

MFA Housing New Mexico MFA May Board of Directors Meeting May 15, 2024 9:00 am-12:30 pm Mountain Time

Chair Convenes Meeting

- ➤ Roll Call (Izzy Hernandez)
- ➤ Approval of Agenda Board Action
- ➤ Approval of 4/17/24 Board Meeting Minutes Board Action
- ➤ Executive Director Updates

Board Action Items

(Action Required?)

Consent Agenda

1 MFA Policy & Procedures Manual and Delegations of Authority – Correction – (Julie Halbig) YES

Finance Committee

- 2 Authorized Signature Resolution (Joseph McIntyre)
- 3 Housing Opportunity Fund Reallocation from Primero to Preservation Revolving Loan Fund (Joseph McIntyre)
- 4 External Audit Contract Extension for FY 2024 (Joseph McIntyre)
- 5 Financial Review Quarter 2 (Joseph McIntyre)

Allocation Review Committee

- 6 6 Proposed 2024 Low Income Housing Tax Credit (LIHTC) Project Presentations and Awards (Jeanne Redondo) YES
 - a. The Bluffs Senior Apartments (Supplemental Credits) (Dan Terlecki, Roger Simmons and Scott Laufenberg available for questions)
 - b. Laguna #4, Pueblo of Laguna, (Jamie Navenma available for questions)
 - c. Somos Apartments, Albuquerque (Felipe Rael available for questions)
 - d. Elk Meadows, Ruidoso (Colin Kruger available for questions)
 - e. Country Club Apartments, Santa Fe (Ed Romero available for questions)
 - f. Ocate Apartments Santa Fe (Ed Romero available for questions)

Contracted Services/Credit Committee (Items are being presented without Board recommendation due to no quorum for the Contracted Services/Credit Committee Meeting)

7 Low Income Housing Tax Credit (LIHTC) Gap Financing Loan Request (Tim Martinez, Justin Carmona and George Maestas)

(Note: at the request of any Board Member, any of the two projects listed below may be removed from

this combined agenda item and discussed and voted upon separately)

- a. Elk Meadows Apartments HOME, National Housing Trust Fund, and New Mexico Housing Trust Fund Loan Requests (Tim Martinez & George Maestas)
- b. Somos Apartments New Mexico Housing Trust Fund Loan Request (Tim Martinez & George Maestas)
- c. Ocate Apartments HOME, National Housing Trust Fund, and New Mexico Housing Trust Fund Loan Requests (Justin Carmona & George Maestas)
- 8 FY 2025 Severance Tax Bond Funds Allocation and Certification of Need (Izzy Hernandez & Robyn Powell) YES
- 9 \$1 Million New Mexico Housing Trust Fund for Preservation and Reinvestment Initiative for Community Enhancement Grant Leverage (Sonja Unrau & Sharlynn Rosales) YES

Other

- 10 Eastern Regional Housing Authority Approval to Enter into a Loan for \$3.5M (Donna Maestas-De Vries & Chris Herbert, Executive Director, Eastern Regional Housing Authority) YES
- 11 Quarterly Marketing Summary Report (Kristie Garcia) NO

Closed Session Action Required (Motion and affirmative vote required to close the meeting)

- 12 Executive Session- Sale of Real Property, 344 Fourth Street SW, Alb. NM YES
 - Executive Session to be held pursuant to Section 10-15-1 H (8) of the Open Meetings Act: Discuss Purchase Agreement Related to Sale of Real Property (Izzy Hernandez & Tom Jenkins)

Open Session Action Required (Motion and affirmative vote required to open the meeting)

13 Purchase Agreement Related to the Sale of Real Property, 344 Fourth Street SW, Alb. NM (Izzy Hernandez & Tom Jenkins) YES

Other Board Items Information Only

- 14 (Staff is available for questions)
 - Staff Action Requiring Notice to Board
 - Strategic Plan Benchmarks Quarterly Update
 - Quarterly Multifamily Construction Pipeline Report
 - Semiannual Investment Review

Monthly Reports No Action Required

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

Quarterly Reports No Action Required

16 (Staff is available for questions)

