funding Need

Potential users for the Bridge Initiative include LIHTC properties in urban areas and without USDA funding that will exit affordability within the next 10 years. The potential funding request takes a standard per-unit "Bridge Allowance" and multiplies it by the property's unit count to arrive at a probable funding request for each under-50 unit affordable rural property.			
Potential Users	Units	Potential Per-Unit Funding Request	Potential Total Funding Request
Arrowhead Ridge	180	\$ 10,000	\$ 1,800,000
Aztec Properties II (Cielo Azul)	30	\$ 10,000	\$ 300,000
Broadway Apartments	19	\$ 10,000	\$ 190,000
Desert Willow Apartments	224	\$ 10,000	\$ 2,240,000
Drexel House	4	\$ 10,000	\$ 40,000
Eaton Village Park Apartments I	96	\$ 10,000	\$ 960,000
Jefferson Crossings (Sandpiper Apartments)	239	\$ 10,000	\$ 2,390,000
La Hacienda	22	\$ 10,000	\$ 220,000
Las Brisas Apartments	48	\$ 10,000	\$ 480,000
Mountain Vista Apartments	53	\$ 10,000	\$ 530,000
Rio Volcan Apartments I	116	\$ 10,000	\$ 1,160,000
Rio Volcan Apartments II	124	\$ 10,000	\$ 1,240,000
SD-Y2K	20	\$ 10,000	\$ 200,000
Tuscany at St. Francis	176	\$ 10,000	\$ 1,760,000
Ventana de Vida II/Pacheco	60	\$ 10,000	\$ 600,000
Total Initiative Funding Need			\$ 14,110,000
Calculation for Average Potential Per-Unit Funding Request Based on 2022 MFA LIHTC Awards			
Project	Predevelopment Costs Per Unit*		
Laguna #3	\$ 43,128		
Calle Cuarta	\$ 19,684		
120 La Plata	\$ 19,988		
The Three Sisters	\$ 11,136		
Felecan Villas	\$ 14,312		
9000 Veranda	\$ 17,882		
Average Costs Per Unit	\$ 21,022		
MFA-Set "Bridge Allowance" Per Unit (About 50% Average Predevelopment Costs Per Unit)	\$ 10,000		
*Professional Services/Fees, "Soft Costs," and "Syndication" subtotals from 2022 Carryover Cost-Basis			

Table 4: Calculations for the Total Program Funding Request

The sum of each Total Initiative Funding Need equals the Total Program Funding Need. 50% of the Total Program Funding Need equals the Total Program Funding Request.	
Initiative	Total Funding Request
Rehab Initiative	\$ 9,835,397
Acquisition Initiative	\$ 18,272,656
Acquisition Initiative (QC)	\$ 52,938,849
Housing Authority Initiative	\$ 22,929,008
Bridge Initiative	\$ 14,110,000
Total Program Funding Need	\$ 118,085,910
Total Probable Program Funding Use (1/4 Total Program Funding Need)	\$ 29,521,477
Conservative Rounded Initial Program Funding Request	\$ 25,000,000

In order to roll out the program on a phased-in basis that allows for planning and organization of appropriate capacity to manage the program, staff recommends that the Total Initiative Funding Request of \$25,000,000 be allocated across five phases in accordance with the following rollout schedule for the program's four Initiatives. Staff recommends allocations of \$5,000,000 over each phase. In the first phase, the Rehabilitation Initiative will be rolled out; in the second, the Acquisition Initiative will be rolled out; in the third, the Housing Authority Initiative will be rolled out; in the fourth phase, the Bridge Initiative will be rolled out. The steady stream of funding for the program allows for increased capacity as the program grows in scope and as the number of at-risk units in New Mexico's affordable housing stock increases over time (see Figure 1, 2).

Table 5: Phase-In Schedule for the Program's Initiatives and Funding

Anticipated funding and initiative rollout for the New Mexico Preservation Loan Fund will be phased in over five steps.		
Year	Initiative	Total Funding Request
1	Rehabilitation Initiative	\$ 5,000,000
2	Rehab and Acquisition Initiative	\$ 5,000,000
3	Rehab, Acq, and Housing Authority Initiative	\$ 5,000,000
4	Rehab, Acq, Housing Authority, and Bridge Initiative	\$ 5,000,000
5	Rehab, Acq, Housing Authority, and Bridge Initiative	\$ 5,000,000
Total Program Funding Request		\$ 25,000,000

Discussion

Staff is proposing that the New Mexico Preservation Loan Fund be organized and administered according to the following purpose and program structure.

Program Purpose

The New Mexico Preservation Loan Fund (NMPLF) will provide funding to projects supporting the preservation of at-risk affordable housing in the state. NMPLF funding will strive to target projects that may have more difficulty securing funding from other sources (such as smaller, rural projects), in order to better preserve those properties that may not be competitive in attempts to receive LIHTC or other funding. NMPLF is not restricted for use toward the preservation of properties previously funded by MFA. NMPLF is generally not intended to be used as a source of gap funding for Low Income Housing Tax Credit or other MFA loan program projects, though the Housing Authority Initiative and Bridge Initiative are exceptions to this rule.

Eligible Uses

The New Mexico Preservation Loan Fund (NMPLF) will be comprised of four eligible uses (“initiatives”): the Rehabilitation Initiative, the Acquisition Initiative, the Housing Authority Initiative, and the Bridge Initiative. Staff recommends each of these Initiatives be phased in step-by-step over five phases.

1. Rehabilitation Initiative (Phase 1)
 - Rehabilitation Initiative Funding will support the physical rehabilitation of at-risk affordable housing properties. The rehabilitation activity will require applicants to demonstrate ownership of an at-risk affordable housing property, identify and describe physical deficiencies which threaten the property’s long-term sustainability, plan a rehabilitation project to remedy these deficiencies, and rehabilitate the project in accordance with this plan in order to preserve the property’s long-term affordability potential for low-income residents. Rehabilitation Initiative funds may not be used as gap funding for Low Income Housing Tax Credit deals.
2. Acquisition Initiative (Phase 2)
 - Acquisition Initiative funding will support the purchase of at-risk affordable housing properties by buyers willing and able to maintain the property’s affordability over time. The acquisition activity will require applicants to demonstrate capacity to own and manage an affordable housing property over time, identify an affordable housing property for sale and at risk of leaving the state’s affordable housing stock, purchase the property, and preserve the property’s long-term affordability for low-income tenants and residents. Applicants may use Acquisition Initiative funding to purchase a

property in its Qualified Contract sales period by covering the gap between the property's market price and its (often much higher) Qualified Contract sales price. Acquisition Initiative funds may not be used as gap funding for Low Income Housing Tax Credit deals.

3. Housing Authority Initiative (Phase 3)

- Housing Authority Initiative funding will support the physical rehabilitation of at-risk public housing units, especially those in need of immediate investment (i.e., those with REAC scores of less than 60, indicating physical deterioration). This activity will require Housing Authorities to apply and demonstrate ownership of an at-risk affordable housing property, identify and describe physical deficiencies which threaten the property's long-term sustainability, plan a rehabilitation project to remedy these deficiencies, and rehabilitate the project in accordance with this plan in order to preserve the property's long-term affordability potential for low-income residents. Housing Authority Initiative funds may be used as gap funding for Low Income Housing Tax Credit deals, and will be structured to incentivize the use of 4% rehabilitation tax credits.

4. Bridge Initiative (Phase 4)

- Bridge Initiative funding will encourage the resyndication of expiring LIHTC properties by covering predevelopment costs such as capital needs assessments, architectural drawings, permitting, professional fees, Phase I environmental, etc. The bridge financing activity will require applicants to demonstrate ownership of an at-risk LIHTC property nearing the end of its affordability period, describe a plan to resyndicate (including specific performance benchmarks with achievement dates), close the LIHTC resyndication, and preserve the property's long-term affordability for low-income tenants. Bridge Initiative funds may never be paired with other initiatives.

Phase-In Process

To ensure an effective rollout and the continued success of the program, staff is proposing the following measures over the course of the phase-in process:

- Quarterly program reporting;
- Anticipated annual Policy Committee and Board of Directors presentations on the program's progress with the current step in the rollout process and to receive confirmation to proceed with the next step's initiative rollout and funding request;
- Flexibility to alter the proposed Initiative and funding amount for the following step as needs and resources become more apparent (i.e.,

following Policy Committee and/or Board of Directors request from annual presentation or following a staff recommendation); and,

- Ongoing owner contact and surveying to better address concerns and needs regarding preservation.

Eligible Applicants

Eligible applicants include non-profit organizations, for-profit organizations, governmental housing agencies, regional housing authorities, governmental entities, governmental instrumentalities, tribal governments, tribal housing agencies, 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.

Funding Terms and Conditions

All awards shall be subject to the availability of funds and applicable law. MFA will allocate only the minimum amount of funds that it determines to be necessary for the financial feasibility of a project and its viability throughout the affordability period. Principles of sound underwriting and risk management will be applied when reviewing all applications.

All NMPLF financing except for Bridge Initiative grants will be in the form of loans, which may be for interim and/or permanent financing. The terms and conditions for each loan 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. Staff will post current underwriting guidelines on MFA's website.

All loans will be secured by mortgages and/or other appropriate liens. The recording of Land Use Restriction Agreements (LURAs) will be required for all loans or grants. LURAs shall remain in place throughout the 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. The required affordability period for each project will vary based on the applicable Initiative and the amount of funding awarded, as outlined in the table below:

Rehabilitation, Acquisition, and Housing Authority Initiative Affordability Periods	
Per-unit award amount	Minimum affordability period
<\$15,000	15 years
\$15,000-\$24,999	20 years
\$25,000-\$34,999	25 years
\$35,000-\$44,999	30 years

\$45,000-\$54,999	35 years
>\$55,000	40 years
Bridge Initiative Affordability Periods	
Award amount	Minimum affordability period
Any amount	10 years (LURA released upon LIHTC resyndication and recording of new LIHTC LURA)

Recipients of NMPLF funding may also be subject to beneficiary income limits and other requirements. As a general practice, LURAs put in place following award of NMPLF funding will contain provisions matching existing restrictions on the property at the time of funding application, including income and rent limits instituted by MFA or another entity.

Award of Funds

Funds will be awarded on a competitive basis and based on need (i.e., the level of risk pushing the applicant property out of the affordable stock). Applicants will be required to meet threshold benchmarks, including those related to:

1. Application completeness and legibility;
2. Application compliance with applicable requirements established in the program NOFA and Guidelines;
3. Sufficient evidence of applicant's ability to undertake and complete the proposal; and,
4. Sufficient evidence that the proposed project is financially and technically feasible.

Scoring will prioritize projects aimed at preserving properties most at risk of exiting the affordable stock, such as those that are severely physically dilapidated, in extremely close proximity to the end of its affordability period, or for sale within the Qualified Contract sales period. Scoring for most of the initiatives will also prioritize smaller properties with fewer resources, such as properties with fifty units or less and properties located in rural counties. Other scoring items may examine the project's:

1. Cost effectiveness;
2. Readiness;
3. Sustainability and energy efficiency;
4. Low-income targeting, and;
5. Agreement to affordability period above minimum required.

Anticipated Sources

Staff anticipates use of New Mexico Housing Trust Fund reoccurring funding to fund the New Mexico Preservation Loan Fund. Staff also expects other compatible sources to arise over time as the program is in the phase-in process, including federal funding for energy efficiency.

Summary

In order to ensure maximum impact and effectiveness of MFA's investment in affordable housing, funding must be directed toward preservation efforts. Herein, staff has provided an initial plan for the New Mexico Preservation Loan Fund, which would provide funding to projects supporting the preservation of at-risk affordable housing in the state, including for use toward rehabilitation, acquisition, and predevelopment activities. Staff is requesting approval of the plan as outlined. After investigating the investment needed to provide funding to potential users for each eligible activity to initiate the program, staff is requesting a preliminary allocation of \$25,000,000 over a five phase process to fund the program at its inception.



NEW MEXICO MORTGAGE FINANCE AUTHORITY
Contracted Services/Credit Committee Meeting
Tuesday, March 7, 2023 @ 10:00 am
MFA – Albuquerque

WebEx join the meeting from the calendar or call 1-408-418-9388 (access code): 2480 802 1274

AGENDA ITEM	TIME ALLOTTED	COMMITTEE RECOMMENDED	BOARD ACTION REQUIRED
1 Felician Villa Apartments- American Rescue Plan Act-Fiscal Recovery Funds Request (ARPA-FRF) (Jacobo Martinez & George Maestas)	10:00 – 10:10	2-Ø	YES
2 NM EnergySmart Request for Proposals (RFP) (Troy Cucchiara & Dimitri Florez)	10:10-10:20	2-Ø	YES
3 Housing Opportunities for Persons with AIDS (HOPWA) Request for Proposals (Jackie Homet)	10:20-10:30	2-Ø	YES
4 Dream Tree State and Local Fiscal Recovery Funding NOFA Recommendation to Award Funds (Ted Chavez & Robyn Powell)	10:30 -10:40	2-Ø	YES
5 YES Housing, Inc. State and Local Fiscal Recovery Funding NOFA Recommendation to Award Funds (Ted Chavez & Robyn Powell)	10:40-10:50	2-Ø	YES
6 North Central NM Economic Development District Senior Home Repair State and Local Fiscal Recovery Funding NOFA Recommendation to Award Funds (Ted Chavez & Robyn Powell)	10:50-11:00	2-Ø	YES
7 Homewise State and Local Fiscal Recovery Funding NOFA Recommendation to Award Funds (Ted Chavez & Robyn Powell)	11:00-11:10	2-Ø	YES
8 Limited Source Procurement Section 811 Project Rental Assistance (PRA) Program Award Recommendations (Carmela Arellano & Patrick Ortiz)	11:10-11:20	2-Ø	YES
9 Questions/comments from Committee	11:20-11:30	✓	

Committee Members present:

Rebecca Wurzbarger, Chair

☐ present ☐ absent ☒ conference call

Attorney General Raul Torrez/Designee
 Gideon Elliot

☐ present ☒ absent ☐ conference call

Patricia Sullivan

☐ present ☐ absent ☒ conference call

2023 RENTAL AWARD SUMMARY

Project Name & Address	Felician Villa Apartments 4210 Meadowlark Ln. SE Rio Rancho, NM 87124			
Proposed Awards	\$2,800,000	American Rescue Plan Act-Fiscal Recovery Funds (ARPA-FRF)	Rate	0%
Borrowers	Felician Villa CIC, LLLP, a to-be-formed Limited Liability Limited Partnership, is owned by CC Housing, Inc. (0.0051%), as the General Partner, and CIC Felician Villa, LLC, an affiliate of Chelsea Investment Corporation (0.0049%), as the Special Limited Partner; and 99.99% by a to-be-formed subsidiary of The Richman Group, the tax credit investor, as Limited Partner.			
Management	Monarch Properties, Inc. is a privately held Texas corporation chartered in 1982. Monarch provides third-party, full-service management of multifamily apartment communities throughout Texas, New Mexico and Oklahoma. The corporate office is located in Albuquerque, New Mexico. The total apartments under management have consistently averaged more than 7,500 with over 280 team members employed.			
Developer	<p>Chelsea Investment Corporation ("Chelsea") is a for-profit organization incorporated in 1986 by James J. Schmidt, its CEO. Chelsea is a real estate company focused on the financing and development of affordable housing through its asset management, construction, and community investment affiliates. To date, Chelsea has developed over 100 affordable communities throughout California, New Mexico and Arizona and nearly 10,000 units throughout the Western United States. Chelsea has developed a variety of rental homes within both urban and suburban locations. Some of these developments are obligated to senior housing and/or are supportive housing. The company has developed approximately 1,000 units through acquisition and rehabilitation.</p> <p>Consolidated (i.e., includes affiliates) audited financial statements for FYE 12/31/2020 show Unrestricted Cash of \$8.4M, Total Assets of \$28.9M, a Net Worth of \$18.9M, a Debt-to-Worth ratio of 0.53 : 1.00, strong profit and positive traditional cash flow (i.e. net earnings plus non-cash charges). Consolidated financial statements for FYE 12/31/21 show Unrestricted Cash of \$6.97M, Total Assets of \$30.6M, a Net Worth of \$21.2M, a Debt-to-Worth ratio of 0.44 : 1.00, strong profit and positive traditional cash flow (i.e. net earnings plus non-cash charges). Consolidated internally prepared statements for the 11 months ending on 11/30/22 show Unrestricted Cash of \$4.78M, Total Assets of \$42M and a Net Worth of \$23M, resulting in a Debt-to-Worth Ratio of 0.80: 1.00. Chelsea's borrowing and repayment history with MFA have been good. Chelsea is an experienced developer that has a proven history of obtaining LIHTC investors at good prices and large bank financing at favorable rates.</p>			
Project Type & Size	New construction of a 66-unit multifamily project to be located in Rio Rancho, NM. The project will target seniors 55 years and older and will give preference to active and retired military members. Four of the units will be income restricted to households earning 30% or less of Area Median Income (AMI). Thirty-Seven of the units will be income-restricted to households earning 50% or less of AMI. Twenty-four units will be income restricted to households earning 60% or less of AMI. The additional unit will be a non-revenue producing management unit.			
Project Description	Felician Villa Apartments will be located on approximately 3.56 acres of a 7.96-acre parcel of land once owned by the Felician Sisters of the Southwest, Inc. and later donated to CC Housing, Inc., the non-profit general partner. The 3.56 acre project represents Phase 1 of two proposed affordable housing developments on the site. The entire site will be re-platted and, eventually, a Phase 2 development will be proposed for the remaining 4.40 acres, with Households with Children as its target market.			

	<p>In May of 2022, the MFA Board of Directors approved a \$1,228,760 9% LIHTC award for the Felician Villa Apartments. The project also received a HOME Loan award of \$1,000,000 and a National Housing Trust Fund (NHTF) award of \$400,000. The Project's initial budget was in line with costs when Felician Villa submitted their application in January 2022, however, since then, inflation and volatility in the construction market has created a significant financial gap. In addition to the increases in construction costs, construction interest rates have approximately tripled in the past year, adding to the total development costs. In an attempt to reduce its costs, Felician Villa Apartments is bidding their construction out to multiple contractors and value engineering the building and site-work, to see what cost savings can be found.</p> <p>The Subject building will be fully enclosed with controlled access. There will be 2 elevators serving the property. A community room with TV lounge area, library, kitchen, a computer center, offices, exercise room, storage/maintenance area and laundry center will be housed within the interior building floor plan. The total building area will be approximately 61,436 gross square feet including the common areas, hallways, storerooms, and units. There will be a total of 66 units comprised of 54 one-bedroom one-bathroom units and 11 two-bedroom one-bathroom units (with an additional two-bedroom unit that will serve as a non-revenue producing manager's unit). The one-bedroom units will average 563 net square feet and the two-bedroom units will average 750 net square feet.</p> <p>Outdoor amenities will include bicycle racks, garden areas, walk paths, a meditation garden, and onsite parking. The project is close to a Walmart Supercenter, medical facilities serving seniors and others, senior residential facilities with various levels of care, several retail centers, grocery stores, banks, worship centers and restaurants. The Meadowlark Senior Center is located within 500 feet of the proposed Project. It provides meal service for a nominal fee as well as education, health and wellness seminars and other activities. Presbyterian Rust Medical Center and UNM Sandoval Regional Medical Center are situated nearby. The proximity to Albuquerque (13 miles) provides additional medical, shopping, services, cultural and entertainment venues, and job opportunities. The Rio Metro buses, Dial-a-Ride/Paratransit, Bike Share and New Mexico Rail Runner Express provide transportation throughout the County and Rio Rancho and service to Albuquerque.</p> <p>The application provided information from the Kinetic Valuation Group, Inc (KVG) market study, dated 1/25/2022. The market study advises that a survey of a representative sample of comparable apartment developments indicates the multifamily market in the PMA is good. The area is experiencing stable occupancy levels for both affordable and market rate developments. Analysis of comparable rents indicates that the development's proposed rents are achievable and provide a strong tenant rent advantage over market rate properties. Affordable housing alternatives such as home or condominium ownership do not pose a major threat due to the cost savings affordable housing provides. The markets study states that the development, which will provide good quality affordable housing, will positively enhance the local market area.</p> <p>The market study further advises that the development will provide excellent quality affordable housing that is in demand in the area. The property is within close proximity to employment, retail, and related amenities. The development's unit mix, unit sizes, and unit amenities are considered competitive. Affordable units are in demand, as evidenced by the rental activity of comparable market and affordable properties.</p>
Environmental & Site	<p>Phase I, II and/or Phase I II Environmental Assessments Performed:</p> <p>The Phase I ESA performed by REESCO revealed no evidence of any recognized environmental conditions (REC), including historic RECs (HREC) and/or controlled RECs (CREC), in connection with the Property. REESCO believes that additional environmental investigations regarding hazardous substances or petroleum products at the Property are not warranted.</p> <p>A HUD Part 58 Environmental Review is required for HOME loans and must be completed prior to the acquisition of the property.</p>

Site and Neighborhood Standards (HOME New Construction only)	<p>The area surrounding the development is a mixed-use area. The site is zoned R-6, Multi-Family Residential District. Per the zoning code for the city of Rio Rancho, the multifamily zone permits a high density of population in which the principal use is multi-family dwelling units. The site was rezoned from SU, Special Use District to R-6, Multi-Family Residential District on December 10, 2020. According to the municipal code for the city of Rio Rancho, the R-6, Multi-Family Residential District allows for a maximum of 50 units per acre, which would allow 178 units. Current parking requirements are 1.5 parking spaces per one-bedroom dwelling unit and 1.75 parking spaces per two-bedroom dwelling unit, which would require 102 spaces.</p> <p>Felician Villa Apartments will have 66 units and 119 parking spaces and represent a legal conforming use. Zoning information was confirmed with a letter provided by the Planning and Zoning Manager for Rio Rancho.</p> <p>A Site and Neighborhood Standards form must be completed and reviewed by MFA as the project does include new construction of residential units that will utilize HOME and NHTF funding.</p>
Project Financials, Projections and Assumptions, and Subsidy Layering Review (HOME only)	<p>Projections and Assumptions:</p> <p>A 5% vacancy (MFA standard for senior housing) was applied, and operating expenses were estimated at \$4,994 per unit per annum (PUPA) after reducing for Replacement Reserves (\$250 PUPA) and Social Services. Operating expenses are within the MFA guidelines of \$4,300 to \$5,800. KVG, Inc. provided an analysis of the operating expenses in comparison with LIHTC properties in the region. KVG, Inc. concluded that the Subject's budget is within the range of the expense comparables and appears reasonable.</p> <p>The Debt Service Coverage Ratio (DSCR) on all hard debt is projected to begin at 1.19 : 1 in year 1 and improves to 1.24 : 1.00 by year 15. This range falls within MFA's underwriting standards of 1.20 to 1.40 : 1.00 by the second year. The first mortgage loan is assumed to be at a 6.62% interest rate, adjusted upwards by 50 basis points for underwriting.</p> <p>Currently, 30% (i.e., \$402,041 of the \$1,362,500) of the developer fee will be deferred. Generally, a deferral in fee could be used to replace a portion of the first mortgage loan and would mitigate any possible interest rate risk that may occur between commitment and inception of the permanent loan. Deferral of the developer fee is usually allowable by the investor, provided that project cash flow can repay the deferred fee by the end of the 15-year LIHTC compliance period. Lender projections indicate that the Subject would fully repay the deferred developer fee by the end of the 10th year.</p> <p>The developer is assuming that credits can be sold to an investor at .90 cents on the dollar (i.e., the lower end of the 2022 MFA 88 to 95 cents guideline). Every one-cent drop in that price would create the need for additional \$122,864 in capital to be filled by either deferring developer fee or a cash-flow-only loan from Rocky Mountain Community Reinvestment Corporation (RMCRC).</p> <p>Subsidy Layering Reviews:</p> <p><u>ARPA- FRF</u>- MFA's Housing Development Department's underwriting guidelines, performed for the FRF Loan request, show this project is not over-subsidized per HUD regulations.</p>

Affordability Requirements	<p>ARPA FRF Requirements:</p> <p>Fifty-nine (59) units for households at or below 60% of the Area Median Income (AMI). The affordability period starts on the placed in service date and ends 35 years later.</p>
Repayment and Disbursement	<p>ARPA FRF Loan:</p> <p>No payments due during the construction period and, thereafter, annual payments, as determined from available cash-flow, or fixed at \$500, maturing in 35 years with a final balloon payment of all outstanding principal due at its maturity. The interest rate will be 0.00% and the FRF loan's affordability period will be 35 years. The affordability period starts on the placed in service date and ends 35 years later. Multiple disbursements upon evidence of costs incurred, not more frequently than monthly.</p>
Special Conditions	<ol style="list-style-type: none"> 1. All loans and grants are subject to MFA's final underwriting for project feasibility if needed. Loan amounts may be reduced if the financing gap decreases, and/or terms (i.e. interest rate & amortization) may be revised in line with projected cash flow at closing; 2. Any changes or additions to the following development team members listed in the loan application must be approved by MFA: developer, contractor, management company, consultant or architect; 3. Financing commitments acceptable to MFA prior to funding on all funding sources; 4. Approval of plans/construction monitoring/draws by MFA's Architectural Services Representative or a third party acceptable to MFA (i.e. hired by MFA, investor or primary construction lender) and shared with MFA. Cost to be paid by applicant; 5. Other conditions as may be determined by staff; and 6. Subject to availability of funds.