Quarterly Board Report

Announcements and Adjournment Discussion Only

Confirmation of Upcoming Board Meetings

- ➤ May 30, 2024 Thursday- 3:00 p.m. Investment Committee Meeting (Board Members please RSVP if interested in attending)
- ➤ June 11, 2024 Tuesday, Contracted Services 10:00 a.m. Finance Committee 1:30 p.m.
- ➤ June 20, 2024 Wednesday 9:30 a.m. (MFA Board of Directors Meeting)
- ➤ June 27, 2024 Thursday- 3:00 p.m. Investment Committee Meeting (Board Members please RSVP if interested in attending)
- ➤ July 9, 2024 Tuesday, Contracted Services 10:00 a.m. Finance Committee 1:30 p.m.
- > July 17, 2024 Wednesday- 9:30 a.m. (MFA Board of Directors Meeting)
- ➤ July 25, 2024- Thursday- 3:00 p.m. Investment Committee Meeting (Board Members please RSVP if interested in attending)
- ➤ August 13, 2024 Tuesday, Contracted Services 10:00 a.m. Finance Committee 1:30 p.m.
- ➤ August 21, 2024 Wednesday- 9:30 a.m. (MFA Board of Directors Meeting)



NEW MEXICO MORTGAGE FINANCE AUTHORITY

Board Meeting 344 4th St. SW, Albuquerque, NM

Wednesday, May 15, 2024- 9:30 a.m.

Proposed Agenda

Chair Convenes Meeting

- ➤ Roll Call (Izzy Hernandez)
- ➤ Approval of Agenda Board Action
- ➤ Approval of 4/17/24 Board Meeting Minutes Board Action
- ➤ Executive Director Updates

Board Action Items Action Required

Consent Agenda

1 MFA Policy & Procedures Manual and Delegations of Authority – Correction – (Julie Halbig)

YES

Finance Committee

2 Authorized Signature Resolution (Joseph McIntyre)

YES

- 3 Housing Opportunity Fund Reallocation from Primero to Preservation Revolving Loan Fund (Joseph McIntyre) YES
- External Audit Contract Extension for FY 2024 (Joseph McIntyre)

YES

5 Financial Review Quarter 2 (Joseph McIntyre)

YES

Allocation Review Committee

- 6 Proposed 2024 Low Income Housing Tax Credit (LIHTC) Project Presentations and Awards (Jeanne Redondo) YES
 - a. The Bluffs Senior Apartments (Supplemental Credits) (Dan Terlecki, Roger Simmons and Scott Laufenberg available for questions)
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 - f. Ocate Apartments Santa Fe (Ed Romero available for questions)

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(Items are being presented without Board recommendation due to no quorum for the Contracted Services/Credit Committee Meeting)

7 Low Income Housing Tax Credit (LIHTC) Gap Financing Loan Request (Tim Martinez, Justin Carmona and George Maestas)

YES

(Note: at the request of any Board Member, any of the three projects listed below may be removed from this combined agenda item and discussed and voted upon separately)

- a. Elk Meadows Apartments HOME, National Housing Trust Fund, and New Mexico Housing Trust Fund Loan Requests (Tim Martinez & George Maestas)
- b. Somos Apartments New Mexico Housing Trust Fund Loan Request (Tim Martinez & George Maestas)
- c. Ocate Apartments HOME, National Housing Trust Fund, and New Mexico Housing Trust Fund Loan Requests (Justin Carmona & George Maestas)
- 8 FY 2025 Severance Tax Bond Funds Allocation and Certification of Need (Izzy Hernandez & Robyn Powell) YES
- 9 \$1 Million New Mexico Housing Trust Fund for Preservation and Reinvestment Initiative for Community Enhancement Grant Leverage (Sonja Unrau & Sharlynn Rosales)

 YES

Other

10 Eastern Regional Housing Authority Approval to Enter into a Loan for \$3.5M (Donna Maestas-De Vries & Chris Herbert, Executive Director, Eastern Regional Housing Authority)
 YES
 11 Quarterly Marketing Summary Report (Kristie Garcia)
 NO

Closed Session Action Required

(Motion and affirmative vote required to close the meeting)

12 Executive Session- Sale of Real Property, 344 Fourth Street SW, Alb. NM

YES

■ Executive Session to be held pursuant to Section 10-15-1 H (8) of the Open Meetings Act: Discuss Purchase Agreement Related to Sale of Real Property (Izzy Hernandez & Tom Jenkins)

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15 (Staff is available for questions)

New Mexico Housing Trust Fund Monthly Update

Quarterly Reports No Action Required

16 (Staff is available for questions)

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Chair Convenes Meeting

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- > Executive Director Updates

Board Action Items Action Required

Consent Agenda

1 MFA Policy & Procedures Manual and Delegations of Authority – Correction (Julie Halbig) - MFA staff seeks approval of a correction needed Delegations of Authority, to insert "(15)" on Line 19. The footnote language is already in the version of the Delegations that was approved at the January 17, 2024, Board meeting. YES

Finance Committee

- **2 Authorized Signature Resolution (Joseph McIntyre)-** The Authorized Signatures Resolution is updated periodically as needed.
- 3 Housing Opportunity Fund Reallocation from Primero to Preservation Revolving Loan Fund (Joseph McIntyre)- Staff recommends the reallocation of Housing Opportunity Funds in the amount of \$925,000 from Primero to Preservation Revolving Loan Fund (PRLF).
- **External Audit Contract Extension for FY 2024 (Joseph McIntyre)** Staff recommends a one-year extension for the External Audit Services contract with CliftonLarsonAllen LLP for the fiscal year ending 9/30/2024 at the proposed rate. CLA is amenable to the extension. The final contract with CLA will still need to be approved by the Office of the State Auditor.

 YES
- 5 Financial Review Quarter 2 (Joseph McIntyre) ongoing.

YES

Allocation Review Committee

- 6 Proposed 2024 Low Income Housing Tax Credit (LIHTC) Project Presentations and Awards (Jeanne Redondo) Staff, by and through MFA's Allocation Review Committee ("ARC"), requests approval of one award of \$102,867 supplemental Low Income Housing Tax Credits ("LIHTC"), approval of five LIHTC awards, attached as Table 7A, and approval to forward allocate 2025 tax credits in an amount not to exceed \$2,476,744.
 - a. The Bluffs Senior Apartments (Supplemental Credits) (Dan Terlecki, Roger Simmons and Scott Laufenberg available for questions)
 - b. Laguna #4, Pueblo of Laguna, (Jamie Navenma available for questions)
 - c. Somos Apartments, Albuquerque (Felipe Rael available for questions)
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YES

(Note: at the request of any Board Member, any of the two projects listed below may be removed from this combined agenda item and discussed and voted upon separately)

- a. Elk Meadows Apartments HOME, National Housing Trust Fund, and New Mexico Housing Trust Fund Loan Requests (Tim Martinez & George Maestas) A \$400,000 HOME loan, \$400,000 NHTF loan, and \$2,000,000 NMHTF loan request for Elk Meadows Apartments, located in Ruidoso, New Mexico. Elk Meadows is a proposed New Construction multifamily project that will consist of 27 one-bedroom units, 37 two-bedroom units, and 8 three-bedroom units. The project (100% of units) will target households with children. Four units will be income restricted to households earning 30% or less of Area Median Income (AMI), 18 units will be income restricted to households earning 50% or less of AMI, 39 units will be income restricted to households earning 60% or less of AMI, and 11 units will be rented at market rate. Fifteen units will receive HUD Section 8 Project Based Vouchers.
- b. Somos Apartments New Mexico Housing Trust Fund Loan Request (Tim Martinez & George Maestas) A \$4,000,000 NMHTF loan request for Somos Apartments, located in Albuquerque, New Mexico. Somos Apartments is a proposed New Construction multifamily project that will consist of 70 one-bedroom units. The project (100% of units) will serve seniors aged 55 years and older. Twenty-one units will be income restricted to households earning 30% or less of Area Median Income (AMI), 14 units will be income restricted to households earning 50% or less of AMI, 24 units will be income restricted to households earning 60% or less of AMI, and 11 units will be rented at market rate. Twenty-five units will receive HUD Section 8 Project Based Vouchers.
- c. Ocate Apartments HOME, National Housing Trust Fund, and New Mexico Housing Trust Fund Loan Requests (Justin Carmona & George Maestas) A \$400,000 HOME loan, \$400,000 NHTF loan, and \$3,000,000 NMHTF loan request for Ocate Apartments, located in Santa Fe, New Mexico. Ocate Apartments is a proposed New Construction multifamily project that will create 60 one-, two-, and three-bedroom units for households with children. Thirty-three units will be income restricted to households earning 60% or less of Area Median Income (AMI). Twenty-four units will be income restricted to households earning 50% or less of AMI. Three of the units will be income restricted to households earning 30% or less of AMI.
- 8 FY 2025 Severance Tax Bond Funds Allocation and Certification of Need (Izzy Hernandez & Robyn Powell) MFA staff recommend the allocation of the state fiscal year 2025 severance tax bond allocation of \$34,620,000 and the one-time \$50 million general funds transfer.