MFA Commitments to Other Projects	<p><u>Chelsea Investment Corporation</u></p> <p><u>2012 HOME – Park Place (fka Casa Hermosa) – \$556,546</u></p> <p><u>2012 Primero Grant – Park Place (fka Casa Hermosa) – \$75,000</u></p> <p><u>2012 9% Tax Credit – Park Place (fka Casa Hermosa) – \$896,512</u></p> <p><u>2013 Primero Grant – Cottonwood Apartments Artesia – \$50,000</u></p> <p><u>2013 Primero Grant – The Elms Apartments – \$50,000</u></p> <p><u>2014 Primero Grant – Roselawn Manor – \$50,000</u></p> <p><u>2015 9% Tax Credit – Parkside Terrace – \$1,087,936</u></p> <p><u>2015 9% Tax Credit – Roselawn Manor – \$1,150,000</u></p> <p><u>2015 HOME – Roselawn Manor – \$371,667</u></p> <p><u>2015 Risk Share – Roselawn Manor – \$1,074,556</u></p> <p><u>2018 9% Tax Credit – Mission la Posada – \$800,000</u></p> <p><u>2018 HOME – Mission la Posada – \$397,500</u></p> <p><u>2018 NHTF – Mission la Posada – \$1,275,000</u></p> <p><u>2019 9% Tax Credit – Sunray Lobo Canyon – \$1,232,333</u></p> <p><u>2019 HOME – Sunray Lobo Canyon – \$243,953</u></p> <p><u>2019 NHTF – Sunray Lobo Canyon – \$360,000</u></p> <p><u>2020 9% Tax Credit – Encantada Apartments – \$633,630</u></p> <p><u>2020 HOME – Encantada Apartments – \$400,000</u></p> <p><u>2020 NHTF – Encantada Apartments – \$400,000</u></p> <p><u>2021 9% Tax Credit- Belen Vista- \$787,639</u></p> <p><u>2021 HOME- Belen Vista- \$400,000</u></p> <p><u>2021 NHTF- Belen Vista- \$400,000</u></p> <p><u>2021 9% Tax Credit- Mariposa0- \$801,704</u></p> <p><u>2021 HOME- Mariposa- \$400,000</u></p> <p><u>2021 NHTF- Mariposa- \$400,000</u></p>
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Felician Villa Apartments – 66 units, Rio Rancho, Sandoval County, NM

	<p> <u>2022 9% Tax Credit- Felician Villa - \$1,287,600</u> <u>2022 HOME – Felician Villa - \$1,000,000</u> <u>2022 NHTF – Felician Villa - \$400,000</u> <u>2022 9% Tax Credit – The Three Sisters - \$1,341,912</u> <u>2022 HOME – The Three Sisters - \$1,000,000</u> <u>2022 NHTF – The Three Sisters - \$400,000</u> <u>CC Housing, Inc.</u> <u>2017 9% Tax Credit – Generations at West Mesa – \$674,999</u> <u>2017 NMHTF – Generations at West Mesa – \$492,200</u> <u>2017 NHTF – Generations at West Mesa – \$400,000</u> <u>2019 9% Tax Credit – Sunray Lobo Canyon – \$1,232,333</u> <u>2019 HOME – Sunray Lobo Canyon – \$243,953</u> <u>2019 NHTF – Sunray Lobo Canyon – \$360,000</u> <u>2020 9% Tax Credit – Encantada Apartments – \$633,630</u> <u>2020 HOME – Encantada Apartments – \$400,000</u> <u>2020 NHTF – Encantada Apartments – \$400,000</u> <u>2021 9% Tax Credit- Belen Vista- \$787,639</u> <u>2021 HOME- Belen Vista- \$400,000</u> <u>2021 NHTF- Belen Vista- \$400,000</u> <u>2021 9% Tax Credit- Mariposa- \$801,704</u> <u>2021 HOME- Mariposa- \$400,000</u> <u>2021 NHTF- Mariposa- \$400,000</u> <u>2022 9% Tax Credit- Felician Villa - \$1,287,600</u> <u>2022 HOME – Felician Villa - \$1,000,000</u> <u>2022 NHTF – Felician Villa - \$400,000</u> <u>2022 9% Tax Credit – The Three Sisters - \$1,341,912</u> <u>2022 HOME – The Three Sisters - \$1,000,000</u> <u>2022 NHTF – The Three Sisters - \$400,000</u> </p> <p>Notes: Risk Share loans carry 10% MFA risk - loan balances as of 02/07/2023</p>		
MFA Exposure	Total MFA Exposure: \$10,371,422 (excludes LIHTC, grants and loans pending approval).		
<u>Risk Factors</u>	<ol style="list-style-type: none"> 1. Market – Low (Strong demand for proposed property in PMA) 2. Construction – Medium (construction material pricing remains volatile, however, the developer is experienced plus the investor and main construction lender will provide additional oversight and controls) 3. Developer – Low 4. Guarantor – Low 5. General Partner/Managing Member – Low (i.e., the developer) 6. Community Opposition – Low (Approved Zone Change) 7. Financing – Medium (as long as market conditions for interest rates & LIHTC pricing do not fluctuate too much, the project is feasible. However, in the event of adverse market conditions the project would not move forward. MFA's final underwriting is required before loan closing to ensure viability before final commitment) 		
Summary & Recommendation	The proposed project presents a favorable risk profile and is recommended for approval.		
Prepared by	Jacobo Martinez, Development Loan Manager, Team Lead		Date
Reviewed by	George Maestas, Director of Housing Development		

PROJECT INFORMATION SUMMARY						
Project Name		City	NC, AR, or NC/AR	Total # Units	Sizes	Target AMIs
Felician Villa Apartments		Rio Rancho, NM				
Total Development Cost	\$ 18,858,343		NC	66	1-BED & 2-BED	30%, 50%, 60%,
Borrower	Felician Villa CIC, LLLP (FRF)					
Management	Monarch Properties, Inc.		YEAR BUILT (AR)		LIHTC ALLOC	4% or 9%
Developer	Chelsea Investment Corp.		NC	\$	1,228,760	9%
			NC = New Construction AR = Acquisition/Rehab AMI = Area Median Income MR = Market Rate apartments			
FISCAL RECOVERY FUNDS (FRF) GRANT NFORMATION			NUMBER OF FRF UNITS:			59
Funds Available as of:	02/01/23	\$3,167,000				
	MFA Guidelines	Request	EXCEPTIONS/CONDITIONS/NOTES			
Maximum Loan Amount	Limited to Funds Available	\$2,800,000				
Rates	0%	0%				
Loan/Grant Fees	N/A	N/A				
Maximum Loan/Grant Term	40 years	35 years	-			
Loan Amortization		Cash flow				
Lien Position		4th				
Affordability Requirements	40 yrs, max 60% AMI	35 yrs, 59 units at 60% AMI				
DSCR	1.20 to 1.40 to 1.00 on all must-pay debt	within guidelines years 2-15	Cash flow projections show an all-in DSCR beginning at 1.19 in Year 1 to 1.24 in Year 15			
Scoring Criteria	NA	NA				

TOTAL DEVELOPMENT COST INFORMATION SUMMARY - INITIAL APPROVAL				
Project:	Felician Villa Apartments	Total	% TDC	Cost/GSF*
Acquisition Costs	(land, building acquisition, & other acquisition costs)	\$ 543,206	3%	\$ 8.84
Construction Hard Costs		\$ 9,389,391	58%	\$ 152.83
Other Construction Costs	(contractor O&P, general req, GRT, landscaping, furnishings, etc)	\$ 3,138,479	19%	\$ 51.09
Professional Services/Fees	(architect, engineer, real estate legal, etc)	\$ 588,000	4%	\$ 9.57
Construction Financing Costs	(interest, insurance, inspections, fees, etc)	\$ 653,394	4%	\$ 10.64
Permanent Financing Costs	(fees, title/recording, etc)	\$ 65,572	0%	\$ 1.07
Other Soft Costs	(tax credit fees, environmental reports, appraisals, accounting, etc)	\$ 342,281	2%	\$ 5.57
Syndication-Related Costs	(organization, bridge loan, tax opinion, etc)	\$ -	0%	\$ -
Reserves	(rent-up, operating, replacement, escrows, etc)	\$ 239,969	1%	\$ 3.91
Developer Fees	(inc consultant fees)	\$ 1,362,500	8%	\$ 22.18
Total Development Costs (TDC)		\$ 16,322,792	100%	\$ 265.69
TDC w/o Land, Reserves & Commercial		\$ 15,539,617	95%	\$ 261.78

*Gross square footage: 61,436

TOTAL DEVELOPMENT COST INFORMATION SUMMARY - CURRENT REQUEST				
Project:	Felician Villa Apartments	Total	% TDC	Cost/GSF*
Acquisition Costs	(land, building acquisition, & other acquisition costs)	\$ 1	0%	\$ 0.00
Construction Hard Costs		\$ 11,540,635	61%	\$ 187.85
Other Construction Costs	(contractor O&P, general req, GRT, landscaping, furnishings, etc)	\$ 3,723,510	20%	\$ 60.61
Professional Services/Fees	(architect, engineer, real estate legal, etc)	\$ 580,500	3%	\$ 9.45
Construction Financing Costs	(interest, insurance, inspections, fees, etc)	\$ 925,815	5%	\$ 15.07
Permanent Financing Costs	(fees, title/recording, etc)	\$ 67,875	0%	\$ 1.10
Other Soft Costs	(tax credit fees, environmental reports, appraisals, accounting, etc)	\$ 378,790	2%	\$ 6.17
Syndication-Related Costs	(organization, bridge loan, tax opinion, etc)	\$ -	0%	\$ -
Reserves	(rent-up, operating, replacement, escrows, etc)	\$ 278,717	1%	\$ 4.54
Developer Fees	(inc consultant fees)	\$ 1,362,500	7%	\$ 22.18
Total Development Costs (TDC)		\$ 18,858,343	100%	\$ 306.96
TDC w/o Land, Reserves & Commercial		\$ 18,579,625	99%	\$ 293.58

*Gross square footage: 61,436

CONSTRUCTION SOURCES - CURRENT REQUEST				
Project:	Felician Villa Apartments	Total	% of Total	Per Unit
Construct. Lender - 1st Lien	Key Bank	\$ 10,397,809	55.1%	\$ 157,543
2nd lien holder	MFA HOME CHDO loan (partial release of total)	\$ 900,000	4.8%	\$ 13,636
3rd lien holder	MFA NHTF loan	\$ 360,000	1.9%	\$ 5,455
4th lien holder	MFA ARPA FRF	\$ 2,800,000	14.8%	\$ 42,424
Other source	FHLB AHP	\$ 750,000	4.0%	\$ 11,364
Other source	Deferred Costs During Construction	\$ 491,315	2.6%	\$ 7,444
Deferred Developer Fee	Deferred Development Fee	\$ 959,959	5.1%	\$ 14,545
LIHTC Equity	Richman	\$ 2,199,260	11.7%	\$ 33,322
			0.0%	\$ -
			0.0%	\$ -
Total Construction Sources		\$ 18,858,343	100.0%	\$ 285,732

PERMANENT SOURCES - CURRENT REQUEST				
Project:	Felician Villa Apartments	Total	% of Total	Per Unit
Perm. Lender - 1st Lien	Rocky Mountain CRC	\$ 2,510,000	13.3%	\$ 38,030
2nd lien holder	MFA HOME CHDO loan	\$ 1,000,000	5.3%	\$ 15,152
3rd lien holder	MFA NHTF loan	\$ 400,000	2.1%	\$ 6,061
4th lien holder	MFA ARPA FRF	\$ 2,800,000	14.8%	\$ 42,424
Other source	FHLB AHP	\$ 750,000	4.0%	\$ 11,364
Deferred Developer Fee	Deferred Development Fee	\$ 402,041	2.1%	\$ 6,092
LIHTC Equity	Richman	\$ 10,996,302	58.3%	\$ 166,611
			0.0%	\$ -
			0.0%	\$ -
Total Permanent Sources		\$ 18,858,343	100.0%	\$ 285,732

Appendix A: Development Cost Budget				Total GSF (Initial Approval) =	Total GSF (Current Request) =
Felician Villa				61436	61436
Albuquerque	TOTAL COST (Initial Approval)	TOTAL COST (Current Request)	COST DIFFERENCE (Current - Initial)	COST/GSF (Initial Approval)	COST/GSF (Current Request)
ACQUISITION COSTS					
Land Acquisition	\$ 543,206	\$ 1	\$ (543,205.00)	\$ 8.84	\$ 0.00
Building Acquisition	\$ -		\$ -	\$ -	\$ -
Other: Closing/Title Costs	\$ -	\$ -	\$ -	\$ -	\$ -
SUBTOTAL	\$ 543,206	\$ 1	\$ (543,205)	\$ 8.84	\$ 0.00
CONSTRUCTION HARD COSTS					
Demolition	\$ -	\$ -	\$ -	\$ -	\$ -
Accessory Structures	\$ -	\$ -	\$ -	\$ -	\$ -
Site Construction	\$ 1,493,970	\$ 1,855,600	\$ 361,630	\$ 24.32	\$ 30.20
Buildings and Structures	\$ 7,895,421	\$ 9,685,035	\$ 1,789,614	\$ 128.51	\$ 157.64
Off-Site Improvements	\$ -	\$ -	\$ -	\$ -	\$ -
SUBTOTAL	\$ 9,389,391	\$ 11,540,635	\$ 2,151,244	\$ 152.83	\$ 187.85
OTHER CONSTRUCTION COSTS					
Contractor Overhead	\$ 751,090	\$ 224,090	\$ (527,000)	\$ 12.23	\$ 3.65
Contractor Profit	\$ -	\$ 672,270	\$ 672,270	\$ -	\$ 10.94
General Requirements	\$ 563,097	\$ 672,270	\$ 109,173	\$ 9.17	\$ 10.94
Construction Contingency	\$ 594,422	\$ 720,688	\$ 126,266	\$ 9.68	\$ 11.73
Gross Receipts Tax (GRT)	\$ 849,214	\$ 1,013,402	\$ 164,188	\$ 13.82	\$ 16.50
Landscaping		\$ 35,000	\$ 35,000	\$ -	\$ 0.57
Furniture, Fixtures, & Equipment	\$ 45,000	\$ 45,000	\$ -	\$ 0.73	\$ 0.73
Other: Builder's Risk Insurance, P&P Bond, Building Permits	\$ 335,656	\$ 340,790	\$ 5,134	\$ 5.46	\$ 5.55
SUBTOTAL	\$ 3,138,479	\$ 3,723,510	\$ 585,031	\$ 51.09	\$ 60.61
PROFESSIONAL SERVICES/FEES					
Architect (Design)	\$ 363,403	\$ 300,000	\$ (63,403)	\$ 5.92	\$ 4.88
Architect (Supervision)	\$ 86,597	\$ 60,000	\$ (26,597)	\$ 1.41	\$ 0.98
Attorney (Real Estate)	\$ 110,000	\$ 110,000	\$ -	\$ 1.79	\$ 1.79
Engineer/Survey	\$ 28,000	\$ 110,500	\$ 82,500	\$ 0.46	\$ 1.80
Other : HERS Testing/ Phase 1/2, Geotechnical	\$ -		\$ -	\$ -	\$ -
SUBTOTAL	\$ 588,000	\$ 580,500	\$ (7,500)	\$ 9.57	\$ 9.45
CONSTRUCTION FINANCING COST					
Hazard Insurance	\$ -		\$ -	\$ -	\$ -
Liability Insurance	\$ 60,000	\$ 60,000	\$ -	\$ 0.98	\$ 0.98
Performance Bond			\$ -	\$ -	\$ -
Interest	\$ 328,628	\$ 635,212	\$ 306,584	\$ 5.35	\$ 10.34
Origination\Discount Points	\$ 111,744	\$ 107,203	\$ (4,541)	\$ 1.82	\$ 1.74
Credit Enhancement	\$ -		\$ -	\$ -	\$ -
Inspection Fees	\$ 43,400	\$ 35,000	\$ (8,400)	\$ 0.71	\$ 0.57
Title and Recording	\$ 30,000	\$ 30,000	\$ -	\$ 0.49	\$ 0.49
Legal	\$ 60,000	\$ 50,000	\$ (10,000)	\$ 0.98	\$ 0.81
Taxes	\$ 19,622	\$ 8,400	\$ (11,222)	\$ 0.32	\$ 0.14
SUBTOTAL	\$ 653,394	\$ 925,815	\$ 272,421	\$ 10.64	\$ 15.07

Run Date/Time: 2/23/2023 8:36 AM

Project: Felician Villa					
PERMANENT FINANCING COSTS					
Bond Premium	\$ -		\$ -	\$ -	\$ -
Credit Report	\$ -		\$ -	\$ -	\$ -
Origination\Discount Points	\$ 40,572	\$ 36,375	\$ (4,197)	\$ 0.66	\$ 0.59
Credit Enhancement	\$ -		\$ -	\$ -	\$ -
Title and Recording	\$ 15,000	\$ 15,000	\$ -	\$ 0.24	\$ 0.24
Legal	\$ 10,000	\$ 16,500	\$ 6,500	\$ 0.16	\$ 0.27
Pre-Paid MIP	\$ -		\$ -	\$ -	\$ -
Reserves and Escrows	\$ -		\$ -	\$ -	\$ -
Other:	\$ -		\$ -	\$ -	\$ -
SUBTOTAL	\$ 65,572	\$ 67,875	\$ 2,303	\$ 1.07	\$ 1.10
SOFT COSTS					
Market Study	\$ 10,000	\$ 10,300	\$ 300	\$ 0.16	\$ 0.17
Environmental	\$ 25,000	\$ 20,000	\$ (5,000)	\$ 0.41	\$ 0.33
Tax Credit Fees	\$ 137,207	\$ 121,879	\$ (15,328)	\$ 2.23	\$ 1.98
Appraisal	\$ 8,000	\$ 8,000	\$ -	\$ 0.13	\$ 0.13
Hard Relocation Costs	\$ -		\$ -	\$ -	\$ -
Accounting/Cost Certification	\$ 62,500	\$ 62,500	\$ -	\$ 1.02	\$ 1.02
Other: Soft Cost Contingency, Cons	\$ 99,574	\$ 156,111	\$ 56,537	\$ 1.62	\$ 2.54
SUBTOTAL	\$ 342,281	\$ 378,790	\$ 36,509	\$ 5.57	\$ 6.17
SYNDICATION					
Organization	\$ -	\$ -	\$ -	\$ -	\$ -
Bridge Loan			\$ -	\$ -	\$ -
Tax Opinion			\$ -	\$ -	\$ -
Other:		\$ -	\$ -	\$ -	\$ -
SUBTOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
TDC before Dev. Fees & Reserves	\$ 14,720,323	\$ 17,217,126	\$ 2,496,803	\$ 240	\$ 280
RESERVES					
Rent Up			\$ -	\$ -	\$ -
Operating	\$ 239,969	\$ 278,717	\$ 38,748	\$ 3.91	\$ 4.54
Replacement (inc. only if capitalize			\$ -	\$ -	\$ -
Escrows/Working Capital			\$ -	\$ -	\$ -
Other:			\$ -	\$ -	\$ -
SUBTOTAL	\$ 239,969	\$ 278,717	\$ 38,748	\$ 3.91	\$ 4.54
DEVELOPER FEES					
Developer Fee	\$ 1,362,500	\$ 1,362,500	\$ -	\$ 22.18	\$ 22.18
Consultant Fee			\$ -	\$ -	\$ -
SUBTOTAL	\$ 1,362,500	\$ 1,362,500	\$ -	\$ 22	\$ 22
Total Development Cost (TDC)	\$ 16,322,792	\$ 18,858,343	\$ 2,535,551	\$ 265.69	\$ 306.96
TDC w/o Land, Reserves & Comm	\$ 15,539,617	\$ 18,579,625	\$ 3,040,008	\$ 252.94	\$ 302.42



MEMO

TO: Board of Directors
 Through: Contracted Services – March 7, 2023
 Through: Policy Committee – February 28, 2023

FROM: Troy Cucchiara and Dimitri Florez

DATE: March 15, 2023

SUBJECT: NM EnergySmart 2023-2027 Request for Proposals (RFP)
 Per Delegation of Authority 15. All Programmatic RFP Language Approved and Selection of Vendor

Recommendation

Based on the responses to the NM EnergySmart RFP, staff recommends Board approval for Central New Mexico Housing Corporation (CNMH) to serve the Northern Territory, Southwestern Regional Housing and Community Development Corporation (SRHCDC) to serve the Southern Territory, and International Center for Appropriate and Sustainable Technology (ICAST) to serve the Multifamily Territory. Board approval would allow the NM EnergySmart service providers to receive a one-year contract with the option of three additional annual renewals.

Background

The NM EnergySmart Program is funded by U.S. Department of Energy (DOE), Low Income Housing Energy Assistance Program (LIHEAP), Coronavirus State and Local Fiscal Recovery Fund (CSLFRF), New Mexico Gas Company, Public Service Company of NM (PNM), El Paso Electric, and State funding. The Program's purpose is to help low-income households reduce their energy consumption, reduce their energy costs, and improve their health and safety by implementing a variety of energy efficient measures in their homes. MFA administers the program through community-based nonprofit organizations who provide statewide services.

Discussion

The NM EnergySmart RFP was approved by MFA's Board of Directors on January 18, 2023, and released to the public on the same day. The RFP training was held on January 26, 2023, and the response deadline was February 13, 2023.

Three offerors responded to the NM EnergySmart RFP:

Offeror Name	Geographical Area Applied	Budget
SRHCDC	Southern Territory	\$2,350,000
CNMHC	Northern Territory	\$6,350,000
ICAST	Multifamily Statewide Territory	\$1,800,000
Total	Statewide	\$10,500,000

A total of 175 points were available. Each application was reviewed and scored independently by an RFP review committee consisting of seven members. The average

score of each offeror is provided for review. The following categories were used to determine the score for each agency:

Standard Criteria	Maximum Score	ICAST	CNMHC	SRHCDC
Submission of Complete Application	5	5	5	5
Organization Capacity	20	20	20	20
Weatherization Program Management Experience	10	9	10	10
Financial Strength	20	20	20	17
Existing Weatherization Service Provider Compliant with 10 CFR 440.15	20	20	18	19
Energy Efficiency Construction Experience	60	37	47	40
NM EnergySmart Program Implementation Plan	40	40	25	40
Total Points	175	151	145	151

Based on the applications received there were no applicants for the Tribal Territory. In Section 11 - Geographic Area to which the RFP applied, "If an Offeror applies for the tribal territory but does not qualify or if the tribal territory is not applied for, the tribal territory will revert back to the existing northern and southern territories to ensure full state coverage and to meet the Department of Energy (DOE) requirements."

The review committee is recommending service providers to be CNMHC for the Northern Territory, SRHCDC for the Southern Territory, and ICAST for the Multifamily Territory.

Geographical Area	Review Committee Recommendation
Southern Territory	Southwestern Regional Housing and Community Development Corporation (SRHCDC)
Northern Territory	Central New Mexico Housing Corporation (CNMHC)
Multifamily Statewide Territory	International Center for Appropriate and Sustainable Technology (ICAST)
Tribal Territory	No Responses Received

Upon Board approval staff will ensure the Department of Energy's State Plan will reflect three service providers and three service areas. In addition, contracts will be issued effective July 1, 2023.

Summary

Based on the responses to the NM EnergySmart RFP, staff recommends Board approval for Central New Mexico Housing Corporation to serve the Northern Territory, Southwestern Regional Housing and Community Development Corporation to serve the Southern Territory, and International Center for Appropriate and Sustainable Technology to serve the Multifamily Territory. Board approval would allow the NM EnergySmart service providers to receive a one-year contract with the option of three additional annual renewals.



New Mexico Mortgage Finance Authority

Request for Proposals New Mexico Energy\$mart Program Years 2023 - 2027

January 2023

344 Fourth St. SW, Albuquerque, NM 87102
Tel 505-843-6880 Toll Free 1-800-444-6880 Fax 505-243-3289
<http://www.housingnm.org>



Thank you for your interest in responding to MFA's NM Energy\$mart Request for Proposal (RFP). MFA is committed to choosing the best qualified Offerors and this information will provide the best opportunity to do so.

Part I – General information

The general information part of the RFP provides background information about MFA, general proposal requirements and RFP standards.

Part II – Program-Specific Criteria

Part II of the RFP requires responses from the Offeror. It is designed to provide specific criteria such as program background; purpose of the RFP; RFP training; Questions and Answer information; performance agreement terms; timelines; minimum qualifications; geographic area to which the RFP would apply; evaluation criteria; program standards, compliance with federal requirements, and RFP forms.

In an effort to provide clarification or answers to questions to this RFP, a Frequently Asked Questions link will be available on MFA's website after the tentative RFP training. Please refer to the timeline noted in Part II for the training date.

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PART I: GENERAL INFORMATION

1 BACKGROUND INFORMATION

1.1 INTRODUCTION

New Mexico Mortgage Finance Authority (MFA) is a governmental instrumentality, separate and apart from the state, created by the Mortgage Finance Authority Act, N.M. Stat. Ann. Sections 58-18-1, et seq. (1978) for the purpose of financing affordable housing for low- and moderate-income New Mexico residents. MFA will endeavor to ensure, in every way possible, that small, women-owned business enterprises and/or labor surplus area firms (collectively Disadvantaged Business Enterprises [DBE]) shall have every opportunity to participate in submitting proposals and providing services. DBE businesses are encouraged to submit proposals. MFA will not discriminate against any business on grounds of race, color, religion, gender, national origin, age or disability. It is MFA's policy that suppliers of goods or services adhere to a policy of equal employment opportunity and demonstrate an affirmative effort to recruit, hire and promote regardless of race, color, religion, gender, national origin, age, or disability.

1.2 PURPOSE

The purpose of this Request for Proposal (RFP) is to solicit proposals, in accordance with MFA's Procurement Policy, from qualified applicants, which by reason of their skill, knowledge, and experience are able to furnish services for MFA in connection with the program for which they are applying ("Offerors").

Pursuant to MFA's Procurement Policy, all procurement activities involving the expenditure of federal funds must be conducted in compliance with the Procurement Standards codified in Uniform Guidance, 2 CFR Part 200.317 through 200.326 as well as Part 200.327 which addresses contract provisions.

2 GENERAL PROPOSAL REQUIREMENTS

2.1 PROPOSAL SUBMISSION

All Offeror proposals must be received for review and evaluation by MFA by 4 p.m. Mountain Time on the deadline of the proposal outlined in **Part II Section 9, Timeline of the RFP**. Proposals will only be accepted by email and shall include "Proposal to Offer Services/NM EnergySmart Program" in the subject line.

Submit proposals to the MFA Program Coordinator for the Community Development Department at:

marmijo@housingnm.org

Proposals received after the due date outlined in the timeline will not be considered for funding.

2.2 PROPOSAL TENURE

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

2.3 PROPOSAL FORMAT

This Request for Proposals and forms may be downloaded from MFA's website: <https://housingnm.org/rfps/rfps-rfq.s>.

- ◆ Offeror(s) must submit the agency's most recent financial audit, FY2021 or FY2022, or a letter from MFA indicating that we have already received and approved Offeror's most recent audit.
- ◆ Offeror(s) must submit the proposal itself along with all required schedules and attachments.
- ◆ Proposals must include all program-specific forms attached to this proposal package and all schedules and attachments pertaining thereto.

2.4 IRREGULARITIES IN PROPOSALS

MFA may waive technical irregularities in the form of proposal of any Offeror selected for award, which do not alter the price, quality or quantity of the services offered. Note that the date and time of proposal submission as indicated herein, in Part II Section 9, Timeline, cannot be waived under any circumstances.

2.5 EVALUATION OF PROPOSALS

Responses will be evaluated by an internal review committee of MFA staff using the scoring criteria as described in **Part II Section 12, Evaluation Criteria**. A member of the review committee will present award recommendations to MFA management and MFA's Board. Final selection(s) will be made by MFA's Board of Directors at the regularly scheduled monthly meeting.

MFA does not guarantee and is not obligated to make an award. Awards will be based on availability of funds, Offeror's demonstrated need, and Offeror's score on the scoring criteria and/or for any of the other reasons set forth herein or in MFA's Policies and Procedures. Offerors whose proposals are the most advantageous to MFA, in its sole discretion, taking into consideration the evaluation criteria set forth in the RFP will be selected.

2.6 DEFICIENCY CORRECTION PERIOD

Upon receipt of all timely submitted proposals, MFA staff members will review all proposals to verify that they are complete in accordance with the requirements of this RFP. Should any proposal be missing a threshold requirement in the RFP, it will be deemed incomplete. MFA will notify Offerors if any corrections are needed during the deficiency period. The deficiency correction period may not be used to increase the Offeror's score. Items eligible for correction or submission during the deficiency correction period include missing or incomplete items required in **Part II, Section 10, Minimum Qualifications and Requirements**.