 YES
- 9 \$1 Million New Mexico Housing Trust Fund for Preservation and Reinvestment Initiative for Community Enhancement Grant Leverage (Sonja Unrau & Sharlynn Rosales) MFA staff recommend allocation \$1 million from the New Mexico Housing Trust Fund (NMHTF) for Preservation and Reinvestment Initiative for Community Enhancement (PRICE) grant leverage.
 YES

Other

- 10 Eastern Regional Housing Authority Approval to Enter into a Loan for \$3.5M (Donna Maestas-De Vries & Chris Herbert, Executive Director, Eastern Regional Housing Authority) ERHA is requesting approval to enter a short-term loan with Pioneer Bank to rehabilitate public housing units in Vaughn, New Mexico, which will be paid back with grant funds from the state on a reimbursement basis.

 YES
- 11 Quarterly Marketing Summary Report (Kristie Garcia) The quarterly marketing and communications presentation consists of the strategic marketing overview of MFA's recent activities related to press releases, advertising, media coverage, social media posts and outreach efforts.

Closed Session Action Required

(Motion and affirmative vote required to close the meeting)

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YES

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NEW MEXICO MORTGAGE FINANCE AUTHORITY Board Meeting Minutes 344 4th St. SW, Albuquerque, NM Wednesday, April 17, 2024, at 9:30 a.m.

Chair Angel Reyes convened the meeting on April 17, 2024, at 9:37 a.m. Secretary Hernandez called the roll. Members attending in person: Chair Angel Reyes, State Treasurer Laura M. Montoya, Martina C'de Baca (designee for Lieutenant Governor Howie Morales) and Rebecca Wurzburger. Virtual attendance: Gideon Elliot (designee for Attorney General Raúl Torrez), Patricia Sullivan and Derek Valdo (via phone at 9:54 a.m. during tab 2). Absent: none. Hernandez informed the Board that everyone had been informed about today's meeting in accordance with the New Mexico Open Meetings Act.

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

Approval of Agenda – Board Action. Motion to approve the April 17, 2024, Board agenda as presented: Wurzburger. Seconded by Sullivan. Roll Call Vote: Angel Reyes- yes, Derek Valdo- absent, State Treasurer Laura M. Montoya- yes, Gideon Elliot- yes, Proxy Martina C'de Baca- yes, Rebecca Wurzburger- yes, Patricia Sullivan- yes. Vote: 6-0.

Approval of 3/20/24 Board Meeting Minutes – Board Action. Motion to approve the March 20, 2024, Board Meeting Minutes as presented: Wurzburger. Seconded by C'de Baca. Roll Call Vote: Angel Reyes- yes, Derek Valdo- absent, State Treasurer Laura M. Montoya- yes, Gideon Elliot- yes, Proxy Martina C'de Baca- yes, Rebecca Wurzburger- yes, Patricia Sullivan- yes. Vote: 6-0.

Hernandez provided his Executive Director updates: **Program Updates**: Subservicing portfolio: \$2.4 Bil. /14,652 loans. Delinquency 10.10 (3/24) vs 12.01 (1/23) & 15.67% (3/20). Mortgage Operations FYTD: \$344M/1513 loans. MFA (GOV) Int. 6.25%/Mkt: 6.87% (4/9/24). **Significant meetings/presentations**: 3/21: Felician Village Groundbreaking. 3/27: Thurston Homes Mtg- Single Family Development. 4/05: Property Committee Meeting. 4/15: Meeting with Governors Housing Advisor & Member Wurzburger. **Upcoming Meetings**: 4/22: Santa Rosa Teacher Housing Mtg. 5/02: OERB Mtg. 5/08: Affordable Housing Issues and Resources City of Carlsbad. He then discussed the Homebuying Market Data and the FYTD Production graphs provided.

Consent Agenda

SFY2024 Recurring Severance Tax Bond Funding Resolution, Notification and Recertification (Robyn Powell & Stephanie Gonzales)- Motion to approve SFY2024 Recurring Severance Tax Bond Funding Resolution, Notification and Recertification: State Treasurer Laura M. Montoya. Seconded by Wurzburger. Roll Call Vote: Angel Reyes- yes, Derek Valdo- absent, State Treasurer Laura M. Montoya- yes, Gideon Elliot- yes, Proxy Martina C'de Baca- yes, Rebecca Wurzburger- yes, Patricia Sullivan- yes. Vote: 6-0.

Member Valdo Joined the meeting during the presentation of Tab 2 at 9:54 a.m.

Finance Committee

2 Peachtree Canyon Bond Resolution (Christi Wheelock)- Wheelock began her presentation requesting approval for the Bond Resolution for Peachtree Canyon, authorizing the issue of up to \$20 million in tax-exempt bonds, expected to close in June 2024. The project will be situated on a 7.4-acre vacant parcel within the Metro Verde South Planned Unit Development, located at 7081 Jornada Road in northeast Las Cruces. The property will be developed with six three-story buildings containing one-, two- and three-bedroom apartments for Households with Children at income levels from 30% of Area Median Income (AMI) up to 60% of AMI. She stated the City of Las Cruces faces a significant shortage of affordable housing. By approving the Bond Resolution, funds will be generated through bond proceeds to finance the construction of 144 new housing units. Importantly, all these units will be subject to rent restrictions for a duration of 45 years, ensuring long-term affordability. Motion to approve the Peachtree Canyon Bond Resolution as presented: State Treasurer Laura M. Montoya. Seconded by C'de Baca. Roll Call Vote: Angel

Reyes- yes, Derek Valdo- yes, State Treasurer Laura M. Montoya- yes, Gideon Elliot- yes, Proxy Martina C'de Baca- yes, Rebecca Wurzburger- yes, Patricia Sullivan- yes. Vote: 7-0.

Contracted Services/Credit Committee

- Requests (Justin Carmona & George Maestas) Carmona began his presentation requesting a \$800,000 HOME loan, \$1,500,000 NHTF loan, and \$3,000,000 NMHTF loan for Peachtree Canyon, located in Las Cruces, New Mexico. Peachtree Canyon is a proposed New Construction multifamily project that will create 144 one-, two-, and three-bedroom units for households with children. One hundred thirty-eight units will be income restricted to households earning 60% or less of Area Median Income (AMI). Six of the units will be income restricted to households earning 30% or less of AMI. Discussion ensued regarding program requirements, monitoring, and occupancy. Developers Tom Andrews and Steven Rice participated in a discussion regarding waiting list, construction period and occupancy. Motion to approve the Peachtree Canyon HOME, National Housing Trust Fund, and New Mexico Housing Trust Fund Loan requests as presented: Wurzburger. Seconded by Sullivan. Roll Call Vote: Angel Reyes- yes, Derek Valdo- yes, State Treasurer Laura M. Montoya- yes, Gideon Elliot- yes, Proxy Martina C'de Baca- yes, Rebecca Wurzburger- yes, Patricia Sullivan- yes. Vote: 7-0.
- 4 Biannual Compliance Activity Report (Julie Halbig)- Halbig began her presentation stating the compliance officer is responsible for communicating with the Board of Directors regarding compliance matters. The compliance activities report is intended to provide information to the Board regarding compliance management activities and the results of related oversight of MFA's single-family mortgage lending and servicing departments, including subservicing oversight. Compliance activities will be reported to the Board through the Contracted Services/Credit Committee no less than twice per year, and as needed to fulfill the compliance department's responsibility to inform the Board of any critical compliance issues. She then discussed the summary of compliance activities related to vendor management, subservicing oversight, loan quality control, and tracking of regulatory compliance and consumer complaints from November 2023 through March 2024. During this reporting period, no significant compliance concerns were identified. Discussion ensued regarding foreclosed loans and what, if any, role MFA might consider in keeping foreclosed homes from being purchased by investors. Motion to approve the Biannual Compliance Activity Report as presented: State Treasurer Laura M. Montoya. Seconded by Wurzburger. Roll Call Vote: Angel Reyes- yes, Derek Valdo- yes, State Treasurer Laura M. Montoya- yes, Gideon Elliot- yes, Proxy Martina C'de Baca- yes, Rebecca Wurzburger- yes, Patricia Sullivan- yes. Vote: 7-0.
- 5 2024 Draft Annual Action Plan (Sherry Stephens)- Stephens began her presentation recommending the approval of the 2024 Draft Annual Action Plan to progress towards meeting HUD regulations and final submission to HUD in May 2024. The U.S. Department of Housing and Urban Development (HUD) requires all participating and entitlement jurisdictions, including New Mexico Mortgage Finance Authority (MFA) and the state of New Mexico, to produce five-year Consolidated Plans, one-year Annual Action Plans and annual Consolidated Annual Performance and Evaluation Reports (CAPER) as requisites to receiving formula grants. These grants include Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), Emergency Solutions Grant (ESG), Housing Opportunities for Persons with AIDS (HOPWA), and Housing Trust Funds (HTF). MFA administers HOME, ESG, HOPWA and HTF, while the New Mexico Department of Finance and Administration, Local Government Division (DFA) administers CDBG. The draft 2024 Annual Action Plan illustrates New Mexico's priority needs, goals, outcome measures and proposed distribution of funds across the goals. Funding amounts and outcome measures for goals are determined on estimated allocations using a baseline of prior year data. Motion to approve the 2024 Draft Annual Action Plan as presented: Wurzburger. Seconded by C'de Baca. Roll Call Vote: Angel Reyes- yes, Derek Valdo- yes, State Treasurer Laura M. Montoya- yes, Gideon Elliot- yes, Proxy Martina C'de Baca- yes, Rebecca Wurzburger- yes, Patricia Sullivan- yes. Vote: 7-0.