MFA shall communicate proposal deficiencies to each Offeror's designated contact person via email pursuant to the timeline outlined in **Part II, Section 9, Timeline** of this RFP. Applicants must correct all deficiencies within the

deficiency correction period outlined in **Part II, Section 9, Timeline** of this RFP. **All items must be submitted no later than 4 p.m. Mountain Time on the due date.** The response due date will be noted on the deficiency notice. If the information requested is not provided within the timeframe provided or is submitted, but remains deficient, the proposal will be rejected without any further review.

Upon expiration of the deficiency correction period, MFA will not accept Offeror's submission of any items still missing from the proposal.

3 RFP STANDARDS

3.1 PROTEST

Any Offeror who is aggrieved in connection with this RFP or the notification of preliminary selection to this RFP may protest to MFA. A protest must be based on an allegation of a failure to adhere to the evaluation process as designated in the RFP, including MFA's evaluation of proposals. The protest must be submitted by email to:

MFA Program Coordinator for the Community Development Department at:
marmijo@housingnm.org

The protest must be delivered to MFA within five business days after notification of award. Upon the timely filing of a protest, the Program Coordinator shall give notice of the protest to all Offerors who appear to have a substantial and reasonable prospect of being affected by the outcome of the protest. The Offerors receiving notice may file responses to the protest within five business days of notice of protest. The protest process shall consist of the review of all documentation and any testimony provided in support of the protest by the Contracted Services/Credit Committee of MFA's Board of Directors, which shall thereafter make a recommendation to the full Board of Directors regarding the disposition of the protest.

MFA's Board of Directors shall make a final determination regarding the disposition of the protest. Offerors or their representatives shall not communicate with MFA's Board of Directors or staff members regarding any proposal under consideration, except when specifically permitted to present testimony to the Board of Directors. A proposal will be deemed ineligible if the Offeror or any person or entity acting on behalf of the Offeror attempts to influence members of the Board of Directors or staff during any portion of the RFP review process or does not follow the prescribed proposal and protest process. MFA Board of Directors and Management are in Exhibit C1 in Section 15 Forms.

3.2 RFP REVISIONS AND SUPPLEMENTS

Should revisions or additional information be necessary to clarify any provision of this RFP, a notice of revisions or request for additional information, as applicable, will be provided to all Offerors via MFA's website and via email to each person who attends the mandatory RFP Training at the email Offeror uses to sign up for the training.

3.3 INCURRED EXPENSES

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

3.4 RESPONSIBILITY OF OFFERORS

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

In addition to the terms of the services to be performed, the contract between MFA and the successful Offeror(s) (herein "Service Provider) shall include, but may not be limited to, terms substantially similar to the following.

Indemnity. Service Provider accepts full responsibility and liability for the Scope of Work and for the proper obligation and expenditure of Program Funds under this Agreement and shall defend, hold harmless and indemnify MFA and its funders against any and all claims or liabilities, including attorneys' fees and costs of litigation, arising out of Service Provider's performance of or failure to perform the Scope of Work or arising out of any Project developed under the Scope of Work or for which Program Funds have been expended.

Subcontracting Prohibited. The Service Provider shall not subcontract any portion of the services to be performed under this Agreement without the prior written approval of MFA. If approved by MFA, the Service Provider shall be solely responsible for the performance of any subcontractor under such subcontract(s). Use of a subcontractor shall not relieve Service Provider of any obligation under this Agreement for any reason, including but not limited to a subcontractor's bankruptcy, insolvency or other inability to perform the services required under any subcontract.

Required Records. The Service Provider will maintain adequate financial accounting, program and project records for no less than five years after the expiration date or termination date of the agreement, whichever is later.

Cost Reimbursements/Budget. Payment under cost reimbursable contract provisions shall be made upon MFA's receipt from the Service Provider of certified and documented invoices for actual expenditures allowable under the terms of this Agreement. Reimbursements will be made in accordance with the Budget.

Commercial General Liability Insurance. A commercial general liability insurance policy with combined limits of liability for bodily injury or property damage will be required with the limits below:

\$1,000,000	Per Occurrence
\$1,000,000	Policy Aggregate
\$1,000,000	Products Liability/Completed Operations (if applicable)
\$1,000,000	Personal and Advertising Injury
\$50,000	Damage to Rented Premises (if applicable)
\$5,000	Medical Payments
\$1,000,000	Builder's Risk Insurance (Applicable Construction Practices)
25% of Grant	Fidelity Bond or Employee Dishonesty Insurance

Said policy or policies of insurance must include coverage for all operations performed for MFA by the Service Provider and contractual liability coverage shall specifically insure and hold harmless provisions of this Agreement.

Termination. In the event of Service Provider's uncured breach, MFA may terminate the entire Agreement or any part of the Agreement.

Termination for Convenience. In accordance with 2 CFR 200.326 and 2 CFR Part 200, Appendix II, Required Contract Clauses, MFA may terminate this Agreement for convenience, upon ninety (90) days written notice to Service Provider. In the event of termination for convenience, Subrecipient shall be reimbursed for all costs incurred up to the effective date of the termination, provided that such costs are eligible costs hereunder.

3.5 CANCELLATION OF RFP OR REJECTION OF PROPOSALS

This RFP may be canceled and any or all proposals may be rejected when it is in the best interest of the state of New Mexico and/or MFA. In addition, MFA may reject any or all proposals which are not responsive. Offeror may also cancel their proposal at any time during the proposal process.

3.6 AWARD NOTICE

MFA shall provide written notice of the award to all Offerors within 10 business days of the date of the award. The award shall be contingent upon successful negotiations of a final contract between MFA and the Offeror whose proposal is accepted by MFA.

3.7 PROPOSAL CONFIDENTIALITY

Until awards are determined and notice given to all Offerors, MFA will not disclose the contents of any proposal or discuss the contents of any proposal with an Offeror or potential Offeror, to ensure the information does not become available to competing or potential Offerors. After award all proposals will be open to the public for inspection and copying pursuant to MFA's Request to Inspect Documents policy. Offeror must redact all confidential and personal identifier information from proposal if not specifically required by MFA.

3.8 CODE OF CONDUCT

Offeror shall at all times conduct itself in a manner consistent with the Third-Party Code of Conduct. The Third-Party Code of Conduct is attached for review as Exhibit B1 in Section 15 Forms. Upon request by MFA, Offeror shall disclose information MFA may reasonably request relating to conflicts or potential conflicts of interest.

3.9 CONFIDENTIAL DATA

Offerors may request, in writing, nondisclosure of confidential data. Such data shall accompany the proposal and shall be readily separable from the proposal to facilitate public inspection of non-confidential portions of the proposal. After award, all proposals and documents pertaining to the proposals will be open to the public. Confidential data is normally restricted to confidential financial information concerning the Offeror's organization and data that qualifies as a trade secret under the Uniform Trade Secrets Act, §57-3A-1 *et seq.* NMSA 1978.

If a citizen of this state requests disclosure of data for which a request for confidentiality is made, MFA shall examine the request for confidentiality and make a written determination that specifies which portions of the proposal it has determined should be disclosed and will provide the Offeror with written notice of that determination and the date it shall disclose such information.



PART II: PROGRAM-SPECIFIC CRITERIA

4 PROGRAM BACKGROUND

MFA operates the NM Energy\$mart Program “NME\$ Program”, a Weatherization Assistance Program “WAP” funded by the U.S. Department of Energy “DOE” and other funding sources through which service providers weatherize homes for income-eligible homeowners, renters and multifamily development owners. The mission of the WAP program is to reduce energy costs for low-income families, particularly for the elderly, people with disabilities and young children, by improving the energy efficiency of their homes while ensuring their health and safety. The Program uses the most advanced technologies and testing protocols available in the housing industry. In addition to the comfort, health benefits and energy savings for the household, the energy conservation resulting from the efforts of state and local agencies helps our country reduce its dependence on foreign oil and our carbon footprint.

5 PURPOSE OF RFP

The purpose of this Request for Proposals “RFP” is issued pursuant to MFA’s Procurement Policy to solicit proposals from qualified Offerors capable of providing program services from 2023-2027 in accordance with 10 CFR 440, the NM Energy\$mart Standards, the NM Energy \$mart Administrative Handbook and all applicable Generally Accepted Accounting Principles “GAAP”. The cited references are available at <https://housingnm.org/rfps/rfps-rfq.s>.

MFA is the direct grantee for the U.S. Department of Energy “DOE” Weatherization Assistance Program “WAP” and will submit a grant application (State Plan) for New Mexico to the DOE for program year “PY” 2023-2024 WAP funding which can be located for review at <https://housingnm.org/home-repair-and-energy-efficiency/energymart-weatherization-assistance/learn-more/state-plans>.

Funding will be made through a competitive process to eligible Offerors. Under the DOE WAP, MFA’s RFP process is intended to procure for weatherization service providers. MFA will enter into a weatherization contract for the PY 2023-2024 with the successful Offerors. Offerors will serve a specific NM Energy\$mart service territory as depicted on the service territory maps in Exhibits A1 and A2 in Section 15 Forms.

2023/2024 RFP (NM Energy\$mart Service Territory Options) *Please select ONE of the following options for Southern, Northern, Multifamily, and Tribal.		
Geographical Area Option	Budget	Units
Southern Territory	\$2,350,000	135
Northern Territory	\$6,350,000	340
Multifamily Statewide Territory	\$1,800,000	200
Tribal Territory	\$1,800,000	150

Estimated number of units vary based on funding sources particular to each territory.



Please refer to Section 11 – “Geographic Area to which this RFP applies”, which also provides a table that details the approximate amount of funding for the Southern, Northern, Multifamily, and Tribal Territory areas based on estimated funding available from federal, state, and utility funding.

Please refer to Section 12 – “Evaluation Criteria”, which also provides detailed requirements for the multifamily option.

Estimated funding for the 2023-2024 Program Year is \$12,900,000. Sources include:

Funding Source	Amount
DOE	\$2,600,000
BIL	\$4,400,000
LIHEAP	\$2,500,000
NM GAS	\$1,300,000
PNM	\$600,000
WAP-FRF	\$1,250,000
State	\$250,000
Total	\$12,900,000

Utility funding is based on the service territory that each utility company serves and therefore the allocations can vary for each territory in this RFP. Upon selection of successful Offeror(s), additional utility funding may be added to the total award in addition to the federal and state funding to be used as leverage funding. In addition, LIHEAP funding is excluded from the Multifamily option.

It is important to note that all successful Offerors may receive funding for training as well as have access to vehicles and equipment necessary to perform weatherization services per the requirement set by the DOE.

As funding becomes available to MFA during the contract period for activities similar to the work performed under the Program, additional funding may, at the option of MFA, be offered to the successful Offeror(s) without a new RFP. MFA retains sole discretion to make the judgment as to the need for additional RFPs. Satisfactory performance will be a prerequisite for consideration of additional funding.

Offerors may not obligate funds, incur expenses, or otherwise implement program services prior to the execution of a contract with MFA. Funding is anticipated to be available for future program years at similar levels but is subject to change. Funding is not guaranteed to any given Offeror in any given amount.

6 RFP TRAINING

All interested Offerors may attend a tentative RFP training. The training is scheduled for January 26, 2023 from 10:00am to 12:00pm in MFA’s board room located at 344 4th Street SW, Albuquerque, NM 87102. A virtual option will be provided to attend and will be recorded for Offerors that could not attend. The date is posted on MFA’s website and is also located in Section 9, Timeline of this proposal. Pre-registration is required. To register, visit <http://housingnm.org/>. After the RFP training, questions will only be answered through MFA’s formal RFP Q & A process detailed in Section 7 of this RFP.

7 RFP Q&A

Questions pertaining to this RFP and application must be submitted via MFA’s website at <https://housingnm.org/rfps/rfps-rfq>. Select the NM EnergySmart RFP. Select “Services FAQs” link NM EnergySmart RFP. The FAQ will open on January 27, 2023 and will close February 13, 2023. To submit your questions, scroll down to



the “Ask a question” section, enter your name, email address, and type your question in the “Question” box, enter 2 words in the CAPTCHA box and click “Send my question”. MFA will make every attempt to answer questions within 2 business days.

8 PERFORMANCE AGREEMENT TERM

Successful Offerors will enter into a one-year contract with an option of three, one-year renewals with MFA for services to be performed. All renewals will be subject to the amount and availability of funding. Therefore, upon funding availability, there is a possibility than an agency can hold a contract from July 1, 2023 through June 30, 2027. The term of the first one-year contract, is scheduled to begin on July 1, 2023 and end on June 30, 2024.

BIL funding for the non-established Offerors will be awarded in March 2023 and all other funding sources will be awarded effective July 1, 2023.

9 TIMELINE

Activity	Date
MFA to Publish RFP	1/18/2023
RFP Training	1/26/2023
RFP FAQs on Website	1/27/2023 through 2/13/2023
Deadline for receipt of RFP responses	2/13/2023
Deficiency Correction Period begins	2/14/2023
Deficiency Correction Period ends	2/16/2023
Preliminary Award Notice sent to offerors	2/20/2023
Protest Period begins	2/20/2023
Protest Period ends	2/24/2023
Present Award Recommendations to MFA Board of Directors	3/15/2023
Final Notification of Awards upon MFA Board Approval	3/15/2023
Final award letters will be sent to selected Offeror(s)	3/15/2023

10 MINIMUM QUALIFICATIONS AND REQUIREMENT

Offerors must meet the basic eligibility criteria specified in the “Minimum Qualifications and Requirements” section of this RFP. In addition, responses to the RFP must meet the criteria listed below. Criteria must be met by Offerors to be considered for funding. All MFA forms released with this application under Section 15 “RFP Forms” must be used. No substitutions will be accepted. Applications and forms may be obtained from MFA’s website at: <https://housingnm.org/rfps/rfps-rfqs>.

The following criteria must be met by Offerors to be considered for selection to provide services for the NM EnergySmart Program:

- Offeror must submit application form specifying the service territory for which they are applying. (Form provided in Section 15 “RFP Forms”).
- Offeror must submit proof of status as a non-profit agency, Community Action Agency (CAA), or other public entity (e.g., unit of local government).



- Offeror must submit proof of current registration as a charitable organization with the New Mexico Attorney General's Office, covering the fiscal year ending in 2022 or proof of exemption therefrom. Information can be submitted online, and verification obtained via <https://secure.nmag.gov/coros/>. Verification should be in the form of the first page of the "NM Charitable Organization Registration Statement."
- Provide proof of GB-02 license held in the name of the offeror for Single Family homes (not applicable for homes on tribal territories).
- Provide proof of MHD-02 or MHD-03 license for work on mobile homes (not applicable for Multi Family homes and homes on tribal territories).
- If Offeror has been a Service Provider of MFA and received funding from MFA in the past, they must be in "good standing" with MFA as of the date this RFP. To be in good standing Offeror must have no unresolved findings from prior MFA monitoring.
- Offerors must not have a "suspended," "debarred" or HUD "Limited Denial of Participation" status conferred upon it by MFA and/or other state or federal funding sources. Offeror must provide a print screen from <https://sam.gov/content/home> as proof of compliance within 30 days of the application date.
- Offerors must describe any material, current or pending litigation, administrative proceedings or investigations that could impact the reputation or financial viability of the firm. (Form provided in Section 15 "RFP Forms").
- Offerors must certify that all information provided in the RFP response is true and correct and that the individual signing has the authority to bind the Offeror to the Assurances (Form provided in Section 15 "RFP forms").
- Independent Audits (Most current or 2022). Service Providers not subject to the audit requirements of 2 CFR 200 must obtain independent yellow book audits prepared by a third-party CPA in accordance with Generally Accepted Government Auditing Standards (GAGAS) covering financial and compliance audits. Agencies must provide either an independent CPA's auditors report (Audit) or audited financial statements conducted in accordance with Government Auditing Standards (GAS). The GAS Audit or audited financial statements must include the following:
 - ✓ An independent auditor's report of financial statements;
 - ✓ An independent auditor's report of internal control over financial reporting and compliance;
 - ✓ Auditor's management letter if appropriate and the Offeror's response to any audit or audited financial statement findings.
- If Offeror received federal funding equal to or over the amount of \$750,000 in the fiscal year ending in 2022, a Single Audit is required pursuant to 2 CFR 200.500.250 Subpart F. The following types of audits or audited financial findings may disqualify Offeror from funding:
 - ✓ Repeat and unresolved audit findings, as determined by MFA;
 - ✓ If Offeror has received greater than \$750,000 in the fiscal year ending in 2022 and the single audit did not meet the requirements of the 2 CFR 200 Subpart F;
 - ✓ For Single Audit, no proof of federal audit clearinghouse submission (FORM SF-SAC);
 - ✓ If governmental entity, proof is not included of current audit submission to the Office of the New Mexico State Auditor;



- ✓ If referenced in audit as a separate communication, no submission of management response letter and management response to concerns noted in the management letter;
 - ✓ If there is not a submission of management response to audit findings.
- For offerors that did not receive funding from MFA in PY 2021/2022, an audit to the aforementioned standards or an independent CPA's review of financial statements must be provided.

Beginning July 1, 2023, the successful Offeror will be required to provide proof of insurance to include a commercial general liability insurance policy with combined limits of liability for bodily injury and property damage as listed in the table below. MFA must be listed as additional insured.

\$1,000,000	Per Occurrence
\$1,000,000	Policy Aggregate
\$1,000,000	Products Liability/Completed Operations (if applicable)
\$1,000,000	Personal and Advertising Injury
\$50,000	Damage to Rented Premises (if applicable)
\$5,000	Medical Payments
\$1,000,000	Builder's Risk Insurance (Applicable Construction Practices)
25% of Grant	Fidelity Bond or Employee Dishonesty Insurance

In addition to the items listed above, the following items are **ONLY** applicable to Multifamily Offerors:

- Provide proof of GB-98 held in the name of the offeror for multifamily homes.
- Ensure that multifamily weatherization work performed will not increase the rent on current low-income residents for a period of at least three years;
- Ensure that multifamily weatherization work performed will not increase the value of the rental to an undue or excessive amount;
- Ensure that multifamily weatherization work performed will benefit the resident and not just the owner of the property.

11 GEOGRAPHIC AREA TO WHICH THIS RFP APPLIES

Geographic Areas

The NM EnergySmart program is a state-wide program covering all 33 counties. Program funding for the 2023-2024 PY is estimated to be \$12,900,000.

The service territory options and maps applicable to this RFP are attached as Exhibits A1 and A2 in Section 15 Forms. Offerors may select only **ONE** option from the Southern, Northern, Multifamily, and Tribal options listed on Section 5 of this RFP and in the 2023/2024 RFP table below. The Offeror who scores the highest from any specific service territory will be the only Offeror who is funded for that area. Please note within each territory, every county and tribe require a specific number of completed units. This will be revealed and explained further in the RFP training date in Section 6.



2023/2024 RFP (NM EnergySmart Service Territory Options) <i>*Please select ONE of the following options for Southern, Northern, Multifamily, and Tribal.</i>		
Geographical Area Option	Budget	Units
Southern Territory	\$2,350,000	135
Northern Territory	\$6,350,000	340
Multifamily Statewide Territory	\$1,800,000	200
Tribal Territory	\$1,800,000	150

If an Offeror applies for the tribal territory but does not qualify or if the tribal territory is not applied for, the tribal territory will revert back to the existing northern and southern territories to ensure full state coverage and to meet the Department of Energy (DOE) requirements.

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12 EVALUATION CRITERIA

Standard Criteria	Maximum Score
Submission of complete application	5
Organization Capacity	20
Weatherization Program Management Experience	10
Financial Strength	20
Existing Weatherization Service Provider Compliant with 10 CFR 440.15	20
Energy Efficiency/Construction (Select Only One)	
Single Family Experience <i>(Not eligible for these points if applying for the Multifamily option)</i>	60
Multifamily Experience <i>(Not eligible for these points if applying for the Single Family option)</i>	60
NM EnergySmart Program Implementation Plan (Select Only One)	
Northern and Southern Territory <i>(Not eligible for these points if applying for the Multifamily or Tribal Territory option)</i>	40
Tribal Territory <i>(Not eligible for these points if applying for the Multifamily or Northern/Southern option)</i>	40
Multifamily Territory <i>(Not eligible for these points if applying for the Northern/Southern or Tribal Territory option)</i>	40
Total Maximum Points	175
In the event of a tie, an MFA scoring panel will conduct a telephone and/or virtual interview with each Offeror to further discuss the Offeror's capacity, to administer the weatherization program. The MFA scoring panel will then make their decision on the successful Offeror.	



Organization Capacity – 20 Possible Points

Experience of management of personnel – outline the experience of Offeror’s management staff with federal grant-funded program. Provide an organizational chart and the administrative and financial management capacity form provided in Section 15 “RFP Forms”. Provide resumes for each of the key positions listed below.

Provide a list of Board of Directors (Form provided in Section 15 “RFP Forms”) **(5 points)**

Executive Director experience

Less than 2 years (1 point)

2 to 5 years (3 points)

5 or more years **(5 points)**

Fiscal Manager experience

Less than 2 years (1 point)

2 to 5 years (3 points)

5 or more years **(5 points)**

Administrative staff responsible for reporting, invoicing, intake and outreach

Less than 2 years with Offeror Agency (1 point)

2 to 5 years with Offeror Agency (3 points)

5 or more years with Offeror Agency **(5 points)**

Weatherization Program Management Experience – 10 Possible Points

Experience of Weatherization Program Management personnel – outline the experience of Offeror’s Weatherization management staff with federal grant-funded program. Provide an organizational chart and the administrative and financial management capacity form provided in Section 15 “RFP Forms”. Provide resumes for each of the key positions listed below.

Program/Construction Manager Weatherization experience

Less than 2 years (1 point)

2 to 5 years (3 points)

5 or more years **(5 points)**

OR

Program/Construction Manager Energy Efficiency experience

Less than 2 years (1 point)

2 to 5 years (2 points)

5 or more years **(3 points)**

Field Operations Weatherization experience

List staff, with years of experience in terms of project or program management in general construction:

Less than 2 years (1 point)

2 to 5 years (3 points)

5 or more years **(5 points)**

OR

Field Operations Energy Efficiency experience

List staff, with years of experience in terms of project or program management in general construction:

Less than 2 years (1 point)

2 to 5 years (2 points)

5 or more years **(3 points)**



Financial Strength – 20 Possible Points

External Audit – a maximum of 20 points will be awarded based on the results of Offeror's independent audit or audited financial statements for their most recent completed fiscal year not ending earlier than 2021.

Audit materials must include a management's response to any findings and corrective action to clear the finding or provide details on the current status of a finding.

0 Current Findings **(5 points)**

Previous Years Findings cleared (3 points)

Unresolved Findings (0 points)

Financial Management (up to 15 points)

- Provide agency budget assumptions for the Offeror's NM EnergySmart Program. Form provided in Section 15 "RFP Forms" **(5 points)**
- Provide the policy for the Offeror's system of internal controls for fiscal management as documented in a policies and procedures manual approved by the Offeror's Board of Directors **(5 points)**
- Offeror's by-laws requiring Board of Director's fiscal oversight **(5 points)**

Energy Efficiency/Construction *Single Family* Experience – 60 Possible Points

Provide a summary of no more than two pages detailing the experience and performance in construction for energy efficiency upgrades and/or housing renovation activities in Single Family homes. **(5 points)**

Provide organizational chart and resumes of field staff that would be directly doing the work on the homes. In addition, complete the Field Experience and Capacity form provide provided in Section 15 "RFP Forms".

25 years of combined experience in Single Family homes **(5 points)**

15 to 24 years of combined experience in Single Family homes (4 points)

Less than 15 years of combined experience in Single Family homes (3 points)

Provide a list of names and addresses of homes that Offeror has provided rehabilitation, energy efficiency upgrades, and/or new green construction services in Single Family homes in the past three years.

250 homes or more **(5 points)**

100 to 249 homes (4 points)

Less than 100 homes (3 points)

5 or more years of experience running DOE WAP in Single Family homes. **(5 points)**

2-5 years of experience running DOE WAP in Single Family homes. (4 points)

2 or less years of experience running DOE WAP in Single Family homes. (3 point)

OR

5 or more years of experience running Energy Efficiency in Single Family homes. **(3 points)**

2-5 years of experience running Energy Efficiency in Single Family homes. (2 points)

2 or less years of experience running Energy Efficiency in Single Family homes. (1 point)



Field Certifications **(40 points)**

Not all of the certifications listed below are required at the time of application for this RFP. If the Offeror currently has any of the certifications listed below, they will be eligible for the points for each certification listed.

*The certifications noted with an *asterisk will be required within 1 year of contract execution. Training will be paid for by DOE and provided by the NM EnergySmart Training Academy.*

Lead Based Paint Certifications

- *Lead Inspector Certification **(2 points)**
- *Lead Renovator Certification **(2 points)**
- Lead Abatement Supervisor Certification **(4 points)**

Building Performance Institute Certifications

- Building Analyst single or multifamily **(1 point)**
- Envelope Professional **(1 point)**
- *Crew Leader **(2 points)**
- *Energy Auditor **(2 points)**
- Healthy Home Evaluator **(1 point)**
- AC and Heat Pump **(1 point)**
- Air Leakage Control Installer **(1 point)**
- Heating Professional **(1 point)**
- Infiltration and Duct Leakage **(1 point)**
- Manufactured Housing **(1 point)**
- *Retrofit Installer Technician **(2 points)**
- *Quality Control Inspector single or multifamily **(4 points)**

NM Licensing

- MHD-03 Mobile Home Contractor License **(3 points)**
- EE-98- Electrical Contractor License **(3 points)**
- MM-98- Mechanical Residential or Commercial License **(4 points) OR**
- MM-01- Plumbing License **(1 point)**
- MM-02- Natural Gas Fitting License **(1 point)**
- MM-03- Heat, Vent, and Air Conditioning License **(1 point)**
- MM-04- Heat, Cooling, and Process Pipe License **(1 point)**

Additional Certifications

- Infrared Thermographer Certification **(1 point)**
- Asbestos related certifications **(1 point)**
- *OSHA 30 **(2 points)**



Energy Efficiency/Construction *Multifamily* Experience – 60 Possible Points

Provide a summary of no more than two pages detailing the experience and performance in construction for energy efficiency upgrades and/or housing renovation activities in Multifamily projects. **(5 points)**

Provide organizational chart and resumes of field staff that would be directly doing the work on the homes. In addition, complete the Field Experience and Capacity form provide provided in Section 15 “RFP Forms”.

25 years of combined experience in Multifamily projects **(5 points)**

15 to 24 years of combined experience in Multifamily projects (4 points)

Less than 15 years of combined experience in Multifamily projects (3 points)

Provide a list of names and addresses of homes that Offeror has provided rehabilitation, energy efficiency upgrades, and/or new green construction services in Multifamily projects in the past three years.

10 projects or more **(5 points)**

5 to 9 projects (4 points)

Less than 5 projects (3 points)

5 or more years of experience managing DOE WAP funding in Multifamily projects. **(5 points)**

2-5 years of experience managing DOE WAP in Multifamily projects. (4 points)

2 or less years of experience managing DOE WAP in Multifamily projects. (3 points)

OR

5 or more years of experience running Energy Efficiency in Multifamily projects. **(3 points)**

2-5 years of experience running Energy Efficiency in Multifamily projects. (2 points)

2 or less years of experience running Energy Efficiency in Multifamily projects. (1 point)

Field Certifications **(40 points)**

Not all of the certifications listed below are required at the time of application for this RFP. If the Offeror currently has any of the certifications listed below, they will be eligible for the points for each certification listed.

*The certifications noted with an *asterisk will be required within 1 year of contract execution. Training will be provided by the NM EnergySmart Training Academy.*

Lead Based Paint Certifications

- *Lead Inspector Certification **(2 points)**
- *Lead Renovator Certification **(2 points)**
- Lead Abatement Supervisor Certification **(4 points)**

Building Performance Institute Certifications

- Building Analyst single or multifamily **(1 point)**
- Envelope Professional **(1 point)**
- *Crew Leader **(2 points)**
- *Energy Auditor **(2 points)**
- Healthy Home Evaluator **(1 point)**
- AC and Heat Pump **(1 point)**
- Air Leakage Control Installer **(1 point)**



- Heating Professional **(1 point)**
- Infiltration and Duct Leakage **(1 point)**
- Manufactured Housing **(1 point)**
- *Retrofit Installer Technician **(2 points)**
- *Quality Control Inspector single or multifamily **(4 points)**

NM Licensing

- MHD-03 Mobile Home Contractor License **(3 points)**
 EE-98- Electrical Contractor License **(3 points)**
 MM-98- Mechanical Residential or Commercial License **(4 points) OR**
- MM-01- Plumbing License **(1 point)**
 - MM-02- Natural Gas Fitting License **(1 point)**
 - MM-03- Heat, Vent, and Air Conditioning License **(1 point)**
 - MM-04- Heat, Cooling, and Process Pipe License **(1 point)**

Additional Certifications

- Infrared Thermographer Certification **(1 point)**
- Asbestos related certifications **(1 point)**
- *OSHA 30 **(2 points)**

Northern and Southern Territory Implementation Plan – 40 Possible Points

Provide an executive summary of the agency detailing their mission and how this mission is applicable to a Single-Family Weatherization Program (up to 2 pages) **(5 points)**

Provide an overview of the Offeror's vision for the NM EnergySmart Single Family program (up to 1 page) **(5 points)**

Provide a step by step Single Family program implementation plan that includes the items below (up to 4 pages)

- The Offeror's experience in administering low-income programs for Single Family homes. **(5 points)**
- Outreach/marketing plan for the NM EnergySmart Single Family Program. **(5 points)**
- The Offeror's capacity to administer an effective and timely Single Family weatherization program. This should detail the agency's implementation plan that includes a schedule of training and unit completions throughout the year. This includes proper staffing and the Offerors ability to provide their ramping up process. Provide detailed examples of the agency's process for client intake and management of Single-Family waitlists. **(10 points)**
- Quality assurance process/plan that thoroughly describes how Offeror will ensure the highest level of service for Single Family homes. **(5 points)**
- The Offeror's capacity to obtain a sister branch within their selected region. **(5 points)**

(Note: Use of subcontractors must be clearly explained in the proposal and quality assurance monitoring must be detailed. The Offeror will be wholly responsible for the entire performance. DOE Standard Work Specifications are required whether using or not using subcontractors)



Tribal Territory Program Implementation Plan – 40 Possible Points

Provide an executive summary of the agency detailing their mission and how this mission is applicable to a Single-Family Weatherization Program (up to 2 pages) **(6 points)**

Provide an overview of the Offerors vision for the NM EnergySmart Single Family program (up to 1 page) **(6 points)**

Provide a step by step Single Family program implementation plan that includes the items below (up to 4 pages)

- The Offeror's experience in administering low-income programs for Single Family homes. **(6 points)**
- Outreach/marketing plan for the NM EnergySmart Single Family Program. **(6 points)**
- The Offeror's capacity to administer an effective and timely Single Family weatherization program. This should detail the agency's implementation plan that includes a schedule of training and unit completions throughout the year. This includes proper staffing and the Offerors ability to provide their ramping up process. Provide detailed examples of the agency's process for client intake and management of Single-Family waitlists. **(10 points)**
- Quality assurance process/plan that thoroughly describes how Offeror will ensure the highest level of service for Single Family homes. **(6 points)**

*If the Tribal Territory option is not selected, then the territory will revert to the existing Northern and Southern Territory.

(Note: Use of subcontractors must be clearly explained in the proposal and quality assurance monitoring must be detailed. The Offeror will be wholly responsible for the entire performance. DOE Standard Work Specifications are required whether using or not using subcontractors)

Multifamily Program Implementation Plan – 40 Possible Points

Provide an executive summary of the agency detailing their mission and how this mission is applicable to a Multifamily Weatherization Program (up to 2 pages) **(6 points)**

Provide an overview of the Offeror's vision for the NM EnergySmart Multifamily program (up to 1 page) **(6 points)**

Provide a step by step Multifamily program implementation plan that includes the items below (up to 4 pages)

- The Offeror's experience in administering low-income programs for Multifamily **(6 points)**
- Outreach/marketing plan for obtaining multifamily properties/projects for the NM EnergySmart Multifamily Program **(6 points)**
- The Offeror's capacity to administer a timely and effective multifamily weatherization program. This should detail the agency's implementation plan that includes a schedule of training and unit completions throughout the year. Provide detailed examples of the agency's process for securing multifamily properties/projects and implementing the weatherization work performed throughout the year for the specified projects. **(10 points)**



- Quality assurance process/plan that thoroughly describes how Offeror will ensure the highest level of service for multifamily projects. **(6 points)**

(Note: Use of subcontractors must be clearly explained in the proposal and quality assurance monitoring must be detailed. The Offeror will be wholly responsible for the entire performance. DOE Standard Work Specifications are required whether using or not using subcontractors)

13 PROGRAM STANDARDS

The DOE, WAP reduces heating and cooling costs for low-income families who fall under the DOE income guidelines of 200 percent of the poverty income level, particularly for the elderly, people with disabilities, and children, by improving the energy efficiency of their homes while ensuring their health and safety. Households receiving SSI or TANF automatically qualify for the NM EnergySmart Program. The NM EnergySmart Program weatherizes single family homes, mobile homes, and multifamily structures for income qualified households. The program is governed through federal code 10 CFR 440. Details of the rules and regulations can be accessed in the link below: <https://www.ecfr.gov/current/title-10/part-440>

The program is a unit-based program that requires agencies to weatherize a specific number of homes in their assigned territory. The number of homes is based on a formula that details how many homes must be weatherized in each specific county and tribal territory. Each home/unit must have an energy audit performed using the DOE approved National Energy Audit Tool (NEAT), and/or Mobile Home Energy Audit (MHEA).

For multifamily structures an audit using the Targeted Retrofit Energy Auditing Tool (TREAT) software must be performed. A separate source of funding for training is provided by the DOE to ensure the accuracy of audits and the quality of work that is performed in the homes. Upon completion of the audit and weatherization on a home/unit a certified final inspector is responsible for ensuring that the assessment and work done, meet the DOE standards.

In addition to the technical aspect of the program, a service provider must have the capability of providing, at a minimum, the scope of work for the programmatic/administration activities listed below:

- Sound and solid fiscal resources
- Budget approved by MFA for program funds
- A production schedule of the units required to be weatherized
- Ability to provide outreach to target income group to be served
- Staff capable of completing applicant intake procedures
- Adequate field capacity to meet production goals

There are several program standards for the NM EnergySmart Program. All information can be obtained in the documents listed below:

- DOE Weatherization Federal Regulations: 10 CFR 440: <https://www.ecfr.gov/current/title-10/part-440>
- WAP Program Notices: <https://www.energy.gov/eere/wap/weatherization-program-notices-and-memorandums>



- New Mexico State Plan for DOE weatherization: <https://housingnm.org/home-repair-and-energy-efficiency/energymart-weatherization-assistance/learn-more/state-plans>
- MFA's Administrative Program Manual: MFA will provide upon request.

Technical standards and specifications for the program are found in the NM EnergySmart Technical Standards, and the Standard Work Specifications.

- NREL Standard Work Specifications (SWS): <https://sws.nrel.gov/>
- NM Energy Smart Technical Standards: MFA will provide upon request.

Offerors are expected to be familiar with the compliance codes below:

- IRC: <https://www.constructionbook.com/store/category/icc-codes>
- ASHRAE 62.2-2016: https://www.techstreet.com/standards/ashrae-62-2-2016?product_id=1912839
- ANSI Uniform Mechanical Code: <https://iapmmembership.org/store/2021-uniform-mechanical-code-soft-cover-w-tabs/1025/>
- BPI Technical Standards: http://www.bpi.org/standards_approved.aspx
- NFPA: <http://www.nfpa.org/>

Please note that the use of subcontractors must be clearly explained in the proposal and quality assurance monitoring must be noted. The Offeror will be fully responsible for the entire performance, which will be required to follow the NREL's Standard Work Specifications whether or not subcontractors are used.

14 COMPLIANCE WITH OTHER FEDERAL REQUIREMENTS

Offerors must comply with all applicable federal, state, and local codes, statutes, laws and regulations which include, but are not limited to the following and others that can be found at <https://www.energy.gov/management/articles/national-policy-assurances-be-incorporated-award-terms>:

- 10 CFR 440
- Standards for Financial and Program Management (2 CFR 200.300-200.309)
- Cost Principles (2 CFR 200 Subpart E)
- Financial Internal Controls (2 CFR 200.303)
- Protected Personally Identifiable Information (2 CFR 200, 200.1, and 200.338)
- Buy American Act, Pub. L. 117-58
- Title VI of the Civil Rights Act of 1964, as amended (42 USC 2000d, et seq. and 24 CFR Part 1)
- Fair Housing Act (42 USC 3601 et seq.)
- Equal Opportunity in Housing (Executive Order 11063, as amended by Executive Order 12892 and 24 CFR Part 107)
- Age Discrimination Act of 1975, as amended (42 USC 6101 et seq.)
- American with Disabilities Act (42 USC 12101 et seq.)
- Equal Employment Opportunity, Executive Order 11246, as amended (24 CFR 570.607)
- Fair Labor Standards Act of 1938, as amended (29 USC 201, et seq.)
- Contract Work Hours and Safety Standards Act, as amended (40 USC 3701 et seq.)
- Anti-Kickback Act of 1986 (41 USC 8701-8707)
- Section 3 of the Housing and Urban Development Act of 1968 (12 USC 1701u)



- Minority/Women's Business Enterprises, Executive Orders 11625, 12138 and 12432
- Section 504 of the Rehabilitation Act of 1973 as amended (29 USC 794)
- Lead-Based Paint Poisoning Act (42 USC §4822 and 24 CFR Part 35)
- Environmental Reviews (24 CFR Part 92.352)
- National Environmental Policy Act (NEPA) of 1968 (24 CFR Parts 50 and 58)
- Property Inspections (Housing Quality Standards) (24 CFR Part 982.401)
- Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended by 42 USC 4601 and the regulations at 49 CFR Part 24, Subpart C
- Debarment & Suspension (Executive Order 12549, 51 Fed. Reg. 6370)
- Affirmative Outreach (24 CFR 576.407)
- Participation in HUD programs by Faith-Based Organizations (24 CFR 5.109)

Should any federal regulations be changed during and/or after the release of the RFP, MFA will update those regulations (citations) promptly. An addendum to those changes, if applicable, will be provided to offerors.

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NM Energy\$mart Request for Proposals FORMS Program Year 2022-2023

As outlined in section 2.3 Proposal Format

- Proposals and forms may be obtained from MFA's website: <https://housingnm.org/rfps/rfps-rfq>
- Proposals must include the program-specific forms attached to this proposal package and all schedules and attachments pertaining thereto.
- MFA forms released with this proposal must be used when provided by MFA. No substitutions will be accepted.

List of Forms:

- ☐ Submission Checklist
- ☐ Application/General Information
- ☐ Current Board Members
- ☐ Administrative and Financial Management Capacity
- ☐ Field Experience and Capacity
- ☐ Offeror Reputation Certification
- ☐ Offeror Certification
- ☐ Campaign Contribution Disclosure Form
- ☐ Agency Budget Assumptions
- ☐ Disclosure of Contributions by Prospective Offeror

List of Exhibits:

- ☐ Exhibit A1 – **NM Energy\$mart Northern, Southern, and Multifamily Territory Options**
- ☐ Exhibit A2 – **NM Energy\$mart Tribal Territory Options**
- ☐ Exhibit B1 – **Third-Party Code of Conduct**
- ☐ Exhibit C1 – **MFA Board of Directors and Management**



SUBMISSION CHECKLIST NM Energy\$mart PROGRAM PROPOSAL

AGENCY: _____

By initialing on this list, Offeror is certifying that you have enclosed the following items as defined in this RFP. Items should be attached in the order listed.

*****Submit one application package with all items below*****

MINIMUM QUALIFICATIONS AND REQUIREMENTS - Please provide the following:

Forms provided in Part 2 – Program Specific Criteria, Section 15 “RFP Forms”

Allowable Deficiency Correction items

Initial	Item Required
	Proposal submitted as outlined in Part 1- General Information, Section 2 “General Proposal Requirements”
	<input type="checkbox"/> Application form Offeror must specify the territory for which they are applying
	<input type="checkbox"/> Provide proof of GB-02 license held in the name of the offeror for Single Family homes
	<input type="checkbox"/> Provide proof of MHD-02 or MHD-03 license for work on mobile homes (not applicable for Multi Family homes)
	<input type="checkbox"/> Provide proof of GB-98 held in the name of the offeror for Multi Family homes
	<input type="checkbox"/> Proof of status as a non-profit or other public entity (e.g., unit of local government)
	<input type="checkbox"/> Proof of current registration as a charitable organization with the New Mexico Attorney General’s office
	<input type="checkbox"/> Offeror must be in “good standing” with MFA as of the date this RFP. In order to be in good standards Offeror must have no unresolved findings from MFA monitoring’s
	<input type="checkbox"/> Proof that Offeror has not been “suspended,” “debarred” or HUD’s Limited Denial of Participation
	<input type="checkbox"/> Describe any material, current or pending litigation, administrative proceedings or investigations that could impact the reputation or financial viability of the firm.
	<input type="checkbox"/> Offeror Reputation Certification form
	<input type="checkbox"/> Offerors certification form
	<input type="checkbox"/> Copy of agency’s most current independent audit or audited financial statements
	<input type="checkbox"/> Proof of insurance coverage

Other Requests for Information (Please provide the following)

Initial	Item Required
	<input type="checkbox"/> Board of Director list
	<input type="checkbox"/> Resumes of key staff
	<input type="checkbox"/> Organization chart of field staff, administrative staff, and financial staff
	<input type="checkbox"/> Copy of all field staff certifications
	<input type="checkbox"/> Agency Budget Assumption
	<input type="checkbox"/> Cost Allocation Plan
	<input type="checkbox"/> Internal Controls for Fiscal Management
	<input type="checkbox"/> By-laws (Fiscal Oversight)
	<input type="checkbox"/> Description of construction services experience (up to 2 pages)
	<input type="checkbox"/> Executive Summary/Mission Statement (up to 2 pages)
	<input type="checkbox"/> Company vision (up to 1 page)
	<input type="checkbox"/> Implementation plan for the NM Energy\$mart program (up to 4 pages)
	<input type="checkbox"/> Names and addresses of homes offeror has provided similar services as outlined in this RFP. This may include, but is not limited to home rehabilitation, energy efficiency upgrades or new green construction



Application / General Information

Date of Application:

Agency Name _____

Entity Type

- ☐ Nonprofit
☐ Local Unit of Government
☐ Tribal Government
☐ CAA

*** For Profit Agencies are NOT Eligible**

Federal Tax ID Number _____ UEI Number _____

Contact Person _____ Title _____

Telephone Number _____ Ext. _____ Fax Number _____

E-Mail Address _____

Mailing Address _____

City _____ NM Zip _____

2023/2024 RFP (NM EnergySmart Service Territory Options) *Please select ONE of the following options for Southern, Northern, Multifamily, and Tribal.			
Geographical Area Option	Budget	Units	Select One Option
Southern Territory	\$2,350,000	135	
Northern Territory	\$6,350,000	340	
Multifamily Statewide Territory	\$1,800,000	200	
Tribal Territory	\$1,800,000	150	

Signature of Authorized Official on behalf of Offeror

Date

Printed Name

Title



Current Board Members

Name	
Home Address	
Employer	
Position on Board	
Area of Expertise/Qualification	
Years on Board	
Term Expire Date	
Name	
Home Address	
Employer	
Position on Board	
Area of Expertise/Qualification	
Years on Board	
Term Expire Date	
Name	
Home Address	
Employer	
Position on Board	
Area of Expertise/Qualification	
Years on Board	
Term Expire Date	
Name	
Home Address	
Employer	
Position on Board	
Area of Expertise/Qualification	
Years on Board	
Term Expire Date	
Name	
Home Address	
Employer	
Position on Board	
Area of Expertise/Qualification	
Years on Board	
Term Expire Date	



Administrative and Financial Management Capacity

Program/Staff Name	Title	Years of Experience	Capacity/Role/Services Offered

Field Experience and Capacity

Names and years of experience for individuals that will be doing the work on the homes	Years of Experience



Offeror Reputation Certification

Offeror Name

Offeror must describe any material, current or pending litigation, administrative proceedings or investigations that could impact the reputation or financial viability of the firm.

No _____ (There is no material, current or pending litigation, administrative proceedings or investigation that could impact the reputation or financial viability of the firm.

Yes _____ (explain)

Signature of Authorized Official on behalf of Offeror

Date

Printed Name

Title



OFFEROR CERTIFICATION

("Offeror") is submitting a proposal to MFA to be a service provider under the NM EnergySmart Program.

Offeror certifies that:

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

It understands that MFA will monitor its performance and compliance.

It is in good standing with all its funding sources.

It complies with Equal Employment Law and complies fully with all government regulations regarding nondiscriminatory employment practices.

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

It has a current registration with the New Mexico Attorney General's Registry of Charitable Organizations, if applicable.

This proposal shall be valid until contract award or 90 calendar days from the proposal due date, whichever is longer.

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

Signature of Authorized Official on behalf of Offeror

Date

Printed Name

Title



Campaign Contribution Disclosure Form

Pursuant to the Procurement Code, Sections 13-1-28, et seq., NMSA 1978 and NMSA 1978, § 13-1-191.1 (2006), as amended by Laws of 2007, Chapter 234, any prospective contractor seeking to enter into a contract with any state agency or local public body for professional services, a design and build project delivery system, or the design and installation of measures the primary purpose of which is to conserve natural resources must file this form with that state agency or local public body. This form must be filed even if the contract qualifies as a small purchase or a sole source contract. The prospective contractor must disclose whether they, a family member or a representative of the prospective contractor has made a campaign contribution to an applicable public official of the state or a local public body during the two years prior to the date on which the contractor submits a proposal or, in the case of a sole source or small purchase contract, the two years prior to the date the contractor signs the contract, if the aggregate total of contributions given by the prospective contractor, a family member or a representative of the prospective contractor to the public official exceeds two hundred and fifty dollars (\$250) over the two year period.

Furthermore, the state agency or local public body may cancel a solicitation or proposed award for a proposed contract pursuant to Section 13-1-181 NMSA 1978 or a contract that is executed may be ratified or terminated pursuant to Section 13-1-182 NMSA 1978 of the Procurement Code if: 1) a prospective contractor, a family member of the prospective contractor, or a representative of the prospective contractor gives a campaign contribution or other thing of value to an applicable public official or the applicable public official's employees during the pendency of the procurement process or 2) a prospective contractor fails to submit a fully completed disclosure statement pursuant to the law.

The state agency or local public body that procures the services or items of tangible personal property shall indicate on the form the name or names of every applicable public official, if any, for which disclosure is required by a prospective contractor.

This form must be included in the Request for Proposal and must be filed by any prospective contractor whether or not they, their family members, or their representatives has made any contribution subject to disclosure.

The following definitions apply:

"Applicable public official" means a person elected to an office or a person appointed to complete a term of an elected office, who has the authority to award or influence the award of the contract for which the prospective contractor is submitting a competitive sealed proposal or who has the authority to negotiate a sole source or small purchase contract that may be awarded without submission of a sealed competitive proposal.

"Campaign Contribution" means a gift, subscription, loan, advance or deposit of money or other thing of value, including the estimated value of an in-kind contribution, that is made to or received by an applicable public official or any person authorized to raise, collect or expend contributions on that official's behalf for the purpose of electing the official to statewide or local office. "Campaign Contribution" includes the payment of a debt incurred in an election campaign, but does not include the value of services provided without compensation or unreimbursed travel or other personal expenses of individuals who volunteer a portion or all of their time on behalf of a candidate or political committee, nor does it include the administrative or solicitation expenses of a political committee that are paid by an organization that sponsors the committee.



"Family member" means spouse, father, mother, child, father-in-law, mother-in-law, daughter-in-law or son-in-law of (a) a prospective contractor, if the prospective contractor is a natural person; or (b) an owner of a prospective contractor.

"Pendency of the procurement process" means the time period commencing with the public notice of the request for proposals and ending with the award of the contract or the cancellation of the request for proposals.

"Prospective contractor" means a person or business that is subject to the competitive sealed proposal process set forth in the Procurement Code or is not required to submit a competitive sealed proposal because that person or business qualifies for a sole source or a small purchase contract.

"Representative of a prospective contractor" means an officer or director of a corporation, a member or manager of a limited liability corporation, a partner of a partnership or a trustee of a trust of the prospective contractor.

Name(s) of Applicable Public Official(s) if any: _____

(Completed by State Agency or Local Public Body)

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Agency Budget Assumptions

Provide a list of sub-contractors you will use in your Program. Example: plumbing, insulation, windows, etc.

Agency	Contractor Type

Note: Training is provided from a different source of funding managed by MFA. The training funding pays for the costs of the courses, provided by the Santa Fe Community College, wages for staff in attendance and per diem. Therefore, training costs should not be included in the field staff proposed budget.

Provide an estimated cost breakdown of your 2023/2024 program year insurance costs. Estimate must be detailed in the categories below:

Insurance Costs	Existing Budget	Proposed NM Energy\$mart budget
Contractual Commercial General Liability Insurance		
Worker's Compensation		
Pollution Control		
Auto Insurance		
Other Insurance Costs		



DISCLOSURE OF CONTRIBUTIONS BY PROSPECTIVE OFFEROR

Contribution Made By: _____

Relation to Prospective Contractor: _____

Date Contribution(s) Made: _____

Amount(s) of Contribution(s) _____

Nature of Contribution(s) _____

Purpose of Contribution(s) _____

(Attach extra pages if necessary)

Signature

Date

Printed Name

Title

--OR--

NO CONTRIBUTIONS IN THE AGGREGATE TOTAL OVER TWO HUNDRED FIFTY DOLLAR (\$250) WERE MADE to an applicable public official by me, a family member or representative.

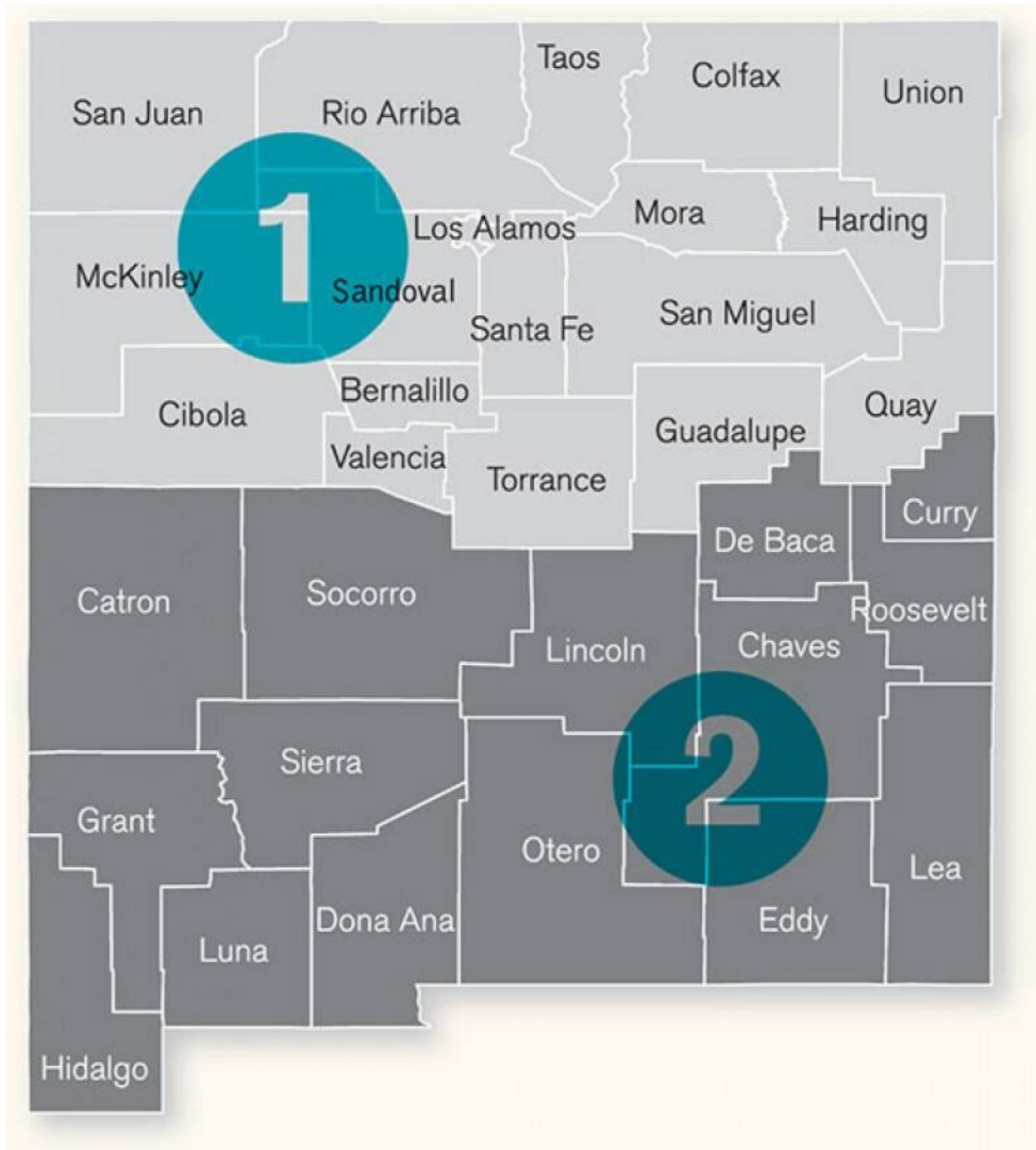
Signature

Date

Printed Name

Title

EXHIBIT A1 - NM ENERGY\$MART NORTHERN, SOUTHERN, AND MULTIFAMILY TERRITORY OPTIONS



Territory	Location
Northern	1
Southern	2
Multifamily	1+2
Tribal	See Exhibit A-2

*If the Tribal Territory option is not selected, then the territory will revert to the existing Northern and Southern Territory.



EXHIBIT A2 – NM ENERGY\$MART TRIBAL TERRITORY OPTIONS

The Tribal Territory will include all tribes listed below.