- 6 Housing Innovation Award Recommendation- HagermanForward Inc. (Daniela Freamon & Robyn Powell)
 - Freamon began her presentation recommends the approval of a \$500,000 award to HagermanForward Inc. under the Housing Innovation Program Notice of Funding Availability (NOFA). The funding source of the Housing Innovation Program is New Mexico Housing Trust Funds, therefore staff recommends approval by MFA, as Trustee of the New Mexico Housing Trust Fund. The Housing Innovation Program Scoring Committee was approved by the Policy Committee on September 5, 2023. Per the Scoring Committee review on March 19, 2024, the HagermanForward Inc. application met all threshold requirements and scored sufficient points to merit an award. Motion to approve the recommendation to Award \$500,000 to HagermanForward Inc. Application Under the Housing Innovation Notice of Funding Availability as presented: Wurzburger. Seconded by Elliot. Roll Call Vote: Angel Reyes- yes, Derek Valdo- yes, State Treasurer Laura M. Montoya- yes, Gideon Elliot- yes, Proxy Martina C'de Baca- yes, Rebecca Wurzburger- yes, Patricia Sullivan- yes. Vote: 7-0.
- Housing Innovation Award Recommendation San Felipe Pueblo Housing Authority (SFPHA) (Daniela Freamon & Robyn Powell)- Freamon began her presentation recommending awarding \$450,000 to the San Felipe Pueblo Housing Authority (SFPHA) under the Housing Innovation Notice of Funding Availability, and as Trustee of the New Mexico Housing Trust Fund. The Housing Innovation Program Scoring Committee was approved by the Policy Committee on September 5, 2023. Per the Scoring Committee review on March 19, 2024, the San Felipe Pueblo Housing Authority application met all threshold requirements and scored sufficient points to merit an award. She stated if awarded SFPHA would be able to assist twenty-four of the sixty additional families with reroofing/repairs on their homes. SFPHA currently has three roofing companies contracted through various projects on the reservation and will conduct a competitive procurement process for the roof installations. SFPHA is prepared to use \$50,000 from its own HUD-approved Tribal Force Account for demolition and replacement of decking, trusses, etc. Motion to approve awarding \$450,000 to the San Felipe Pueblo Housing Authority (SFPHA) under the Housing Innovation Notice of Funding Availability, and as Trustee of the New Mexico Housing Trust Fund as presented: Wurzburger. Seconded by Elliot. Roll Call Vote: Angel Reyes- yes, Derek Valdo- yes, State Treasurer Laura M. Montoya- yes, Gideon Elliot- yes, Proxy Martina C'de Baca- yes, Rebecca Wurzburger- yes, Patricia Sullivan- yes. Vote: 7-0.
- NM Energy\$mart Approval of 2024/2025 DOE Annual and Master State Plans (Troy Cucchiara, David Gutierrez, and Dimitri Florez)- Gutierrez, Flores and Cucchiara began their presentation requesting approval of the NM Energy\$mart 2024/2025 Department of Energy (DOE) Weatherization Assistance Program Annual and Master State Plans and providing the background. The State Plan is the annual application package that is submitted by MFA to the DOE prior to receiving funding for the Weatherization Assistance Program. DOE requires that the State Plan be submitted to them by May 1, 2024. The State Plan consists of two sections, the Annual Plan, and the Master Plan. The Annual Plan includes a detailed breakdown of how the funds will be allocated. The Master Plan describes how the program will be managed overall by the NM Energy\$mart Program. Homeowners and renters who qualify for the program receive an average of \$9,150 in weatherization measures including weatherization readiness. The Department of Energy (DOE) is the primary funding source and they set the rules and regulations for the program. Additionally, DOE is the source of funding that provides for vehicles, equipment, and a training and technical assistance budget. To receive funding from DOE, a State Plan must be submitted no later than May 1, 2024. Funding for the 2024/2025 State Plan totals \$4,570,767.61. With the DOE funding, we are projecting that ICAST will weatherize approximately 36 multifamily statewide units, Central New Mexico Housing will weatherize approximately 98 single family units, and Southwestern Regional Housing and Community Development Corporation will weatherize approximately 40 single family units, and Red Feather Development will weatherize a total of 7 single family units, for a statewide total of 181 units. ICAST will begin sustainability projects with the Sustainable Energy Resources for Consumers (SERC) grant on approximately two hundred units. Motion to approve the NM Energy\$mart Approval of 2024/2025 DOE Annual and Master State Plans as presented: Sullivan. Seconded by C'de Baca. Roll Call Vote: Angel Reyes- yes, Derek Valdo- yes, State Treasurer Laura M. Montoya- yes, Gideon Elliot- yes, Proxy Martina C'de Baca- yes, Rebecca Wurzburger- yes, Patricia Sullivan- yes. Vote: 7-0.