- Navajo Nation
- Santa Clara
- Ohkay Owingeh
- San Felipe
- Zuni
- Santa Ana
- Cochiti
- Jemez
- Acoma
- Taos
- Nambe
- Santo Domingo
- Zia
- Jicarilla Apache
- Isleta
- Sandia
- Laguna
- Picuris
- Pojoaque
- Tesuque
- San Ildefonso

*If the Tribal Territory option is not selected, then the territory will revert to the existing Northern and Southern Territory.



EXHIBIT B1 – THIRD-PARTY CODE OF CONDUCT

NEW MEXICO MORTGAGE FINANCE AUTHORITY

THIRD-PARTY CODE OF CONDUCT

- A. **Preamble.** The New Mexico Mortgage Finance Authority ("MFA"), an instrumentality of the state government, exists to serve the citizens of the State of New Mexico. To maintain the respect, trust, and confidence of the public, and consistent with MFA's commitment to conduct its business in an ethical and legal manner, MFA requires that all Third Parties doing business with MFA comply with this Third-Party Code of Conduct and otherwise uphold the highest standards of ethics and behavior.
- B. **Purpose.** The purpose of this Code of Conduct is to provide general guidelines and a minimum standard of conduct for Third Parties doing business with MFA.
- C. **Definitions.** For the purpose of this Third-Party Code of Conduct, the following words and phrases shall have the following meanings:

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

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

"**MFA Management**" means the Executive Director, Deputy Director of Programs, Deputy Director of Finance and Administration, and Director of Human Resources employed by the MFA.

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

- D. **Conflicts of Interest.** Third Parties should avoid engaging in any activity that would conflict, interfere, or even create the appearance of a conflict with their business with MFA. Third Parties must disclose any potential conflicts to MFA in writing as soon as practicable upon discovery or recognition. Examples of potential conflicts include, but are not limited to:
- Engaging in a conflict-of-interest transaction prohibited by Section F of MFA's Code of Conduct, which can be found at: https://housingnm.org/uploads/documents/Section_F_of_MFA_Code_of_Conduct.pdf
 - Providing gifts and entertainment to any MFA Employee, MFA Management or MFA Member in an attempt to improperly influence MFA business decisions.

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

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

- E. **Anti-Discrimination and Anti-Harassment Policy.** MFA is committed to maintaining an employment environment in which all individuals are treated with respect and dignity and expects the same from Third Parties doing business with MFA. MFA expects that Third Parties will maintain a workplace where employment-related decisions are based on performance, ability, or other legitimate, non-discriminatory bases and are never based on race, color, national origin, ancestry, citizenship status,



religion, sex, sexual orientation, gender identity, age, physical or mental disability, serious medical condition, marital status, status with regard to public assistance, veteran status, or any other legally-protected status.

MFA also maintains and expects Third Parties to maintain a workplace that is free of unlawful harassment. This includes harassment based upon any of the above legally-protected status (such as age, sex, religion, national origin, etc.) and which creates an intimidating, hostile, or offensive working environment. This also includes sexual harassment which is defined as unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual nature when submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment, submission to or rejection of such conduct by an individual is used as a basis for employment decisions affecting such individual; or such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidated, hostile, or offensive working environment.

MFA will also not tolerate any form of unlawful discrimination or harassment of an MFA Employee by any Third-Party including by its employees, owners, managers, members, directors, agents, or representatives.

- F. **Confidential Information and Intellectual Property.** Third Parties doing business with MFA must protect any confidential or proprietary information that belongs either to MFA or any other third-party with whom MFA does business, if such other third-party has provided MFA with confidential or proprietary information. Confidential or proprietary information includes, but is not limited to, any non-public financial information, business processes and systems, intellectual property, personally identifiable information of MFA's customers, and personally identifiable or private information about any MFA Employee, MFA Member, MFA Management, third-party, or customer, such as identity, medical, employment, or financial information.

To the extent necessary for a Third-Party to share MFA's confidential or proprietary information with a sub-contractor, MFA's expects the Third-Party to implement adequate controls at a level no less than those set forth in this Third-Party Code of Conduct with such sub-contractor.

Third Parties must not infringe upon the intellectual property rights of other companies or organizations.

Third Parties must return all confidential and proprietary information in their possession to MFA when the contractual relationship between MFA and the Third-Party has terminated, unless otherwise specified by contract. The obligation to protect MFA's confidential and proprietary information continues even after any business relationship between MFA and the Third-Party ends.

MFA may require that Third Parties sign a separate confidentiality and non-disclosure agreement.

- G. **Onsite Visitor Requirements.** While on MFA's premises, Third Parties must comply with all MFA rules and procedures, including security measures and requests. These may include but are not limited to:
- Registering with reception.
 - Accessing only authorized areas unless accompanied by an MFA Employee.
 - Promptly reporting known security violations and property loss or damage.
 - Complying with all MFA facility requirements, including maintaining a substance-free and violence-free workplace.
 - Any public health and safety policies in effect, including wearing a face mask.
- H. **Compliance with Laws, Regulations, Policies and Procedures and Contracts.** All Third Parties must comply with all applicable state and federal laws, codes, and regulations and MFA's policies and procedures to the extent applicable to the Third-Party and must not violate any terms and conditions established by contract with MFA.
- I. **Business Integrity.** Any and all forms of illegal or inappropriate activity by a Third-Party doing business with MFA, including, but not limited to, corruption, misrepresentation, extortion, embezzlement, or bribery, are strictly prohibited and may result in termination of any or all agreements with MFA.



EXHIBIT C1 – MFA BOARD OF DIRECTORS AND MANAGEMENT

New Mexico Mortgage Finance Authority

Board Members

Chair Angel Reyes – President, Centinel Bank in Taos

Vice Chair Derek Valdo – Chief Executive Officer, AMERIND Risk

Treasurer Rebecca Wurzbarger – Strategic Planning Consultant

Member Howie Morales – Lieutenant Governor, State of New Mexico

Member Raul Torrez – Attorney General, State of New Mexico

Member Laura Montoya – Treasurer, State of New Mexico

Member Patricia Sullivan, Ph.D – Associate Dean, New Mexico State University of College of Engineering

Management

Isidoro Hernandez, Executive Director/CEO

Donna Maestas-De Vries, Chief Housing Officer

Jeff Payne, Chief Lending Officer

Lizzy Ratnaraj, Chief Financial Officer

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MEMO

TO: MFA Board of Directors
 Through: Contracted Services on March 7, 2023
 Through: Policy Committee on February 28, 2023

FROM: Jackie Homet, Program Manager

DATE: February 28, 2023

RE: Approval of the 2023-2028 Housing Opportunities for Persons with AIDS Program (HOPWA) Request for Proposals
 Per Delegation of Authority 15. All Programmatic RFP Language Approved and Selection of Vendor

Recommendation:

Staff requests approval to issue the Housing Opportunities for Persons with AIDS Program (HOPWA) Request for Proposals (RFP) for program years 2023-2025 with potential extensions for the 2025-2026, 2026-2027 and 2027-2028 program years.

Background:

The Housing Opportunities for Persons with AIDS (HOPWA) program, managed by HUD's Office of HIV/AIDS Housing, was established to provide housing assistance for low-income persons living with HIV/AIDS and their families. The program's purpose, through MFA, is to address the high incidence of HIV/AIDS cases that may cause low-income persons in New Mexico to become homeless by providing this assistance through agencies (service providers) that are qualified to administer the program. Approximately \$1,225,000 is allocated annually to this program.

HOPWA funding provides short-term rent, mortgage, and utilities (STRMU) assistance as well as tenant-based rental assistance (TBRA), including assistance for shared housing arrangements, security deposits and first month's rent for permanent housing placement (PHP). The funding is also used for administrative expenses to the extent allowed by the federal regulations defined in 24 CFR Part 574. The program is available to individuals who have an HIV/AIDS diagnosis, meet the income requirements and lack the support and resources necessary to regain stability.

Discussion:

MFA's RFP process is intended to procure for HOPWA service providers. Funding allocations are determined through a competitive process to eligible Offerors. All Offerors must meet the minimum qualifications and requirements outlined in Section 10 of the RFP. Awards will be determined based on percentage of population living with HIV/AIDS who are also below the federal poverty level, per county, and overall RFP score.

The proposed service areas are outlined below.

Region 1 – *Bernalillo, Colfax, Harding, Los Alamos, McKinley, Mora, Rio Arriba, Sandoval, San Juan, San Miguel, Santa Fe, Taos, Union

Region 2 - City of Albuquerque - (*The City of Albuquerque covers ONLY the Albuquerque city limits; outlying areas in Bernalillo County are included in Region 1.)

Region 3 – Catron, Cibola, De Baca, Guadalupe, Lincoln, Quay, Socorro, Torrance, Valencia

Region 4 – Chaves, Curry, Dona Ana, Eddy, Grant, Hidalgo, Lea, Luna, Otero, Roosevelt, Sierra

Recommended Changes to Service Areas:

There are a few changes we are proposing to the service areas. Based on the capacity of the current HOPWA service providers as well as the location of their agency, we recommend the service areas be divided as shown in the map attached as “HOPWA Proposed Service Areas.” This change will continue to ensure that the entire state is covered with HOPWA assistance.

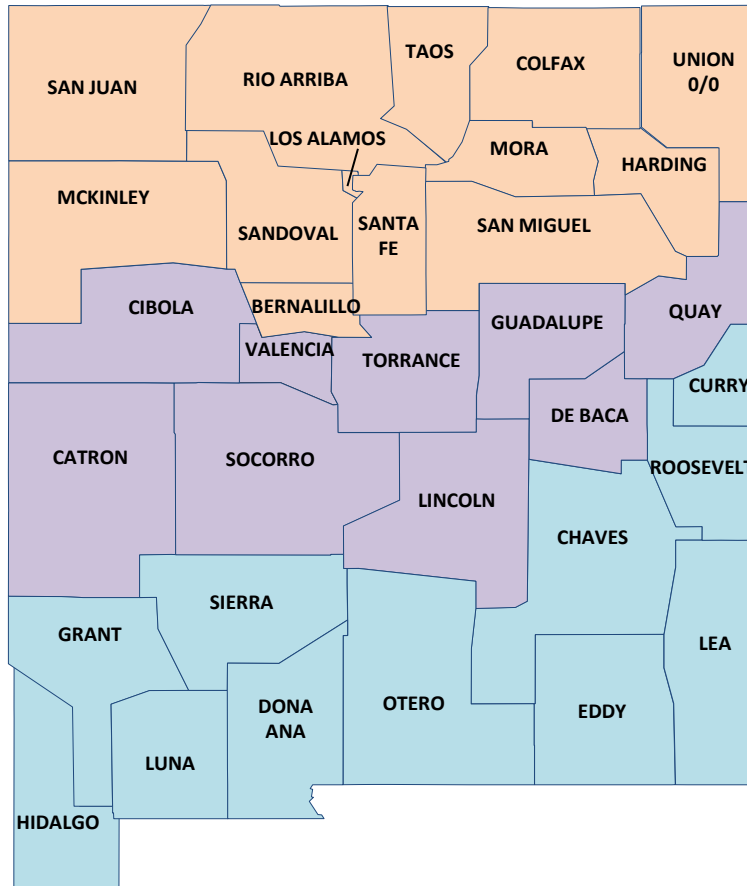
Upon Board approval, the timeline below will be followed to ensure that contracts are in place by the start of the new program year or July 1, 2023.

HOPWA RFP TIMELINE	
Activity	Date
RFP to PC	Feb 28
RFP to Contracted Services	March 7
RFP to Board	March 15
RFP Released upon Board Approval (posted to MFA website)	March 16
RFP Training (virtual)	March 22
RFP Submission DEADLINE	April 18
Award Notification Sent to Offerors	May 11
Award Recommendations to PC	May 30
Award Recommendations to Contracted Services	June 13
Award Recommendations to Board	June 21
Contracts Sent upon Board Approval	June 22
Contracts DUE to MFA	June 29
New Program Year Begins	July 1

Summary

Staff requests approval to issue the Housing Opportunities for Persons with AIDS Program (HOPWA) Request for Proposals (RFP) for program years 2023-2025 with potential extensions for the 2025-2026, 2026-2027 and 2027-2028 program years.

HOPWA Proposed Service Areas



Region 1
Region 2 – ABQ
Region 3
Region 4

Bernalillo County =
Cedar Crest, Sandia Park, Tijeras, Isleta

MORTGAGE FINANCE AUTHORITY REQUEST FOR PROPOSALS

Housing Opportunities for Persons with AIDS (HOPWA)

Program Years 2023-2028



Expanding the view of affordable housing.

Spring 2023

Welcome and thank you for your interest in MFA's HOPWA RFP. MFA is committed to choosing the best, most qualified Offerors, and this procurement process will provide the best opportunity to do so.

Part I – General information

Part I of the RFP provides background information about MFA, general proposal requirements and RFP standards.

Part II – Program-Specific Criteria

Part II requires responses from the Offeror. It is designed to provide program-specific criteria such as program background; purpose of the RFP; RFP training; Q & A information; performance agreement terms; timelines; minimum qualifications; geographic area to which the RFP would apply; evaluation criteria; program standards and compliance with federal requirements.

In an effort to provide clarification or answers to general RFP questions, a Frequently Asked Questions "FAQ" link will be available on MFA's website after the RFP training. Please refer to **Part II Section 9, Timeline** for the training date.

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PART I: GENERAL INFORMATION

1 BACKGROUND INFORMATION

1.1 INTRODUCTION

The Mortgage Finance Authority (MFA) is a governmental instrumentality, separate and apart from the state, created by the Mortgage Finance Authority Act, N.M. Stat. Ann. Sections 58-18-1, et seq. (1978) for the purpose of financing affordable housing for low- and moderate-income New Mexico residents. MFA will endeavor to ensure, in every way possible, that small, women-owned business enterprises and/or labor surplus area firms (collectively Disadvantaged Business Enterprises [DBE]) shall have every opportunity to participate in submitting proposals and providing services. DBE businesses are encouraged to submit proposals. MFA will not discriminate against any business on grounds of race, color, religion, gender, national origin, age or disability. It is MFA's policy that suppliers of goods or services adhere to a policy of equal employment opportunity and demonstrate an affirmative effort to recruit, hire and promote regardless of race, color, religion, gender, national origin, age or disability.

1.2 PURPOSE

The purpose of this Request for Proposals (RFP) is to solicit proposals, in accordance with MFA's Procurement Policy, from qualified applicants, (Offerors), which by reason of their skill, knowledge, and experience are able to furnish services for MFA in connection with the program for which they are applying.

Pursuant to MFA's Procurement Policy, all procurement activities involving the expenditure of federal funds must be conducted in compliance with the Procurement Standards codified in Uniform Guidance, 2 CFR Part 200.317 through 200.326 as well as Part 200.327 which addresses contract provisions.

2 GENERAL PROPOSAL REQUIREMENTS

2.1 PROPOSAL SUBMISSION

All Offeror proposals must be received for review and evaluation by MFA by 4 p.m. Mountain Time on the deadline for proposal submissions outlined in **Part II Section 9, Timeline** of the RFP. **Proposals will only be accepted by email.**

Submit proposals to the MFA Program Coordinator for the Community Development Department at marmijo@housingnm.org.

2.2 PROPOSAL TENURE

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

2.3 PROPOSAL FORMAT

Proposals (RFP) and forms may be downloaded from MFA's website: <https://housingnm.org/rfps/rfps-rfq>

- ◆ Offeror(s) must submit the agency's most recent financial audit, FY2021 or FY2022, or a letter from MFA indicating that we have already received and approved Offeror's most recent audit.
- ◆ Offeror(s) must submit one proposal to include all required schedules and attachments.
- ◆ Proposals must include all program-specific forms attached to this proposal package in **Part II, Section 15, RFP Forms**. No substitutions will be accepted.

2.4 IRREGULARITIES IN PROPOSALS

MFA may waive technical irregularities in the form of the proposal of any Offeror selected for award, which do not alter the price, quality or quantity of the services offered. Note especially that the date and time of proposal submission as indicated herein, in **Part II Section 9, Timeline**, cannot be waived under any circumstances.

2.5 EVALUATION OF PROPOSALS

Responses will be evaluated by an internal review committee of MFA staff using the scoring criteria as described in **Part II Section 12, Evaluation Criteria**. A member of the review committee will present award recommendations to MFA management and MFA's Board. Final selections will be made by MFA's Board of Directors at the regularly scheduled monthly meeting.

MFA does not guarantee and is not obligated to make an award. Awards will be based on availability of funds, Offeror's demonstrated need, Offeror's score on the scoring criteria and/or for any of the other reasons set forth herein or in MFA's Policies and Procedures. Offerors whose proposals are the most advantageous to MFA, in its sole discretion, taking into consideration the evaluation criteria set forth in the RFP will be selected.

2.6 DEFICIENCY CORRECTION PERIOD

Upon receipt of all timely submitted proposals, MFA staff members will review all proposals to verify that they are complete in accordance with the requirements of this RFP. Should any proposal be missing a threshold requirement in the RFP, it will be deemed incomplete. MFA will notify Offerors if any corrections are needed during the deficiency period. The deficiency correction period may not be used to increase the Offeror's score. Items eligible for correction or submission during the deficiency correction period include missing or incomplete items required in **Part II, Section 10, Minimum Qualifications and Requirements**.

MFA shall communicate proposal deficiencies to each Offeror's designated contact person within seven calendar days of the RFP proposal submission date via email. Applicants shall have five business days after the date of the email delivery notice to submit the required information. **All items must be submitted no later than 4 p.m. Mountain Standard Time on the due date.** The response due date will be noted on the deficiency notice. If the information requested is not provided within the timeframe provided or is submitted, but remains deficient, the proposal may be rejected without any further review.

Upon expiration of the deficiency correction period, MFA will not accept Offeror's submission of any items still missing from the proposal.

3 RFP STANDARDS

3.1 PROTEST

Any Offeror who is aggrieved in connection with this RFP or the notification of preliminary selection to this RFP may protest to MFA. A protest must be based on an allegation of a failure to adhere to the evaluation process as designated in the RFP, including MFA's evaluation of proposals. The protest must be submitted by email to the MFA Program Coordinator for the Community Development Department at marmijo@housingnm.org.

The protest must be delivered to MFA within five calendar days after notification of award. Upon the timely filing of a protest, the Program Coordinator shall give notice of the protest to all Offerors who appear to have a substantial and reasonable prospect of being affected by the outcome of the protest. The Offerors receiving notice may file responses to the protest within five calendar days of notice of protest. The protest process shall consist of review of all documentation and any testimony provided in support of the protest by the Contracted Services/Credit Committee of MFA's Board of Directors, which shall thereafter make a recommendation to the full Board of Directors regarding the disposition of the protest.

MFA's Board of Directors shall make a final determination regarding the disposition of the protest. Offerors or their representatives shall not communicate with MFA's Board of Directors or staff members regarding any proposal under consideration, except when specifically permitted to present testimony to the committee of the Board of Directors. A proposal will be deemed ineligible if the Offeror or any person or entity acting on behalf of the Offeror attempts to influence members of the Board of Directors or staff during any portion of the RFP review process or does not follow the prescribed proposal and protest process.

3.2 RFP REVISIONS AND SUPPLEMENTS

Should revisions or additional information be necessary to clarify any provision of this RFP, a notice of revisions or request for additional information, as applicable, will be provided to all Offerors via MFA's website and via email, to each person who attends the RFP Training, at the email Offeror uses to sign up for the training.

3.3 INCURRED EXPENSES

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

3.4 RESPONSIBILITY OF OFFERORS

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

to promptly supply information in connection with an inquiry with respect to responsibility is grounds for a determination that the Offeror is not a responsible Offeror.

In addition to the terms of the services to be performed, the contract between MFA and the successful Offeror shall include, but may not be limited to, terms substantially similar to the following:

Indemnity. Offeror accepts full responsibility and liability for the Scope of Work and for the proper obligation and expenditure of Program Funds under this Agreement and shall defend, hold harmless, and indemnify MFA and HUD against any and all claims or liabilities, including attorneys' fees and costs of litigation, arising out of Offeror's performance of or failure to perform the Scope of Work or arising out of any Project developed under the Scope of Work or for which Program Funds have been expended.

Subcontracting Prohibited. The Offeror shall not subcontract any portion of the services to be performed under this Agreement without the prior written approval of MFA. If approved by MFA, the Offeror shall be solely responsible for the performance of any subcontractor under such subcontract(s). Use of a subcontractor shall not relieve Offeror of any obligation under this Agreement for any reason, including but not limited to a subcontractor's bankruptcy, insolvency or other inability to perform the services required under any subcontract.

Required Records. The Offeror will maintain adequate financial accounting, Program and Project records for no less than four years after the expiration date or termination date of the agreement, whichever is later.

Cost Reimbursements/Budget. Payment under cost reimbursable contract provisions shall be made upon MFA's receipt from the Offeror of certified and documented invoices for actual expenditures allowable under the terms of this Agreement. Reimbursements will be made in accordance with the Budget.

Commercial General Liability Insurance. A commercial general liability insurance policy with combined limits of liability for bodily injury or property damage as follows:

\$1,000,000	Per Occurrence
\$2,000,000	Policy Aggregate
\$1,000,000	Products Liability/Completed Operations
\$1,000,000	Personal and Advertising Injury
\$50,000	Damage to Rented Premises (if applicable)
\$5,000	Medical Payments
\$1,000,000	Builder's Risk Insurance (Applicable Construction Practices)
25% of HOPWA Award	Employee Dishonesty/Fidelity Bond

MFA shall be named as an additional insured (except for worker's comp). Said policy or policies of insurance must include coverage for all operations performed for MFA by the Offeror and contractual liability coverage shall specifically insure and hold harmless provisions of this Agreement.

Termination. In the event of Offeror's uncured breach, MFA may terminate the entire Agreement or any part of the Agreement.

Termination for Convenience. In accordance with 2 CFR 200.326 and 2 CFR Part 200, Appendix II, Required Contract Clauses, MFA may terminate this Agreement for convenience, upon 90 days written notice to Offeror. In the event of termination for convenience, Subrecipient shall be reimbursed for all costs incurred up to the effective date of the termination, provided that such costs are eligible costs hereunder.

3.5 CANCELLATION OF RFP OR REJECTION OF PROPOSALS

This RFP may be canceled and any and all proposals may be rejected when it is in the best interest of the state of New Mexico and/or MFA. In addition, MFA may reject any or all proposals which are not responsive. Offeror may also cancel their proposal at any time during the proposal process.

3.6 AWARD NOTICE

MFA shall provide written notice of the award to all Offerors within 10 business days of the date of the award. The award shall be contingent upon successful negotiations of a final contract between MFA and the Offeror whose proposal is accepted by MFA.

3.7 PROPOSAL CONFIDENTIALITY

Until awards are determined and notice given to all Offerors, MFA will not disclose the contents of any proposal or discuss the contents of any proposal with an Offeror or potential Offeror, to ensure the information does not become available to competing or potential Offerors. Upon notice of award, all proposals will be open to the public for inspection and copying pursuant to MFA's Request to Inspect Documents policy. Offeror must redact all confidential and personal identifier information from proposal if not specifically required by MFA.

3.8 CODE OF CONDUCT

Offeror shall at all times conduct itself in a manner consistent with the Third-Party Code of Conduct. The Third-Party Code of Conduct is attached for review as Exhibit B1 in Section 15 Forms. Upon request by MFA, Offeror shall disclose information MFA may reasonably request relating to conflicts or potential conflicts of interest.

3.9 CONFIDENTIAL DATA

Offeror may request, in writing, nondisclosure of confidential data. Such data shall accompany the proposal and shall be readily separable from the proposal to facilitate public inspection of non-confidential portions of the proposal. After award, all proposals and documents pertaining to the proposals will be open to the public. Confidential data is normally restricted to confidential financial information concerning the Offeror's organization and data that qualifies as trade secrets under the Uniform Trade Secrets Act, §57-3A-1 *et seq.* NMSA 1978.

If a citizen of this state requests disclosure of data for which a request for confidentiality is made, MFA shall examine the request for confidentiality and make a written determination that specifies which portions of the proposal should be disclosed and will provide the Offeror with written notice of that determination. Unless the Offeror protests within 10 calendar days of the notice, the proposal will be so disclosed.

PART II: PROGRAM-SPECIFIC CRITERIA

4 PROGRAM BACKGROUND

MFA is the state formula grantee for the HUD Housing Opportunity for Persons with AIDS (HOPWA) Formula Grant Program governed by the AIDS Housing Opportunities Act, 42 USC Sec. 12910 et. Seq. (the Act); HOPWA Program rule, **24 CFR 574** as amended, and the Consolidated Plan rule, 24 CFR 91 as amended (the Regulations). MFA has also been designated by the City of Albuquerque as the administering agency for the HOPWA funds awarded to the City of Albuquerque.

5 PURPOSE OF RFP

This Request for Proposals (RFP) is issued pursuant to MFA's Procurement Policy to solicit proposals from qualified Offerors capable of providing Program Services to eligible individuals and households according to the U.S. Department of Housing and Urban Development's Office of HIV/AIDS Housing. The term of this RFP will cover the 2023-2025 program years with potential extensions for program years 2025-2026, 2026-2027 and 2027-2028 in accordance with 24 CFR 574 and the HOPWA Desk Guide published by HUD at <https://www.hudexchange.info/programs/hopwa/>. Funding will be made through a competitive process to eligible Offerors. The estimated funding available for the 2023-2024 program year is \$1,227,236.

The actual funds available may vary. If the actual allocation is less than the estimate, or if other funds become available to MFA during the program year for activities similar to the work performed under the Program, this funding may, at the option of MFA, be offered to the successful Offerors hereunder without a new RFP. MFA retains sole discretion to make the judgment as to the need for additional RFPs.

Offerors may not obligate funds, incur expenses, or otherwise implement program services prior to execution of a contract with MFA. Funding is anticipated to be available for future program years at similar levels but is subject to change. Funding is not guaranteed to any given Offeror in any given amount.

6 RFP TRAINING

Training for all HOPWA RFP applicants will be provided on March 22, 2023 from 9 a.m. - 12 p.m. The HOPWA RFP training will be conducted via WebEx. To register, visit our website at <http://housingnm.org/>. After the RFP training, questions will only be answered through MFA's formal RFP Q&A process detailed in **Section 7, RFP Q&A**.

7 RFP Q&A

Questions pertaining to this RFP and application must be submitted through the Q&A process via MFA's website at <https://housingnm.org/rfps/rfps-rfqqs>. This will be open from March 28– April 12. During this time, Offerors may submit any questions they have pertaining to the RFP. All questions will be answered and posted on three specific dates: March 29, April 5 and April 12. At 5 p.m. on April 12, the Q&A process will end. **Offerors will then have until April 18, 2023 to submit their RFP to MFA.**

8 PERFORMANCE AGREEMENT TERM

Successful Offerors will enter into a two-year contract with an option for three additional one-year renewals. The term of the contract is scheduled to begin July 1, 2023 and end June 30, 2025 with potential extensions for program years 2025-2026, 2026-2027 and 2027-2028, for a total of five years. Dates are based on availability of funds for release from the funding source.

9 TIMELINE

RFP Released upon Board approval/posted to MFA website	3/16/2023
RFP training (virtual)	3/22/2023
"FAQ" opens on MFA website	3/28/2023
FAQs answered	3/29/2023
FAQs answered	4/05/2023
FAQs answered	4/12/2023
RFP submission DEADLINE	4/18/2023
MFA to notify Offerors of deficiency items	4/20/2023
DEADLINE for deficiency corrections	4/27/2023
Award Notification sent to Offerors	5/11/2023
Protest Period begins	5/11/2023
Protest Period ends	5/16/2023
Present Award Recommendations to MFA Board	6/21/2023
Contracts Sent upon Board Approval	6/22/2023
Contracts DUE to MFA	6/29/2023

10 MINIMUM QUALIFICATIONS AND REQUIREMENTS

Responses to the RFP must meet the requirements below. Waivers to "Proposal Requirements" may be approved by MFA's Policy Committee on a case by case basis.

- Offeror must submit to MFA a complete application with all required schedules and attachments as outlined in **PART I, 2.3 Proposal Format**.
- Offeror must submit proof of 501(c)(3) or proof of status as a Government Agency (if applicable).
- Offeror must submit proof of current registration as a charitable organization with the New Mexico Attorney General's Office, covering the fiscal year ending in 2021 or 2022, or proof of exemption therefrom. Registration can be submitted online and verification obtained via <https://secure.nmag.gov/coros/>. Verification should be in the form of the first page of the "NM Charitable Organization Registration Statement."
- Offeror must be in "good standing" as of the date this RFP is issued. In order to be in good standing, Offeror must not have "suspended," "debarred" or HUD's Limited Denial of Participation status conferred upon it by MFA and/or other funding sources. Offeror must provide their Unique Entity Identifier (UEI) number in the application.
- Offeror must provide an independent Certified Public Accountant (CPA)'s auditors report (Audit) conducted in accordance with Government Auditing Standards (GAS). The GAS Audit will include an independent auditor's report on the following: 1) financial statements; and 2) internal control over financial reporting and compliance. Offeror will submit the most recent audit available; only the most recent of FY2021 or

FY2022 will be accepted. If Offeror receives \$750,000 in federal funds, a Single Audit is required pursuant to 2 CFR 200. The following types of audit findings may disqualify Offeror from funding:

- Repeat and unresolved audit findings or any pending investigations.
 - If Offeror has received greater than \$750,000 in funding and the single audit did not meet the requirements of 2 CFR 200.500-520.
 - For Single Audit, no proof of federal audit clearinghouse submission (FORM SF-SAC) and, if Governmental entity, proof is not included of current audit submission to the Office of the New Mexico State Auditor.
 - If referenced in audit as a separate communication, no submission of Management Response Letter.
 - If any findings, no submission of management response to findings.
- For Offerors that did not receive HOPWA funds in PY 2022-2023, the agency must provide either an audit to the above standards or an independent CPA's review of financial statements.

Provide proof of insurance as outlined in section **PART I, 3.4 Responsibility of Offerors**.

- Provide the Offeror's Certification signed by authorized official (Form Provided in Section 15). Provide an Executive Summary (not to exceed 2 pages).
- Provide the agency's mission statement (not to exceed 1 page).

11 GEOGRAPHIC AREAS TO WHICH THIS RFP APPLIES

The HOPWA program is a state-wide program covering all 33 counties in New Mexico. Included in this RFP is a list of the three regions that cover the entire state.

The regions were determined by the need in each area and ability for potential Offerors to reach the target population. If all regions are not applied for, MFA may negotiate with successful Offerors to take on unserved areas or counties as needed to ensure full state coverage. If an Offeror is selected that is new to working with HOPWA grant funding, MFA may award a smaller number of counties to that agency, rather than an entire region as shown below.

If MFA determines it would be beneficial to bring an additional agency into the program before the end of the term, and there is an eligible agency that is interested and qualified to provide services, MFA may allow that agency to apply without releasing another RFP. Award determinations and geographic areas would then be recalculated to include this agency, for the next upcoming program year.

The regions are divided to include the counties as follows:

Region 1 – *Bernalillo, Colfax, Harding, Los Alamos, McKinley, Mora, Rio Arriba, Sandoval, San Miguel, San Juan, Santa Fe, Taos, Union

Region 2 - City of Albuquerque - (*The City of Albuquerque covers ONLY the Albuquerque city limits; outlying areas in Bernalillo County are included in Region 1.)

Region 3 – Catron, Cibola, De Baca, Guadalupe, Lincoln, Quay, Socorro, Torrance, Valencia

Region 4 – Chaves, Curry, Dona Ana, Eddy, Grant, Hidalgo, Lea, Luna, Otero, Roosevelt, Sierra

12 EVALUATION CRITERIA

MFA will select the Offerors whose proposals score the highest with respect to the evaluation criteria and that are most advantageous to MFA. Proposals will be evaluated on Offeror's documentation of meeting the minimum qualifications and requirements outlined in this RFP. In addition , proposals will be scored on a scale of one to 100 based on the criteria listed below. A serious deficiency in any one criterion may be grounds for rejection regardless of overall score. Final award decisions will be made by MFA's Board of Directors.

12.1 SCORING CRITERIA

Criteria	Maximum Score
Organizational Capacity	25
Housing Experience	25
Fiscal Accountability	25
Areas to be Served	25

12.1.1 Organization Capacity - 25 Possible Points

Experience of management personnel

- Outline the experience of Offeror's management staff with federal grant-funded programs.
- Provide an organizational chart and resume for each of the key positions.
- Provide a list of agency's Board of Directors

Executive Director experience

Up to 2 years **(1 point)**

2 to 5 years **(2 points)**

More than 5 years **(5 points)**

Fiscal Manager experience

Up to 2 years **(1 point)**

2 to 5 years **(2 points)**

More than 5 years **(5 points)**

Program Manager experience

Up to 2 years **(1 point)**

2 to 5 years **(2 points)**

More than 5 years **(5 points)**

Organization and Management (provide a description of the organization and management structure of your agency in less than 2 pages.

- Approved Board Resolution in support of proposal **(2 points)**
- Organizational Chart **(2 points)**

2 points each for a possible total of **6 points** will be awarded for staff certifications in the following:

<ul style="list-style-type: none"> • Housing Quality Standards • Lead-Based Paint Visual Assessment • Income Calculations
12.1.2 Housing Experience - 25 Possible Points
<p>Housing experience with the HIV/AIDS population Up to 2 years (2 points) 2 to 5 years (5 points) More than 5 years (10 points)</p> <p>Rental Assistance experience Up to 2 years (2 point) 2 to 5 years (5 points) More than 5 years (10 points)</p> <p>Housing experience with federal funds Up to 2 years (1 point) 2 to 5 years (2 points) More than 5 years (5 points)</p>
12.1.3 Fiscal Accountability - 25 Possible Points
<p>External Audit A maximum of 15 points will be awarded based on the results of Offeror's independent audit or audited financial statements for their most recently completed fiscal year, ending no earlier than 2021.</p> <p>Audit materials must include management's response to any findings plus corrective action to clear the finding(s) or provide details on the current status of a finding.</p> <p>No Current Year Findings (15 points) Previous Year's Findings that have been cleared (10 points) Unresolved Findings (0 points)</p> <p>Financial Management A maximum of 10 points will be awarded based on the following documents:</p> <p>Provide agency's methodology for allocation of shared costs (5 points) Provide the policy for the Offeror's system of internal controls for fiscal management as documented in a policies and procedures manual approved by the Offeror's Board of Directors (5 points)</p>
12.1.4 Areas to be Served - 25 Possible Points

Describe history of rental assistance (including HOPWA) in the proposed service area(s)
(10 points)

- * Region 1
- * Region 2 – City of Albuquerque
- * Region 3
- * Region 4

Outreach Plan

Describe plan for generating applications for the Program, covering entire service area.
(15 points)

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13 PROGRAM STANDARDS

Scope of Work

The following major tasks must be accomplished by the successful Offerors:

1. Establish procedures, information systems and other necessary means for organizing the program;
2. Market program availability and perform outreach to the target population so that potential beneficiaries are reasonably informed of the program; this will include outreach to all counties in the service area to which the Offeror is awarded.
3. Receive applications, certify eligibility and determine participants' needs in accordance with HOPWA regulations and guidance (24 CFR 574.100);
4. Provide rental assistance and homeless prevention to eligible clients through one of the following formats, in accordance with HOPWA regulations and guidance:
 - a. Short-Term Rent, Mortgage and Utility (STRMU) assistance
 - b. Tenant-Based Rental Assistance (TBRA);
 - c. Permanent Housing Placement (PHP) assistance
5. Perform record keeping as required by agencies managing federal funds (2 CFR 200 Part D);
6. Submit all reports as required by MFA including, but not limited to, contract documentation, monthly invoices, monthly demographic reports, documentation obtained from HMIS data entry and annual financial audit.

Beneficiary Eligibility

Individuals meeting the following criteria are eligible for program activities as indicated here:

1. A person with acquired immunodeficiency syndrome or related diseases who is a low-income individual, as defined in section 853(3) of the AIDS Housing Opportunity Act (42 US Sec. 12902), is eligible for all program activities.
2. An individual or family is low-income if the total household income does not exceed 80 percent of the area median income (AMI) as determined by the Secretary of Housing and Urban Development;
3. The eligible person's family is also eligible for the program activities except for health services. "Family" refers to a household composed of two or more related persons. This also includes one or more eligible persons living with another person or persons who are determined to be important to their care or well-being, and the surviving member or members of any family described in this definition who are living in the housing assisted under the HOPWA program with the person with HIV or AIDS at the time of his/her death;
4. Any person with documented AIDS or related diseases living in proximity to a HOPWA service provider is eligible to participate in that service provider's outreach and educational activities regarding AIDS or related diseases.

Eligible Activities

1. Short-Term Rent, Mortgage & Utility assistance (STRMU) payments to prevent the homelessness of a tenant or mortgagor of a dwelling, as further described by the regulations;
2. Tenant-Based Rental Assistance (TBRA), including assistance for shared housing arrangements, as further described by the regulations;

3. Permanent Housing Placement (PHP) assistance for security deposits, first month's rent and as further described in the regulations;
4. Administrative expenses to the extent allowed (7%) as described in the regulations; "Administrative costs are those costs or functions that support operations in general, such as bookkeeping and the compilation and reporting of data" (HOPWA Grantee Oversight Resource Guide, Chapter 9: Financial Management and Documentation).

Reporting and Recordkeeping

Successful Offeror must document and report to MFA on a monthly basis statistical and demographic information on individuals assisted with HOPWA grant funds. This information will be provided by the Offeror in order to comply with federal regulations found in 24 CFR 574. Records on program activity must be maintained for a minimum of four years from the end of the contract term.

14 COMPLIANCE WITH OTHER FEDERAL REQUIREMENTS

Offeror must comply with all applicable federal, state and local codes, statutes, laws and regulations which include, but are not limited to:

- ◆ Standards for Financial and Program Management (2 CFR 200.300-200.309)
- ◆ Cost Principles (2 CFR 200 Subpart E)
- ◆ Financial Internal Controls (2 CFR 200.303)
- ◆ Protected Personally Identifiable Information (2 CFR 200.82)
- ◆ Title VI of the Civil Rights Act of 1964, as amended (42 USC 2000d, et seq. and 24 CFR Part 1)
- ◆ Fair Housing Act (42 USC 3601 et seq.)
- ◆ Equal Opportunity in Housing (Executive Order 11063, as amended by Executive Order 12892 and 24 CFR Part 107)
- ◆ Age Discrimination Act of 1975, as amended (42 USC 6101 et. seq.)
- ◆ American with Disabilities Act (42 USC 12101 et seq.)
- ◆ Equal Employment Opportunity, Executive Order 11246, as amended (24 CFR 570.607)
- ◆ Fair Labor Standards Act of 1938, as amended (29 USC 201, et seq.)
- ◆ Contract Work Hours and Safety Standards Act, as amended (40 USC 3701 et seq.)
- ◆ Anti-Kickback Act of 1986 (41 USC 8701-8707)
- ◆ Section 3 of the Housing and Urban Development Act of 1968 (12 USC 1701u)
- ◆ Minority/Women's Business Enterprises, Executive Orders 11625, 12138 and 12432
- ◆ Section 504 of the Rehabilitation Act of 1973 as amended (29 USC 794)
- ◆ Lead-Based Paint Poisoning Act (42 USC §4822 and 24 CFR Part 35)
- ◆ Environmental Reviews (24 CFR Part 92.352)
- ◆ National Environmental Policy Act (NEPA) of 1968 (24 CFR Parts 50 and 58)
- ◆ Property Inspections (Housing Quality Standards) (24 CFR Part 982.401)
- ◆ Debarment & Suspension (Executive Order 12549, 51 Fed. Reg. 6370)
- ◆ Affirmative Outreach (24 CFR 576.407)
- ◆ Participation in HUD programs by Faith-Based Organizations (24 CFR 5.109)

NOTE: Should any federal regulations be changed during and/or after the release of the RFP, MFA will update those regulations (citations) promptly. An addendum to those changes, if applicable, will be provided to Offerors.

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HOPWA Request for Proposals FORMS Program Years 2023-2025

As outlined in section **2.3 Proposal Format**

Proposals and forms may be downloaded from MFA's website:

<https://housingnm.org/rfps/rfps-rfqs>

Proposals must include the program-specific forms attached to this proposal package and all schedules and attachments pertaining thereto, including the following:

- ☐ Application
- ☐ Submission Checklist
- ☐ Offeror's Certification
- ☐ Staff Experience
- ☐ Outreach Plan

APPLICATION
2023-2025 NEW MEXICO HOPWA PROGRAM

Mortgage Finance Authority
344 Fourth Street SW
Albuquerque, New Mexico 87102
(505) 843-6880

Entity Type: ☐ For-Profit ☐ Non-Profit ☐ Public ☐ Unit of Government ☐ Tribal

1. Organization		2. Application Date	
3. Federal Tax ID		UEI #	
4. Address			
5. Contact Person		6. Title	
7. Phone:		8. Fax	
9. Email:			
10. Website:			

11. Organization's Total Operating Budget for Fiscal Year 2022:

13. Region(s) applied for:	(Applicant may check one or more areas)
Region 1	
Region 2 - City of Albuquerque	
Region 3	
Region 4	

Printed Name

Signature

Title

Date

SUBMISSION CHECKLIST

Agency Name _____

By initialing this list, Offeror is certifying that the following items have been submitted as defined in this RFP. **Items should be provided in the order listed.**

MINIMUM QUALIFICATIONS AND REQUIREMENTS

Allowable Deficiency Correction Items

Initial	Item Required
	Offeror Application (form provided)
	Proof of 501(c) (3) or proof of status as a government agency
	Proof of current registration as a charitable organization with the New Mexico Attorney General's Office
	Offeror must be in "good standing" as of the date this RFP is issued. In order to be in good standing, Offeror must not have "suspended," "debarred" or HUD's Limited Denial of Participation status conferred upon it by MFA and/or other funding sources. Offeror must provide a print screen from sam.gov within 30 days of the application date
	Agency's 2022 financial audit
	Proof of Insurance Coverage – Certificate of Liability
	Offeror's Certification signed by authorized official. (Form Provided)
	Executive Summary (not to exceed 2 pages)
	Agency Mission Statement (not to exceed 1 page)

Other Requested Information

Initial	Item Required
	Resumes of the Executive Director and Financial Manager to demonstrate the administrative and financial management capacity necessary to accept and account for the use of public funds
	Agency's Board of Directors structure (Form Provided)
	Description of the Organization and Management Structure of the agency (not to exceed two pages)
	Approved Board Resolution in support of proposal
	Organization Chart
	Certifications for Housing Quality Standards (HQS) Inspections, Lead-Based Paint Visual Assessment and Income Calculations, where applicable
	History of housing experience with HIV/AIDS population
	History of rental assistance experience
	Agency's Cost Allocation Plan or methodology for allocating indirect and/or shared costs
	Policy for Offeror's system of internal control for fiscal management, documented in the Fiscal Policies and Procedures Manual, approved by the agency's Board of Directors
	Bylaws that include fiscal oversight by Board of Directors
	Agency's history of rental assistance in the proposed service areas (counties)
	Agency's office/intake locations in proposed service areas (counties)
	List of partners and potential partners, including current MOUs, where applicable
	List of counties to be served (Form Provided)
	Outreach Plan (Form Provided)

OFFEROR'S CERTIFICATION

_____ ("Offeror") is submitting a proposal to Mortgage Finance Authority ("MFA") to be a subgrantee under the HOPWA Program.

Offeror certifies that:

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

It understands that MFA will monitor its performance and compliance.

It is in good standing with all its funding sources.

It complies with Equal Employment Law and complies fully with all government regulations regarding nondiscriminatory employment practices.

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

It is currently registered with the N.M. Attorney General's Registry of Charitable Organizations, if applicable.

This proposal shall be valid until contract award date or 90 calendar days from the proposal due date, whichever is longer.

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

Printed Name

Signature

Title

Date

STAFF EXPERIENCE

Agency Name _____

Please provide the following information regarding key staff positions that relate to this program for your organization:

Title	Staff Member	Years at Organization	Years in Current Position
Executive Director			
Accountant or Fiscal Officer			
Program Manager			
Housing Stability Case Manager			

For each position listed above, write a brief description of their experience as it relates to housing, homelessness and/or administering federal assistance grants.

Executive Director: _____

Accountant/Fiscal Officer: _____

Program Manager: _____

Case Manager: _____

OUTREACH PLAN

Please describe agency's planned efforts to market the HOPWA program in the proposed service areas, including outreach to agencies, local and/or state government offices, and the community. Include types of outreach, timeline, counties and successful past agency outreach (1-2 pages).

EXHIBIT A – THIRD-PARTY CODE OF CONDUCT

MORTGAGE FINANCE AUTHORITY THIRD-PARTY CODE OF CONDUCT

- A. Preamble. The New Mexico Mortgage Finance Authority ("MFA"), an instrumentality of the state government, exists to serve the citizens of the State of New Mexico. To maintain the respect, trust, and confidence of the public, and consistent with MFA's commitment to conduct its business in an ethical and legal manner, MFA requires that all Third Parties doing business with MFA comply with this Third-Party Code of Conduct and otherwise uphold the highest standards of ethics and behavior.
- B. Purpose. The purpose of this Code of Conduct is to provide general guidelines and a minimum standard of conduct for Third Parties doing business with MFA.
- C. Definitions. For the purpose of this Third-Party Code of Conduct, the following words and phrases shall have the following meanings:

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

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

"MFA Management" means the Executive Director, Deputy Director of Programs, Deputy Director of Finance and Administration, and Director of Human Resources employed by the MFA.

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

- D. Conflicts of Interest. Third Parties should avoid engaging in any activity that would conflict, interfere, or even create the appearance of a conflict with their business with MFA. Third Parties must disclose any potential conflicts to MFA in writing as soon as practicable upon discovery or recognition. Examples of potential conflicts include, but are not limited to:
- Engaging in a conflict-of-interest transaction prohibited by Section F of MFA's Code of Conduct, which can be found at:
https://housingnm.org/uploads/documents/Section_F_of_MFA_Code_of_Conduct.pdf
 - Providing gifts and entertainment to any MFA Employee, MFA Management or MFA Member in an attempt to improperly influence MFA business decisions.

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

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

- E. Anti-Discrimination and Anti-Harassment Policy. MFA is committed to maintaining an employment environment in which all individuals are treated with respect and dignity and expects the same from Third

Parties doing business with MFA. MFA expects that Third Parties will maintain a workplace where employment-related decisions are based on performance, ability, or other legitimate, non-discriminatory bases and are never based on race, color, national origin, ancestry, citizenship status, religion, sex, sexual orientation, gender identity, age, physical or mental disability, serious medical condition, marital status, status with regard to public assistance, veteran status, or any other legally protected status.

MFA also maintains and expects Third Parties to maintain a workplace that is free of unlawful harassment. This includes harassment based upon any of the above legally protected status (such as age, sex, religion, national origin, etc.) and which creates an intimidating, hostile, or offensive working environment. This also includes sexual harassment which is defined as unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual nature when submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment, submission to or rejection of such conduct by an individual is used as a basis for employment decisions affecting such individual; or such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidated, hostile, or offensive working environment.

MFA will also not tolerate any form of unlawful discrimination or harassment of an MFA Employee by any Third-Party including by its employees, owners, managers, members, directors, agents, or representatives.

- F. Confidential Information and Intellectual Property. Third Parties doing business with MFA must protect any confidential or proprietary information that belongs either to MFA or any other third-party with whom MFA does business, if such other third-party has provided MFA with confidential or proprietary information. Confidential or proprietary information includes, but is not limited to, any non-public financial information, business processes and systems, intellectual property, personally identifiable information of MFA's customers, and personally identifiable or private information about any MFA Employee, MFA Member, MFA Management, third-party, or customer, such as identity, medical, employment, or financial information.

To the extent necessary for a Third-Party to share MFA's confidential or proprietary information with a sub-contractor, MFA's expects the Third-Party to implement adequate controls at a level no less than those set forth in this Third-Party Code of Conduct with such sub-contractor.

Third Parties must not infringe upon the intellectual property rights of other companies or organizations.

Third Parties must return all confidential and proprietary information in their possession to MFA when the contractual relationship between MFA and the Third-Party has terminated, unless otherwise specified by contract. The obligation to protect MFA's confidential and proprietary information continues even after any business relationship between MFA and the Third-Party ends.

MFA may require that Third Parties sign a separate confidentiality and non-disclosure agreement.

- G. Onsite Visitor Requirements. While on MFA's premises, Third Parties must comply with all MFA rules and procedures, including security measures and requests. These may include but are not limited to:
- Registering with reception.
 - Accessing only authorized areas unless accompanied by an MFA Employee.
 - Promptly reporting known security violations and property loss or damage.
 - Complying with all MFA facility requirements, including maintaining a substance-free and violence-free workplace.
 - Any public health and safety policies in effect, including wearing a face mask.
- H. Compliance with Laws, Regulations, Policies and Procedures and Contracts. All Third Parties must comply with all applicable state and federal laws, codes, and regulations and MFA's policies and procedures to the

extent applicable to the Third-Party and must not violate any terms and conditions established by contract with MFA.

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

EXHIBIT B – MFA BOARD OF DIRECTORS AND MANAGEMENT**Mortgage Finance Authority – Board of Directors and Management****Board Members**

Chair Angel Reyes – President, Centinel Bank in Taos

Vice Chair Derek Valdo – Chief Executive Officer, AMERIND Risk

Treasurer Rebecca Wurzbarger – Strategic Planning Consultant

Member Howie Morales – Lieutenant Governor, State of New Mexico

Member Raul Torrez – Attorney General, State of New Mexico

Member Laura Montoya – Treasurer, State of New Mexico

Member Patricia Sullivan, Ph.D. – Associate Dean, New Mexico State University, College of Engineering

Management

Isidoro Hernandez, Executive Director/CEO

Donna Maestas-De Vries, Chief Housing Officer

Jeff Payne, Chief Lending Officer

Lizzy Ratnaraj, Chief Financial Officer





MEMO

TO: MFA Board of Directors

Through: Policy Committee on February 28, 2023
 NMHTF Advisory Committee on March 6, 2023
 Contracted Services Committee on March 7, 2023

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

DATE: March 15, 2023

SUBJECT: DreamTree Project's State and Local Fiscal Recovery Funding NOFA Recommendation to Award Funds

Recommendation

Staff recommends approving the DreamTree Project (DreamTree) State and Local Fiscal Recovery Funds (SLFRF) Notice of Funding Availability (NOFA) application and awarding funds in the amount of \$200,000 with the contingency that DreamTree resolve their outstanding, unresolved MFA monitoring findings.

Background

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

The DreamTree application was received on January 26, 2023 and was reviewed by the Scoring Committee on February 8, 2023. A preliminary response was e-mailed to DreamTree on February 9, 2023, noting that scoring committee concern was due to their unresolved findings. Staff also noted that unresolved MFA monitoring findings were a minimum requirement on the NOFA application and Dream Tree responded to MFA on February 16, 2023, with a corrective action plan.

Discussion

DreamTree applied for \$200,000 of funding to support the construction costs related to renovation of the NEST (Navigating Emergency Support Together) facility that will offer the combined services of a daytime rescue hub and an overnight shelter for those experiencing homelessness. NEST is in the Town of Taos in the former senior's center, which has stood vacant for years. NEST will support both the city and county of Taos, and is anticipated that construction will begin in April 2023 and will be completed by November, 2023. Total project cost is \$1,025,000.00, and the remaining funding has been secured by DreamTree.

DreamTree committed to address the five unresolved MFA monitoring findings within the Linkages program by the end of March 2023. The scoring committee took this into consideration on February 21, 2023, and acknowledged DreamTree's commitment to resolve these findings which may take another 30 days to get resolution. The scoring committee's recommendation is to award the SLFRF NOFA contingent upon DreamTree resolving their MFA monitoring findings within the MFA Linkages program.

Per the Scoring Committee review on February 21, 2023, the DreamTree application did comply with all the minimum Qualifications and Requirements (see Exhibit A), minus the MFA Linkages monitoring findings and scored an accumulative score of 90% (see Exhibit B).

Summary

Staff recommends approving the DreamTree Project State and Local Fiscal Recovery Funds (SLFRF) Notice of Funding Availability (NOFA) application in the amount of \$200,000 for construction costs to support a homeless shelter in Taos, contingent upon DreamTree resolving unresolved MFA monitoring findings.

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

Exhibit A

Minimum Qualifications and Requirements

	Minimum Qualifications and Requirements (X - satisfied)	Satisfied
1	The application is complete and legible, including all required documents	Yes
2	The application complies with all applicable requirements in this NOFA, and applicable addendum.	Yes, with contingency
3	The applicant provides sufficient evidence of its ability to undertake and complete the proposal in the areas of financing, acquiring, rehabilitating, developing, and / or administering an affordable housing project.	Yes
4	The application provides sufficient evidence that the proposed project is financially and technically feasible and includes a proposed budget and performance schedule for the proposed project.	Yes
5	The applicant provides sufficient evidence of its ability to comply with the Office of Management and Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (commonly called the "Uniform Guidance")	Yes
6	Under the SLFRF Final Rule, funds must be used for costs incurred on or after March 3, 2021. Further, costs must be obligated by December 31, 2024, and expended by December 31, 2026.	No
7	Funding Limits and Restrictions: All awarded projects must incorporate an energy-efficiency component.	Yes
8	Ranking Criteria: Applicants will be scored on the following ranking criteria. Applicants must score a minimum of 70% of the total points possible to be considered.	Yes 90%

Exhibit B

Ranking Criteria

Criteria	Point Range	Agency Score
Enumerated Uses The project is an Enumerated Use and is eligible within the Final Rule. If Yes, full points can be awarded If No, additional analysis will be required, based on the Final Rule, to determine eligibility and need.	40	40
Readiness to proceed The project is evaluated on its readiness to proceed. Projects that demonstrate the ability and readiness to be completed within the expenditure deadline listed in the Threshold Criteria will receive full points.	20	20
Financial Feasibility The project evaluation is financially feasibility. Match or leverage funding will be considered under this criterion. Projects that demonstrate a viable plan for covering the cost of the project will receive full points.	20	20
Project Design and Implementation The project is evaluated on the project design and implementation plan presented in the application form, included method for determining eligible beneficiaries, address long term affordable housing needs for the targeted population, service delivery or implementation plan, and the incorporation or any additional funding restrictions. Projects that present a viable design and implementation plan and address any additional funding restrictions that will result in a completed project will receive full points.	20	10
	Total Points	90



MEMO

TO: MFA Board of Directors

Through: Policy Committee on February 28, 2023
 NMHTF Advisory Committee on March 6, 2023
 Contracted Services Committee on March 7, 2023

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

DATE: March 15, 2023

SUBJECT: Yes Housing Inc. State and Local Fiscal Recovery Funding NOFA Recommendation

Recommendation

Staff recommends partially approving the Yes Housing, Inc.'s State and Local Fiscal Recovery Funds (SLFRF) Notice of Funding Availability (NOFA) application and awarding funds in the amount of \$627,026.45.