Other

- 9 2024AB Bond Pricing Update (Arundhati Bose) Bose began her presentation summarizing the Single-Family Mortgage Bonds 2024 Series A/B Price Summary. MFA Bond issue 2024AB closed on Feb 22, 2024, the closing and pricing details on bond yields, loan rates, cost of issuance and optional call date for the bonds were discussed. The bond issue is a blended \$120.0 million (i.e., \$96.0 million tax-exempt, 24.0 million taxable) traditional bond issue which provides for non-AMT serial bonds, term bonds and a premium planned amortization class ("PAC") bond. Non-Action Item.
- 10 MFA Housing Continuum Updates (Donna Maestas DeVries & Jeff Payne)- Motion to table MFA Housing Continuum Updates: State Treasurer Laura M. Montoya. Roll Call Vote: Angel Reyes- yes, Derek Valdo- yes, State Treasurer Laura M. Montoya- yes, Gideon Elliot- yes, Proxy Martina C'de Baca- yes, Rebecca Wurzburger- yes, Patricia Sullivan- yes. Vote: 7-0.

Member Valdo left the meeting during the presentation of Tab 11 at 11:33 a.m.

- 11 FY 2024 Strategic Plan Update Benchmarks (Robyn Powell) Powell began her presentation requesting approval of the FY 2024 Strategic Plan Updated Benchmarks. She reviewed Exhibit A that was provided, going over the five goals: Create affordable housing opportunities that support and strengthen New Mexico's communities, build a network of advocates and partners that work to create and promote affordable housing in the state, maintain judicious financial stewardship and principled, efficient business practices, provide robust technological solutions, and foster a healthy, dynamic and team-oriented work environment and their proposed new benchmarks. Motion to approve FY 2024 Strategic Plan Updates Benchmarks as presented: State Treasurer Laura M. Montoya. Seconded by Wurzburger. Roll Call Vote: Angel Reyes- yes, Derek Valdo- absent, State Treasurer Laura M. Montoya- yes, Gideon Elliot- yes, Proxy Martina C'de Baca- yes, Rebecca Wurzburger- yes, Patricia Sullivan- yes. Vote: 6-0.
- 12 Code of Conduct: Updated Disclosure- Patricia Sullivan (Eleanor Werenko)- Werenko began her presentation updating the Board that Member Sullivan submitted an updated disclosure statement which is part of the Board materials, and which will be posted on the MFA's website. Werenko advised the Board that Member Sullivan, through her employment with New Mexico State University, is the Principal Investigator on a cooperative agreement with the U.S. Environmental Protection Agency and provides technical assistance to applicants pursuing federal grant opportunities. One of the applicants to which Member Sullivan has provided technical assistance is a company which is a member of Justice Square, LLC, and entity which recently made an offer to purchase the real property owned by MFA and located at 344 Fourth Street SW, Albuquerque, NM 87102. Non-Action Item.