Background

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

Yes Housing applied for \$670,000 of funding on January 30, 2023. The application was reviewed and scored on February 20, 2023. The subject project is Berry Senior Apartments in Hobbs, New Mexico, which has other loan request pending at MFA. This recommendation is related only the subject NOFA approved by the Board of Directors on December 14, 2022 and the application submitted by Yes Housing on January 30, 2023.

This project will serve seniors (age 55+) and serve very low-income residents with 25% of the units for residents at or below 50% of AMI. The remaining 75% of the units will remain affordable to residents at or below 60% of AMI.

Discussion

Per the Yes Housing NOFA application, the West Berry project was delayed due to a rain event in mid-November that demonstrated potential issues with the planned grading of the property. Around this same time, the City of Hobbs issued a Stop Work Notice requiring the contractor to address the drainage concern. The project was redesigned to raise the building pads 9 inches and the site was regraded to better handle drainage. This redesign caused over 45 days delay and \$627,026.45 in documented project change orders.

Changer order documentation was received and reviewed by staff, evidencing the following:

CO 1	\$39,380.58	Time extension of 27 days for the project
CO 2	\$86,727.65	Plumbing rework for already installed underground plumbing
CO 3	\$296,695.80	Cost of raising building pad and addition of radon mitigation
	\$ 92,968.11	Radon mitigation costs
CO 4	\$173,383.29	Cost of doing offsite improvements at West Berry Drive. Cost directed to City and per Yes Housing, PCO 4 was accepted by the city as “their” scope of work as of February 21, 2023, and not included in award.
CO 5	\$71,215.32	Cost of doing offsite improvements at West Berry Drive. Cost Directed to YES Housing.
CO 6	\$40,038.99	Grading and drainage changes at parking lot
Total	\$627,026.45	

All the Change orders have the necessary back up to justify the costs. These high costs are due to the changes requiring the contractor to redo the foundation earthwork and underground plumbing that had been completed to that point. Change Order #3 has some costs related to radon mitigation in addition to the cost of raising the height of the building pad. It appears that YES is requesting the Radon mitigation be added to the project.

Yes Housing’s application also requested funding to fill an the shortfall anticipated from future tax credit timing adjusters of approximately \$300,000 if the property is not placed in service by December 31, 2023. Timing adjusters impact investor equity when delays from the construction to lease-up period exceed initial expectations. Based on the rain event, Yes Housing is anticipating a placed in-service date in February 2024, instead of December, 2023.

At this time, staff is not recommending that SLFRF funding be used for the purpose of funding the anticipated shortfall. If the anticipated shortfall comes to fruition and Yes Housing makes an application under this NOFA or another funding source, staff will evaluate the request based on the funding source and applicable requirements.

Summary

Staff recommends partially approving the Yes Housing, Inc.’s State and Local Fiscal Recovery Funds (SLFRF) Notice of Funding Availability (NOFA) application and awarding funds in the amount of \$627,026.45.

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

Exhibit A

Minimum Qualifications and Requirements

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

Exhibit B

Ranking Criteria

Criteria	Point Range	Agency Score
Enumerated Uses The project is an Enumerated Use and is eligible within the Final Rule. If Yes, full points can be awarded If No, additional analysis will be required, based on the Final Rule, to determine eligibility and need.	40	39
Readiness to proceed The project is evaluated on its readiness to proceed. Projects that demonstrate the ability and readiness to be completed within the expenditure deadline listed in the Threshold Criteria will receive full points.	20	20
Financial Feasibility The project evaluation is financially feasibility. Match or leverage funding will be considered under this criterion. Projects that demonstrate a viable plan for covering the cost of the project will receive full points.	20	20
Project Design and Implementation The project is evaluated on the project design and implementation plan presented in the application form, included method for determining eligible beneficiaries, address long term affordable housing needs for the targeted population, service delivery or implementation plan, and the incorporation or any additional funding restrictions. Projects that present a viable design and implementation plan and address any additional funding restrictions that will result in a completed project will receive full points.	20	10
	Total Points	89



MEMO

TO: MFA Board of Directors

Through: Policy Committee on February 28, 2023
 NMHTF Advisory Committee on March 6, 2023
 Contracted Services Committee on March 7, 2023

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

DATE: March 15, 2023

SUBJECT: North Central NM Economic Development District (NCNMEDD) Senior Home Repair State and Local Fiscal Recovery Funding NOFA Recommendation to Award Funds

Recommendation

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

Background

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

The NCNMEDD Senior Home Repair application was received on January 31, 2023, and was reviewed by the Scoring Committee on February 22, 2023. The Senior Home Repair project is requesting \$1m to contract 56 service providers to support senior households in need of home repairs or accessibility modifications.

Discussion

NCNMEDD is the parent organization for the Non-Metro Area Agency on Ageing which oversees services for older adults 60+ in all New Mexico counties except Bernalillo and includes a network of 56 aging services providers statewide including local governmental entities and non-profit organizations. NCNMEDD will use funds to efficiently address health and safety needs of households served as comprehensively as possible. Expenditures will be limited to \$25,000 per household, and household will be identified through the existing network of providers, existing database of consumers, and the existing contract process. NCNMEDD intends to use 10% of the award to administer the program, however, this will include administrative funds for the network agencies who will be providing the services to beneficiaries. Going forward, NCNMEDD intends to sustain the program by providing services that can be billed to Medicaid.

Per the Scoring Committee review on February 22, 2023, the NCNMEDD application did comply with all the minimum Qualifications and Requirements (see Exhibit A) and scored an accumulative score of 80% (see Exhibit B).

Summary

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

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

Exhibit A

Minimum Qualifications and Requirements

	Minimum Qualifications and Requirements (X - satisfied)	Satisfied
1	The application is complete and legible, including all required documents	Yes
2	The application complies with all applicable requirements in this NOFA, and applicable addendum.	Yes
3	The applicant provides sufficient evidence of its ability to undertake and complete the proposal in the areas of financing, acquiring, rehabilitating, developing, and / or administering an affordable housing project.	Yes
4	The application provides sufficient evidence that the proposed project is financially and technically feasible and includes a proposed budget and performance schedule for the proposed project.	Yes
5	The applicant provides sufficient evidence of its ability to comply with the Office of Management and Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (commonly called the "Uniform Guidance")	Yes
6	Under the SLFRF Final Rule, funds must be used for costs incurred on or after March 3, 2021. Further, costs must be obligated by December 31, 2024, and expended by December 31, 2026.	Yes
7	Funding Limits and Restrictions: All awarded projects must incorporate an energy-efficiency component.	Yes
8	Ranking Criteria: Applicants will be scored on the following ranking criteria. Applicants must score a minimum of 70% of the total points possible to be considered.	80.7

Exhibit B

Ranking Criteria

Criteria	Point Range	Agency Score
Enumerated Uses The project is an Enumerated Use and is eligible within the Final Rule. If Yes, full points can be awarded If No, additional analysis will be required, based on the Final Rule, to determine eligibility and need.	40	40
Readiness to proceed The project is evaluated on its readiness to proceed. Projects that demonstrate the ability and readiness to be completed within the expenditure deadline listed in the Threshold Criteria will receive full points.	20	12.3
Financial Feasibility The project evaluation is financially feasibility. Match or leverage funding will be considered under this criterion. Projects that demonstrate a viable plan for covering the cost of the project will receive full points.	20	16.7
Project Design and Implementation The project is evaluated on the project design and implementation plan presented in the application form, included method for determining eligible beneficiaries, address long term affordable housing needs for the targeted population, service delivery or implementation plan, and the incorporation or any additional funding restrictions. Projects that present a viable design and implementation plan and address any additional funding restrictions that will result in a completed project will receive full points.	20	11.7
	Total Points	80.7



MEMO

TO: MFA Board of Directors

Through: Policy Committee on February 14, 2023
 NMHTF Advisory Committee on March 6, 2023
 Contracted Services Committee on March 7, 2023

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

DATE: March 15, 2023

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

Recommendation

Staff recommends approving the HomeWise State and Local Fiscal Recovery Funds Notice of Funding Availability (NOFA) application and awarding funds in the amount of \$400,000.

Background

The SLFRF NOFA was published after Board approval on December 14, 2022. The NOFA states applications must be received no later than 45 days prior to a regularly scheduled meeting of the MFA Board of Directors in order to be considered at that meeting. The HomeWise application was received on January 27, 2023, and was reviewed by the Scoring Committee on February 6, 2023

Discussion

Per the Scoring Committee review on February 6, 2023, the HomeWise application did comply with all the minimum Qualifications and Requirements (see Exhibit A) and scored an accumulative score of 79.97% (see Exhibit B).

HomeWise is a non-profit Community Development Financial Institution (CDFI) that services clients throughout New Mexico. Homewise is requesting \$400,000 for the acquisition, rehabilitation, and resale of condos at the currently blighted, fire-damaged property at 119 High Street, Albuquerque, New Mexico. The project includes energy -efficient rehabilitation of the historical building and will provide 4 of 8 units for sale to households with incomes at or below 65% of Area Median Income (AMI). The total project cost is \$1,436,500 (see Exhibit C). Homewise is using their own capital to fund the remaining cost of the project.

Homewise will keep the property affordable in the long term. As the loan servicer of these mortgages, Homewise will know if the property is to be resold. They will help to connect another buyer from our pipeline to the next sale and retain the affordability. The project is estimated to be complete in the summer of 2024, which is within the contractual expenditure period.

Summary

Staff recommends approving the HomeWise State and Local Fiscal Recovery Funds (SLFRF) Notice of Funding Availability (NOFA) application in the amount of \$400,000 for the purpose of acquisition, rehabilitation, and sale of four affordable condos at 119 High Street, Albuquerque, New Mexico.

- Exhibit A: Minimum Qualifications and Requirements
- Exhibit B: Ranking Criteria
- Exhibit C: 119 High Street Budget and Pro Forma and Affordability Analysis

Exhibit A

Minimum Qualifications and Requirements

	Minimum Qualifications and Requirements (X - satisfied)	Satisfied
1	The application is complete and legible, including all required documents	Yes
2	The application complies with all applicable requirements in this NOFA, and applicable addendum.	Yes
3	The applicant provides sufficient evidence of its ability to undertake and complete the proposal in the areas of financing, acquiring, rehabilitating, developing, and / or administering an affordable housing project.	Yes
4	The application provides sufficient evidence that the proposed project is financially and technically feasible and includes a proposed budget and performance schedule for the proposed project.	No
5	The applicant provides sufficient evidence of its ability to comply with the Office of Management and Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (commonly called the "Uniform Guidance")	Yes
6	Under the SLFRF Final Rule, funds must be used for costs incurred on or after March 3, 2021. Further, costs must be obligated by December 31, 2024, and expended by December 31, 2026.	No
7	Funding Limits and Restrictions: All awarded projects must incorporate an energy-efficiency component.	Yes
8	Ranking Criteria: Applicants will be scored on the following ranking criteria. Applicants must score a minimum of 70% of the total points possible to be considered.	Yes 63.3

Exhibit B

Ranking Criteria

Criteria	Point Range	Agency Score
Enumerated Uses The project is an Enumerated Use and is eligible within the Final Rule. If Yes, full points can be awarded If No, additional analysis will be required, based on the Final Rule, to determine eligibility and need.	40	40
Readiness to proceed The project is evaluated on its readiness to proceed. Projects that demonstrate the ability and readiness to be completed within the expenditure deadline listed in the Threshold Criteria will receive full points.	20	16.67
Financial Feasibility The project evaluation is financially feasibility. Match or leverage funding will be considered under this criterion. Projects that demonstrate a viable plan for covering the cost of the project will receive full points.	20	20
Project Design and Implementation The project is evaluated on the project design and implementation plan presented in the application form, included method for determining eligible beneficiaries, address long term affordable housing needs for the targeted population, service delivery or implementation plan, and the incorporation or any additional funding restrictions. Projects that present a viable design and implementation plan and address any additional funding restrictions that will result in a completed project will receive full points.	20	3.3
	Total Points	79.97

119 High St Budget and Pro Forma				
Acquisition	\$280,000			
Due Diligence Pre Acq.	\$0			
Legal	\$25,000			
On Site Management/Maintenance	\$2,500			
Property Taxes	\$2,800			
Insurance	\$5,000			
Closing Survey	\$6,400			
Architectural Design	\$55,000			
Civil Engineer	\$0			
Traffic Engineer	\$0			
Archeological Study	\$0			
Environmental Study/Investigation	\$5,000			
Soil/Geotechnical Testing	\$0			
Planning Consultant ()	\$20,000			
Platting/Replatting (including fees)	\$15,000			
Infrastructure/Horizontal	\$55,000			
Permit/Impact Fees	\$10,000			
Horizontal Improvements	\$0			
Vertical Improvements			SQFT	
Unit 1	\$62,000		570	
Unit 2	\$62,000		480	
Unit 3	\$62,000		485	
Unit 4	\$62,000		580	
Unit 5	\$62,000		540	
Unit 6	\$62,000		450	
Unit 7	\$62,000		540	
Unit 8	\$62,000		540	
Common Building Elements	\$170,000			
Rehab Contingency	\$150,000			
Closing Costs	\$88,800			
Other				
Contingency	\$50,000			
Total Costs	\$1,436,500		4,185	
			8	
Sales	\$1,480,000		*See Affordability Analysis for unit detail	
Profit	\$43,500			
Return on Investment	3%			

119 High St SE ABQ Affordability Analysis

Unit	1	2	3	4	5	6	7	8	Total
Bedrooms	1	1	1	1	1	1	1	1	
SQFT	570	480	485	580	540	450	540	540	
Market Price/ sqft	325	385	381	319	343	411	343	343	
Market Price	\$ 185,000	\$ 185,000	\$ 185,000	\$ 185,000	\$ 185,000	\$ 185,000	\$ 185,000	\$ 185,000	\$ 1,480,000
Closing Costs	\$ 6,475	\$ 6,475	\$ 6,475	\$ 6,475	\$ 6,475	\$ 6,475	\$ 6,475	\$ 6,475	
Total Needed to Close	\$ 191,475	\$ 191,475	\$ 191,475	\$ 191,475	\$ 191,475	\$ 191,475	\$ 191,475	\$ 191,475	

Downpayment	\$ 5,550	\$ 5,550	\$ 5,550	\$ 5,550	\$ 5,550	\$ 5,550	\$ 5,550	\$ 5,550	
Subsidy	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 400,000

Effective Price / Mortgage	\$ 85,925	\$ 85,925	\$ 85,925	\$ 85,925	\$ 185,925	\$ 185,925	\$ 185,925	\$ 185,925	\$ 1,087,400
PI	\$ 515	\$ 515	\$ 515	\$ 515	\$ 1,115	\$ 1,115	\$ 1,115	\$ 1,115	
Taxes	\$ 107	\$ 107	\$ 107	\$ 107	\$ 232	\$ 232	\$ 232	\$ 232	
Insurance	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	
Condo Fee	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	
Total	\$ 733	\$ 733	\$ 733	\$ 733	\$ 1,457	\$ 1,457	\$ 1,457	\$ 1,457	

AMI %

HH of 1	56%	56%	56%	56%	112%	112%	112%	112%
HH of 2	49%	49%	49%	49%	98%	98%	98%	98%
HH of 3	44%	44%	44%	44%	87%	87%	87%	87%
HH of 4	39%	39%	39%	39%	78%	78%	78%	78%

Taxes	1.5%
Insurance	\$ 60
Condo Fee	\$ 50
Rate	6.00%

HH Size	100% AMI
1	\$ 47,300
2	\$ 54,000
3	\$ 60,800
4	\$ 67,500

Downpayment	3.000%
Estimated Closing Costs %	3.500%



MEMO

TO: Board of Directors
 Through: Contracted Services-March 7, 2023
 Through: Policy Committee-February 7, 2023

FROM: Carmela Arellano, Program Coordinator
 Patrick Ortiz, Director of Asset Management

DATE: March 15, 2023

SUBJECT: Limited Source Procurement
 Section 811 Project Rental Assistance (PRA) Program Award Recommendations

Recommendation

Staff recommends approval to award the Greater Albuquerque Housing Partnership (GAHP)-Casa Feliz Apartments a total award of \$707,104.16 of Section 811 project-based vouchers under the Rental Assistance Contract (RAC) over a 5-year period to commence on April 1, 2023.

Background

In 2020, MFA received a \$3,567,029 million award to participate in HUD's FY19 Section 811 Project Rental Assistance (PRA) program, which provides project-based rental assistance for extremely low-income persons with disabilities who are linked with long-term services. The rental assistance covers the difference between the tenant payment and the property's contract rent. The Section 811 PRA applications required state housing agencies to formally partner (interagency agreements) with the state agency responsible for the administration of the state's Medicaid program, as well as the state's health and human services agency.

HUD Program Requirements

Property Selection and Contracting

State housing agencies select properties to award Section 811 PRA subsidies. Eligible properties can be newly built or existing multifamily developments in which the development costs are subsidized by federal sources, such as low-income housing tax credits (LIHTC), HOME Investment Partnerships Program funds, the Community Development Block Grant Program, or other federal, state, or private sources.

The Section 811 PRA funds only rental assistance and does not provide any funding for capital costs. Grantees establish Rental Assistance Contracts (RACs) with owners of eligible properties. Property owners must agree to a 30-year use restriction for providing a specified number of units as supportive housing for people with disabilities and agree to a contract

with HUD for at least 20 years. The initial RAC provides funding for 5 years of rental assistance. The use restriction and renewal funding are contingent on continued Section 811 PRA appropriations.

Section 811 PRA Contract Rents

Grantees determine the Section 811 PRA contract rents, the maximum rents that the property owners can charge for Section 811 PRA units. The Section 811 PRA Notice of Funding Availability (NOFA) required that the PRA rent not exceed the applicable Fair Market Rent (FMR). The NOFA provided incentives for state housing agencies to target units that would produce the lowest possible per-unit rental subsidy costs by targeting properties that have existing rent restrictions, such as those funded with LIHTC or HOME funds.

Resident Eligibility

Section 811 PRA funds may be provided only for housing units set aside for extremely low-income households, including at least one nonelderly person with disabilities who is 18-61 years of age at the time of occupying the Section 811 PRA units. Participants in the Section 811 PRA program must also be eligible for community-based long-term care services provided under the state's Medicaid program.

Partnership with New Mexico Human Services (HSD)

MFA has entered into a Memorandum of Understanding (MOU) with the New Mexico Human Services Department (HSD). The MOU is an Interagency Partnership Agreement with the purpose of developing and implementing a Section 811 PRA program for extremely low-income persons with disabilities in New Mexico.

Agency roles and responsibilities

MFA

- Develop and implement a selection process to identify and select eligible multifamily properties
- Underwrite and award program funds to eligible and selected multifamily properties
- Administer the provisions of program rental assistance
- Conduct all reporting and monitoring responsibilities of the program

HSD

- Administer the state's Medicaid Assistance program
- Provide the primary mechanism for tenant screening and referral to special needs housing for persons with disabilities through its network of LLAs throughout the state of New Mexico
- Provide reimbursement of applicable benefit services through the state's Medicaid Assistance program for primary care, behavioral health, and long-term services

Target Population

- Households in which a household member between the ages of 18-61 has one or more of the substantial, long-term disabilities listed below, provided that a Local Lead Agency (LLA) determines appropriate services related to the type of disability can be provided:
 - Serious Mental Illness
 - Addictive disorder (e.g., Individuals in treatment and demonstrated recovery from substance abuse disorder)
 - Developmental disability (e.g., intellectual disability, autism or other development disability acquired before the age of 22)
 - Physical, sensory, or cognitive disability occurring after the age of 22
 - Disability caused by effects of chronic illness (e.g., people with HIV/AIDS who are no longer able to work)
 - Age related disability (e.g., frail elderly less than 62 years of age or young adults with other special needs who have been in the foster care or juvenile justice system)
 - Households/individuals who are homeless

Process for approaching and selecting awardees

From the inception of the grant award to date, MFA has diligently marketed Section 811 PRA to eligible properties/developers/owners/management agents. MFAs 2023 QAP has included Section 811 incentive to the developer fee.

**9% Projects utilizing MFA-issued Section 811 Project Rental Assistance (PRA) are eligible for a 5% boost to the capped developer fee (as calculated above; for qualifications, see below) For example, a 30-Unit Project which qualifies for \$675,000 and which is at or below 14% of Total Development Cost qualifies for a 5% boost to the allowable Developer Fee resulting in a total Developer Fee of \$708,750.*

Casa Feliz has a total of 89 units; 25% of total units for Section 811 purposes would be 22 units. Since Casa Feliz already has 11 Section 811 units using the FY13 funds. MFA reached out to Greater Albuquerque Housing Partnership (GAHP) to gauge interest to utilize FY19 funds for an additional 11 units at Casa Feliz. Outreach to GAHP was successful as they have committed to signing a RAC.

Funding Distribution

The chart below shows how the funding will be allocated. This award will fund 60 units.

HUD 2019 Award	Amount
Section 811 PRA Award-Rental Assistance	\$3,281,667.00
Section 811 PRA Award-Administrative Costs	\$285,362.00
Total	\$3,567,029.00

Property	Area Served	Recommended Award	Section 811 PRA units	Bedroom Size
Casa Feliz	Albuquerque	\$707,104.16	11	3-efficiency; 3-1brm; 4-2brm; 1-3brm
Total		\$707,104.16	11	

Summary

In 2020, MFA received a \$3,567,029 million award to participate in HUD's FY19 Section 811 Project Rental Assistance (PRA) program, which provides project-based rental assistance for extremely low-income person with disabilities who are linked with long-term services. The rental assistance covers the difference between the tenant payment (Extremely Low-Income: at or below 30% area median family income) and the property's contract rent.

Staff recommends approval to award Greater Albuquerque Housing Partnership (GAHP) a total of \$707,104.16 under Rental Assistance Contracts (RACs) over the 5-year period of the award to commence on the effective date of the RAC.

MFA must have the total award expended by September 30, 2032.

**Staff Actions Requiring Notice to Board
During the Period of February 2023**

Department and Program	Project	Action Taken	Comments / Date Approved
Housing Development - LIHTC	Vista de Socorro	Issue notice to developer that the February 1, 2022 Carryover Allocation is no longer valid and issue 2023 LIHTC so the project can move forward to close and begin construction on or before May 12, 2023.	Approved by PC February 22, 2023
Community Development - HOPWA	Reallocating HOPWA funds	Approval of Reallocation - As a result of a low number of individuals seeking HOPWA assistance through El Camino Real, a portion of PY2022-2023 funds in the amount of \$27,656.11 were reallocated from El Camino Real to Alianza of NM	Approved by Gina Bell February 24, 2023
Asset Management - Section 811	Section 811 Project Rental Assistance (PRA)	Approval of Limited Source Procurement Section 811 Project Rental Assistance (PRA) totaling \$707,104.16 for 11 811 units	Approved by PC February 7, 2023

**Staff Actions Requiring Notice to Board
During the Period of February 9, 2023 – March 9, 2023**

Department and Program	Project	Action Taken	Comments / Date Approved

New Mexico Mortgage Finance Authority

Combined Financial Statements
and Schedules

January 31, 2023

NEW MEXICO MORTGAGE FINANCE AUTHORITY
FINANCIAL REVIEW
For the four-month period ended January 31, 2023

COMPARATIVE YEAR-TO-DATE FIGURES (Dollars in millions):		4 months <u>1/31/2023</u>	4 months <u>1/31/2022</u>	% Change <u>Year / Year</u>	Forecast <u>1/31/2023</u>	Actual to <u>Forecast</u>	Forecast/Target <u>9/30/23</u>
PRODUCTION							
1	Single family issues (new money):	\$75.0	\$99.9	-24.9%	\$75.0	0.0%	\$295.0
2	Single family loans sold (TBA):	\$0.0	\$39.4	-100.0%	\$0.0	0.0%	\$30.0
3	Total Single Family Production	\$75.0	\$139.3	-46.2%	\$75.0	0.0%	\$325.0
4	Single Family Bond MBS Payoffs:	\$18.9	\$59.3	-68.1%	\$46.4	-59.2%	\$139.1
STATEMENT OF NET POSITION							
5	Avg. earning assets:	\$1,660.6	\$1,479.7	12.2%	\$1,682.5	-1.3%	\$1,682.5
6	General Fund Cash and Securities:	\$101.8	\$92.1	10.6%	\$85.6	19.0%	\$85.6
7	General Fund SIC FMV Adj.:	-\$0.4	\$0.03	-1338.6%	\$0.0	N/A	\$0.0
8	Total bonds outstanding:	\$1,349.6	\$1,187.9	13.6%	\$1,363.5	-1.0%	\$1,363.5
STATEMENT OF REVENUES, EXPENSES AND NET POSITION							
9	General Fund expenses (excluding capitalized assets):	\$8.9	\$7.7	15.6%	\$9.2	-3.3%	\$27.3
10	General Fund revenues:	\$9.9	\$10.1	-2.0%	\$9.9	0.0%	\$29.7
11	Combined net revenues (all funds):	\$2.1	\$0.4	473.2%	\$1.1	87.2%	\$3.4
12	Combined net revenues excluding SIC FMV Adj. (all funds):	\$3.0	\$0.6	412.0%	\$1.1	163.5%	\$3.4
13	Combined net position:	\$287.7	\$286.3	0.5%	\$289.5	-0.6%	\$289.5
14	Combined return on avg. earning assets:	0.38%	0.07%	410.8%	0.20%	89.8%	0.20%
15	Combined return on avg. earning assets excluding SIC FMV Adj. (all funds):	0.53%	0.12%	356.2%	0.20%	167.1%	0.20%
16	Net TBA profitability:	0.00%	1.40%	-100.0%	0.50%	0.0%	0.50%
17	Combined interest margin:	0.87%	0.51%	68.5%	0.63%	37.5%	0.63%
MOODY'S BENCHMARKS							
18	Net Asset to debt ratio (5-yr avg):	25.91%	28.02%	-7.5%	25.42%	1.9%	25.42%
19	Net rev as a % of total rev (5-yr avg):	9.17%	10.56%	-13.1%	9.51%	-3.6%	9.51%
SERVICING							
20	Subserviced portfolio	\$1,985.4	\$1,783.2	11.3%	\$2,001.7	-0.8%	\$2,203.4
21	Servicing Yield (subserviced portfolio)	0.41%	0.42%	-1.0%	0.41%	0.0%	0.41%
22	Combined average delinquency rate (MFA serviced)	8.30%	8.88%	-6.5%	9.50%	-12.6%	9.50%
23	DPA loan delinquency rate (all)	8.32%	8.96%	-7.1%	N/A	N/A	N/A
24	Default rate (MFA serviced-annualized)	0.54%	0.48%	12.5%	1.30%	-58.5%	1.30%
25	Subserviced portfolio delinquency rate (first mortgages)	12.01%	12.85%	-6.5%	N/A	N/A	N/A
26	Purchased Servicing Rights Valuation Change (as of 12/31/22)	\$11.4	\$4.0	184.5%	N/A	N/A	N/A

Legend:

Positive Trend	Caution	Negative Trend	Known Trend/Immaterial
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NEW MEXICO MORTGAGE FINANCE AUTHORITY
FINANCIAL REVIEW
For the four-month period ended January 31, 2023

SUMMARY OF BOND ISSUES:

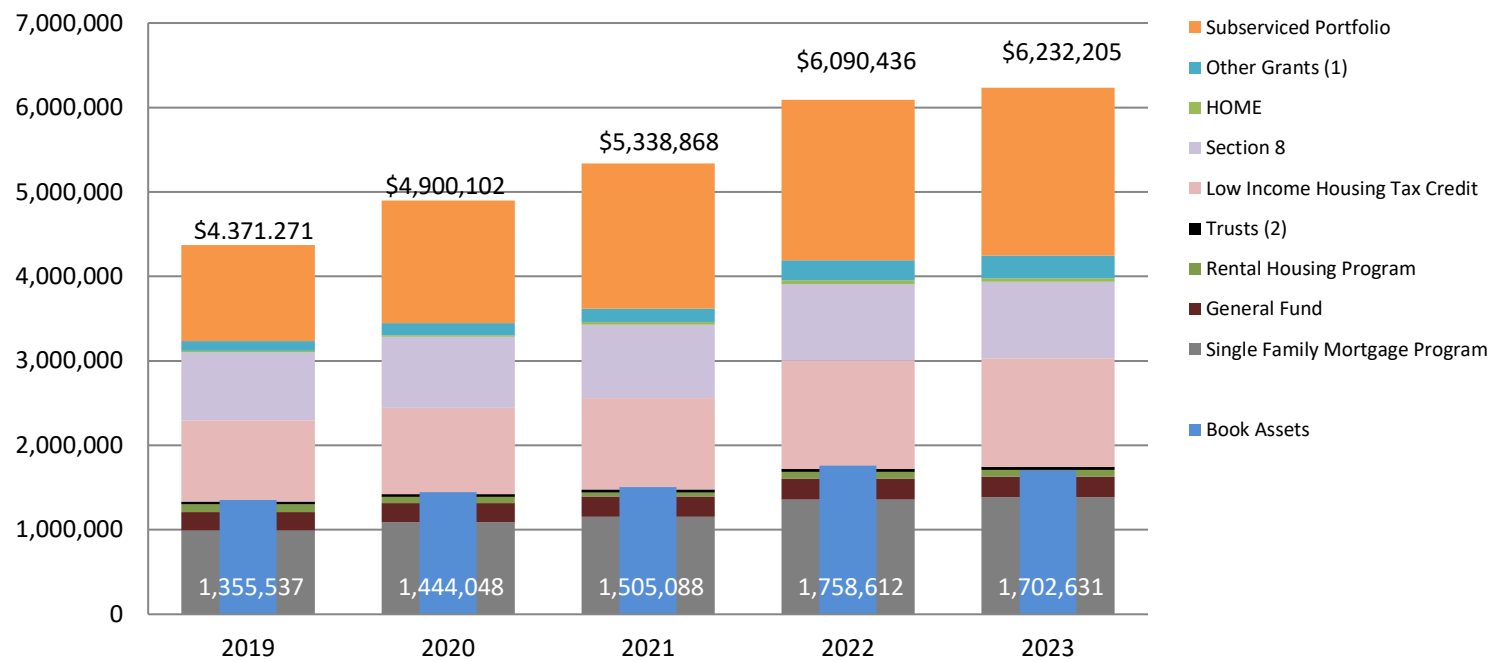
Single Family Issues:

\$74.99 mm Series 2022E (November)

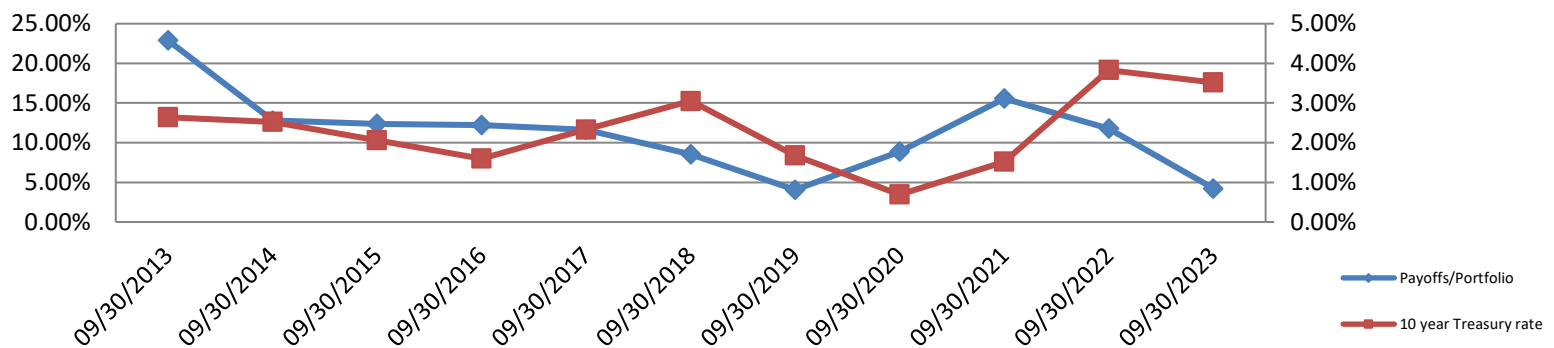
CURRENT YEAR FINANCIAL TRENDS & VARIANCES:

- The single-family production has decreased from last year due to headwinds from rising home prices, climbing mortgage rates, and high inflation. Due to changes in the economics of the mortgage program, we currently favor issuing tax-exempt bonds as the primary loan financing tool. We are currently not selling the Mortgage-Backed Securities (MBS) originated through our mortgage program into the TBA market. The issuance of bonds is currently producing a lower mortgage rate than the sales of loans to the TBA market. As a result, MFA is likely to lean more heavily toward bond financing and continue to use the TBA market where appropriate. MFA issued the 2022E Series for \$74.99 million in December and closed 2023A Series for \$60.0 million in February. Payoffs slowed by 68.1% due to rising mortgage rates discouraging homeowners from refinancing their loans.
- Any future issue of multi-family bonds for the benefit of a third party that is primarily liable for repayment of the debt will not be recorded in MFA books per GASB 91 requirements. Multi-family bond assets were eliminated from the financials effective October 1, 2022; as a conduit debt issuer, we make a limited commitment to maintaining the issue's tax-exempt status.
- In four months of activities, the Return on Average earnings assets was 0.38%, which is better than last year as we rely heavily on bond financing, which led to growth in earning assets as new mortgage loans with higher interest rates are added to the balance sheet and earn interest revenue. Cash through bond proceeds and mortgage payments are invested in short-term funds earning higher interest revenue.
- The General Fund expenses increased by 15.6% due to increased compensation, lender fees, and repurchased loan expenses, while the General Fund revenue decreased by 2% due to interest income, risk sharing fees and housing program income recognized lower than budgeted, and a shift to Mortgage Revenue Bond (MRB) financing instead of selling loans in the secondary market that provide one-time administrative fee income.
- The combined interest margin of 0.87% increased from the FY22 year-end mark of 0.55% due to higher income from interest on loans and investments. The rising interest rates are positively impacting loan portfolio performance, bolstering MFA's investment income and discouraging homeowners from refinancing their loans.
- Based on Moody's issuer credit rating scorecard, MFA's 25.91% net asset to debt ratio (5-year average), which measures balance sheet strength, indicates a strong and growing level of resources for maintaining HFA's creditworthiness under stressful circumstances (> 20 %). The net revenue as a percent of total revenue measures performance and profitability. We take caution as MFA's 9.17% ratio (5-year average) is marginally below the optimal range (10-15%) because the percentage was negative in fiscal 2022 due to decreased FMV of SIC investments, lower TBA profitability resulting from market changes, and increased repurchased loan expenses and similar conditions persist in the fiscal year 2023 so far.
- Moody's Investor Services completed an updated credit opinion on MFA's Issuer Rating in June 2020. They reaffirmed the Aa3/stable rating. Comments included a high asset-to-debt ratio, good profitability, and a low-risk profile due to a mortgage-backed security structure, a multifamily Risk Sharing Program, and no exposure to variable-rate debt. Additionally, Moody's reaffirmed the Aaa/stable rating on the single-family indenture in April 2021, noting a growing asset-to-debt ratio and stabilizing profitability.
- The Servicing Department monitors delinquencies and defaults to identify reduction strategies and refer borrowers to available loss mitigation programs. Sub-serviced Portfolio delinquency rate is 12.01%. The sub-serviced portfolio is approximately 85% FHA-insured loans. The Mortgage Bankers Association quarterly survey as of September 30, 2022, indicates that the delinquency rate for FHA loans nationally is 8.52%, and for New Mexico is 7.14%. In addition, FHA Single Family Loan Performance Trends for January 2023 showed 13.49% delinquency (for purchase loans only), which decreased from 13.99% in December 2022.
- The fair market value for purchased servicing rights as of December 2022 is \$29.4 million, an increase of about \$11.4 million over cost. GASB requires MFA to record the value of servicing rights at the 'lower of cost or market'. A steady increase over the last three quarters in FMV related to decreased prepayment speed projections and increased earnings rates impacted portfolio value positively. The current recorded cost of the asset is \$18 million. Valuations are obtained every quarter.

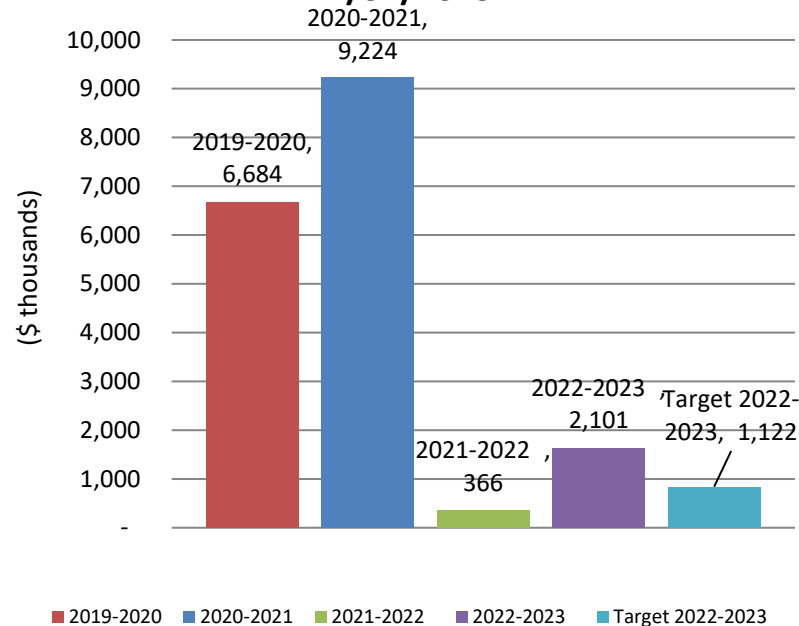
Assets Under Management as of 1/31/2023 (\$ in thousands)



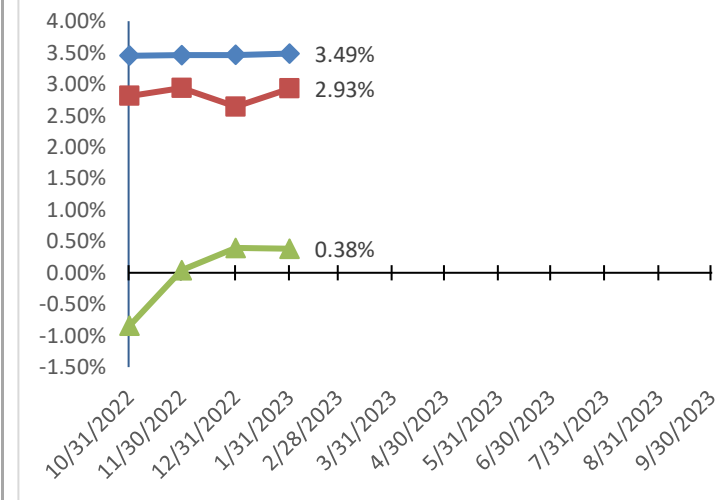
YTD Annualized Payoffs as a Percentage of Single Family Mortgage Portfolio as of 9/30/2023



YTD Excess Revenues over Expenses as of 1/31/2023



Yield Targets 9/30/2023



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

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NEW MEXICO MORTGAGE FINANCE AUTHORITY
COMBINED STATEMENT OF NET POSITION
JANUARY 2023
(THOUSANDS OF DOLLARS)

	<u>YTD 01/31/23</u>	<u>YTD 1/31/22</u>
<u>ASSETS:</u>		
<u>CURRENT ASSETS:</u>		
CASH & CASH EQUIVALENTS	\$58,865	\$43,792
RESTRICTED CASH HELD IN ESCROW	9,467	9,600
SHORT-TERM INVESTMENTS	-	-
ACCRUED INTEREST RECEIVABLE	4,976	3,959
OTHER CURRENT ASSETS	6,116	3,683
ADMINISTRATIVE FEES RECEIVABLE (PAYABLE)	-	3
INTER-FUND RECEIVABLE (PAYABLE)	(0)	(0)
TOTAL CURRENT ASSETS	<u>79,425</u>	<u>61,037</u>
CASH - RESTRICTED	67,856	52,262
LONG-TERM & RESTRICTED INVESTMENTS	57,340	64,928
INVESTMENTS IN RESERVE FUNDS	-	-
FNMA, GNMA, & FHLMC SECURITIZED MTG. LOANS	1,313,853	1,111,947
MORTGAGE LOANS RECEIVABLE	171,748	158,718
ALLOWANCE FOR LOAN LOSSES	(9,815)	(9,277)
NOTES RECEIVABLE	-	-
FIXED ASSETS, NET OF ACCUM. DEPN	1,742	1,835
OTHER REAL ESTATE OWNED, NET	2,269	2,419
OTHER NON-CURRENT ASSETS	12	-
INTANGIBLE ASSETS	18,023	18,219
TOTAL ASSETS	<u>1,702,454</u>	<u>1,462,087</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
REFUNDINGS OF DEBT	176	182
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	<u>1,702,631</u>	<u>1,462,269</u>
<u>LIABILITIES AND NET POSITION:</u>		
<u>LIABILITIES:</u>		
<u>CURRENT LIABILITIES:</u>		
ACCRUED INTEREST PAYABLE	\$8,477	\$4,476
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	18,560	14,372
ESCROW DEPOSITS & RESERVES	9,392	9,450
TOTAL CURRENT LIABILITIES	<u>36,429</u>	<u>28,298</u>
BONDS PAYABLE, NET OF UNAMORTIZED DISCOUNT	1,349,643	1,132,173
MORTGAGE & NOTES PAYABLE	28,377	15,871
ACCRUED ARBITRAGE REBATE	-	-
OTHER LIABILITIES	207	132
TOTAL LIABILITIES	<u>1,414,656</u>	<u>1,176,475</u>
DEFERRED INFLOWS	266	-
TOTAL LIAB/DEFERRED INFLOWS	<u>1,414,922</u>	<u>1,176,475</u>
<u>NET POSITION:</u>		
NET INVESTED IN CAPITAL ASSETS	1,742	1,835
UNAPPROPRIATED NET POSITION (NOTE 1)	62,019	64,622
APPROPRIATED NET POSITION (NOTE 1)	223,947	219,338
TOTAL NET POSITION	<u>287,709</u>	<u>285,795</u>
TOTAL LIABILITIES & NET POSITION	<u>1,702,631</u>	<u>1,462,269</u>

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NEW MEXICO MORTGAGE FINANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FOURTH MONTHS ENDED JANUARY 2023
(THOUSANDS OF DOLLARS)

	<u>YTD 01/31/23</u>	<u>YTD 1/31/22</u>
<u>OPERATING REVENUES:</u>		
INTEREST ON LOANS	\$16,918	\$13,474
INTEREST ON INVESTMENTS & SECURITIES	1,973	515
LOAN & COMMITMENT FEES	1,289	1,264
ADMINISTRATIVE FEE INCOME (EXP)	1,623	2,661
RTC, RISK SHARING & GUARANTY INCOME	17	136
HOUSING PROGRAM INCOME	349	685
LOAN SERVICING INCOME	3,595	2,710
OTHER OPERATING INCOME	-	-
SUBTOTAL OPERATING REVENUES	<u>25,764</u>	<u>21,446</u>
<u>NON-OPERATING REVENUES:</u>		
ARBITRAGE REBATE INCOME (EXPENSE)	-	-
GAIN(LOSS) ASSET SALES/DEBT EXTINGUISHMENT	(855)	(57)
OTHER NON-OPERATING INCOME	0	0
GRANT AWARD INCOME	26,279	17,375
SUBTOTAL NON-OPERATING REVENUES	<u>25,424</u>	<u>17,318</u>
TOTAL REVENUES	<u>51,188</u>	<u>38,764</u>
<u>OPERATING EXPENSES:</u>		
ADMINISTRATIVE EXPENSES	8,042	8,508
INTEREST EXPENSE	14,096	11,466
AMORTIZATION OF BOND/NOTE PREMIUM(DISCOUNT)	(1,145)	(1,065)
PROVISION FOR LOAN LOSSES	(30)	134
MORTGAGE LOAN & BOND INSURANCE	-	-
TRUSTEE FEES	53	49
AMORT. OF SERV. RIGHTS & DEPRECIATION	512	1,089
BOND COST OF ISSUANCE	699	884
SUBTOTAL OPERATING EXPENSES	<u>22,226</u>	<u>21,064</u>
<u>NON-OPERATING EXPENSES:</u>		
CAPACITY BUILDING COSTS	49	20
GRANT AWARD EXPENSE	26,811	17,319
OTHER NON-OPERATING EXPENSE	-	-
SUBTOTAL NON-OPERATING EXPENSES	<u>26,860</u>	<u>17,339</u>
TOTAL EXPENSES	<u>49,086</u>	<u>38,403</u>
NET REVENUES	2,101	361
OTHER FINANCING SOURCES (USES)	-	-
NET REVENUES AND OTHER FINANCING SOURCES(USES)	<u>2,101</u>	<u>361</u>
NET POSITION AT BEGINNING OF YEAR	<u>285,608</u>	<u>285,434</u>
NET POSITION AT 01/31/23	<u>287,709</u>	<u>285,795</u>

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

(Note 1) MFA Net Position as of January 31, 2023:

UNAPPROPRIATED NET POSITION:

\$ 26,762	is held by Bond Program Trustees and is pledged to secure repayment of the Bonds.
\$ 34,311	is held in Trust for the NM Housing Trust Fund and the NM Land Title Trust Fund.
\$ 946	is held for New Mexico Affordable Housing Charitable Trust.
<u>\$ 62,020</u>	Total Unappropriated Net Position

APPROPRIATED NET POSITION: GENERAL FUND

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

\$ 117,129	for use in the Housing Opportunity Fund (\$106,483 in loans and grants plus \$10,646 unfunded, of which \$3,870 is committed).
\$ 45,348	for future use in Single Family & Multi-Family housing programs.
\$ 1,113	for loss exposure on Risk Sharing loans.
\$ 1,742	invested in capital assets, net of related debt.
\$ 17,915	invested in mortgage servicing rights.
<u>\$ 22,647</u>	for the future General Fund Budget year ending 09/30/23 (\$31,681 total budget less \$9,034 expended budget through 10/31/23.)
<u>\$ 205,894</u>	Subtotal - General Fund

APPROPRIATED NET POSITION: HOUSING

\$ 19,795	for use in the federal and state housing programs administered by MFA.
<u>\$ 19,795</u>	Subtotal - Housing Program
<u>\$ 225,689</u>	Total Appropriated Net Position
<u><u>\$ 287,709</u></u>	Total Combined Net Position at January 31, 2023

Total combined Net Position, or reserves, at January 31, 2023 was \$287.7million, of which \$62 million was pledged to the bond programs, Affordable Housing Charitable Trust and fiduciary trusts. \$225.7 million of available reserves, with \$101.8 million primarily liquid in the General Fund and in the federal and state Housing programs and \$123.9 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 four months ended 1/31/2023

	One Month Actual	Year to Date Actuals	Year to Date ProRata Budget	Annual Budget	YTD Budget Under/(Over)	Annual Budget Under/(Over)	Expended Annual Budget %
Revenue							
Interest Income	659,473	2,623,069	2,801,797	8,405,392	178,728	5,782,323	31.21%
Interest on Investments & Securities	218,641	726,852	439,419	1,318,256	(287,433)	591,404	55.14%
Loan & Commitment Fees	19,734	49,223	58,448	175,344	9,225	126,121	28.07%
Administrative Fee Income (Exp)	702,175	2,956,841	2,802,955	8,408,864	(153,886)	5,452,023	35.16%
Risk Sharing/Guaranty/RTC fees	6,796	15,997	154,577	463,730	138,580	447,733	3.45%
Housing Program Income	315,388	348,541	468,694	1,530,014	120,153	1,181,473	22.78%
Loan Servicing Income	766,772	3,594,695	3,144,914	9,434,743	(449,781)	5,840,048	38.10%
Other Operating Income			-	-	-	-	
Operating Revenues	2,688,979	10,315,218	9,870,803	29,736,343	(444,415)	19,421,125	34.69%
Gain (Loss) Asset Sale/Debt Ex	(703,462)	(429,575)	-	-	429,575	429,575	
Other Non-operating Income	-	40	33	100	(7)	60	40.00%
Non-Operating Revenues	(703,462)	(429,535)	33	100	429,569	429,635	-429535.26%
Revenue	1,985,517	9,885,683	9,870,837	29,736,443	(14,846)	19,850,760	33.24%
Salaries	559,774	2,197,531	2,744,320	7,978,035	546,788	5,780,504	27.54%
Overtime	1,471	7,530	13,010	37,585	5,480	30,054	20.04%
Incentives	515	143,717	232,890	677,169	89,172	533,452	21.22%
Payroll taxes, Employee Benefits	271,190	1,043,594	1,334,624	3,958,534	291,030	2,914,940	26.36%
Compensation	832,949	3,392,373	4,324,843	12,651,323	932,470	9,258,950	26.81%
Business Meals Expense	140	907	2,407	7,220	1,500	6,313	12.56%
Public Information	13,715	81,771	113,163	339,488	31,392	257,717	24.09%
In-State Travel	3,646	27,629	53,224	159,671	25,595	132,042	17.30%
Out-of-State Travel	2,017	31,444	89,349	268,046	57,904	236,602	11.73%
Travel & Public Information	19,518	141,751	258,142	774,425	116,391	632,674	18.30%
Utilities/Property Taxes	6,520	25,808	26,567	79,700	758	53,892	32.38%
Insurance, Property & Liability	20,587	82,347	75,543	226,628	(6,804)	144,281	36.34%
Repairs, Maintenance & Leases	98,714	508,962	556,650	1,643,951	47,688	1,134,989	30.96%
Supplies	4,846	12,620	11,900	35,700	(720)	23,080	35.35%
Postage/Express mail	2,168	16,443	13,600	40,800	(2,843)	24,357	40.30%
Telephone	1,711	5,841	7,567	22,701	1,726	16,860	25.73%
Janitorial	235	9,414	13,633	40,900	4,219	31,486	23.02%
Office Expenses	132,967	647,825	705,211	2,089,634	57,386	1,441,809	31.00%
Dues & Periodicals	8,434	27,256	20,924	62,773	(6,332)	35,517	43.42%
Education & Training	3,058	28,451	56,897	170,690	28,445	142,239	16.67%
Contractual Services	72,615	324,511	467,335	1,402,004	142,823	1,077,493	23.15%
Professional Services-Program	55,109	97,981	80,917	242,751	(17,064)	144,770	40.36%
Direct Servicing Expenses	765,360	3,263,898	1,628,522	4,885,567	(1,635,376)	1,621,669	66.81%
Program Expense-Other	14,704	69,706	60,149	180,448	(9,557)	110,742	38.63%
Rebate Analysis Fees			-	-	-	-	
Miscellaneous	196	-			-	-	

GENERAL FUND
Fiscal Year 2022-2023 Budget
For the four months ended 1/31/2023

	One Month Actual	Year to Date Actuals	Year to Date ProRata Budget	Annual Budget	YTD Budget Under/(Over)	Annual Budget Under/(Over)	Expended Annual Budget %
Other Operating Expense	919,476	3,811,804	2,314,744	6,944,233	(1,497,060)	3,132,429	54.89%
Interest Expense	108,356	402,812	548,407	1,645,220	145,594	1,242,408	24.48%
Non-Cash Expenses	86,751	481,246	947,033	2,841,098	465,786	2,359,852	16.94%
Expensed Assets	3,342	3,928	26,617	79,850	22,689	75,922	4.92%
Operating Expenses	2,103,359	8,881,739	9,124,997	27,025,783	243,258	18,144,044	32.86%
Program Training & Tech Asst	200	5,946	50,633	151,900	44,687	145,954	3.91%
Program Development	30,370	42,919	37,308	111,925	(5,610)	69,006	38.35%
Capacity Building Costs	30,570	48,865	87,942	263,825	39,077	214,960	18.52%
Non-Operating Expenses	30,570	48,865	87,942	263,825	39,077	214,960	18.52%
Expenses	2,133,929	8,930,604	9,212,938	27,289,608	282,334	18,359,004	32.73%
Excess Revenue over Expenses	(148,412)	955,079	657,898	2,446,835	(297,180)	1,491,756	39.03%

GENERAL FUND CAPITAL BUDGET
Fiscal Year 2022-2023 Budget
For the four months ended 1/31/2023

	One Month Actual	Year to Date Actuals	Year to Date ProRata Budget	Annual Budget	YTD Budget Under/(Over)	Annual Budget Under/(Over)	Expended Annual Budget %
2690 PURCHASED SERVICING RIGHTS	26,416	102,921	1,450,282	4,350,847	1,347,362	4,247,926	2.37%
2950 COMPUTER HARDWARE	-	-	13,441	40,324	13,441	40,324	0.00%
2960 SOFTWARE LICENSES	-	-	-	-	-	-	
2920 FURNITURE & EQUIPMENT-10 YR	-	-	-	-	-	-	
2930 FURNITURE & EQUIP, 5 YR.	-	-	-	-	-	-	
2860 BUILDING	-	-	-	-	-	-	
Capital Budget	26,416	102,921	1,463,724	4,391,171	1,360,803	4,288,250	2.34%