Other Board Items

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

Monthly Report

- 14 There were no questions asked of staff.
 - Marketing & Communications Monthly Update
 - New Mexico Housing Trust Fund Monthly Update
 - 2/29/24 Financial Statement

Announcements and Adjournment- Confirmation of upcoming Board Meetings. Hernandez provided an update on the sale of the building at 344 4th St., stating there was pending counteroffer to Justice Square, LLC, and several tour of the building. He also updated the progress of the new building at Jefferson.

There being no further business the meeting was adjourned at 11:48 a.m.

Approved:

MFA Regular Board Meeting Minutes April 17, 2024	
5 Page	
Chair, Angel Reyes	Secretary, Isidoro Hernandez



TO: MFA Board of Directors

Through: Finance Committee, May 7, 2024 Through: Policy Committee, April 30, 2024

FROM: Julie Halbig

DATE: May 15, 2024

SUBJECT: MFA Policy and Procedure Manual and Delegations of Authority –

Correction

Recommendation: Staff seeks approval of a correction needed to the Delegations of Authority.

Background: At least annually and as needed, MFA staff reviews and updates the Policies and Procedures Manual. The Policies and Procedures Manual is revised as needed for changes related to compliance, audit findings, clarifications and changes in general practices or policies. Below is a summary of the changes that the Board approved throughout this past year until the next annual review occurred.

Discussion:

At the January 17, 2024, the MFA Board approved various changes to the Delegations of Authority which is incorporated into the MFA Policies and Procedures Manual. The substantive changes to the Delegations centered on the New Mexico Housing Trust Funds. Please see below.

Page 80	Delegations of Authority	Delete the word "Recurring."
		 Add language clarifying that the
	Line 22	this will apply to both Notice of
		Funding Availability (NOFAs) and
		Request for Proposals (RFPs).
		 Deletes "Selection of Vendors".
Page 80	Delegations of Authority	Add "Selection of Service
& 81		Providers".
	Line 23 and	 Delete "Modifications" and
	accompanying footnote	Insert "Notifications for RFPs".
	*(15)	 Clarify that the Board approves
		all RFPs involving NMHTFs,

		delete "Staff Action" under Board approval column. • Delete "Individual Project Awards and" – there is no definition of project awards so this created confusion. • Delete Footnote *(15) since this explanation is no longer needed.
Page 80 & 81	Delegations of Authority	 Add language "NMHTF Selection of Service Providers and
G 01	Insert NEW Line 24	Programmatic Award Notifications for NOFAs". • Add Footnote *(17) referring to what is included in Monthly Dashboard report to the MFA Board of Directors.

The Footnote (15) that was deleted included this language:

"Once the annual plan to encumber funds has been approved by the Board, MFA Management and staff may award or designate funds to awardees (Subrecipients) for individual projects. This includes both competitive and needs-based awards. The Board will be given notice of individual awards through the monthly Staff Action report."

The footnotes were then renumbered but I erred and did not reinsert Footnote (15) back into the correct line that it is referring to in the Delegations. The renumbered Footnote (15) /Previous Footnote (16) contains the below language and it was previously in Line 19.

"Previous Footnote (16) Once the NOFA language has been approved by the Board, MFA Management and staff may designate funds for individual projects."

Staff asks for approval to merely insert "(15)" on Line 19. The footnote language is already in the version of the Delegations that was approved at the January 17, 2024 Board meeting.

Summary: MFA staff seeks approval of a correction needed to the Delegations of Authority.

EXHIBIT E, Policies & Procedures Manual DELEGATIONS OF AUTHORITY: APPROVALS AND REVIEW PROCESS REQUIREMENTS

As approved by Board (54/175/2024)

	AS a	pproved by Board (<u>5</u> 4/1 7 5/2024)	1	1	
		DIRECTORS	EXECUTIVE DIRECTOR/CEO OR CHIEF OFFICER(S)	POLICY COMMITTEE (2) REVIEW OR APPROVAL REQUIRED	BOARD APPROVAL REQUIRED
	ITEM REVIEWED / APPROVED	APPROVAL REQUIRED	APPROVAL REQUIRED	ON ALTHOUAE REGOINES	
1	Programmatic-Related Losses (includes Write-offs, Repairs/Improvements to Property)(1)	Yes, if < \$10,000	Yes, if < \$25,000	Yes, if < \$100,000	Yes, if > \$100,000 or Staff Action
2	MFA to Awardee: Lending/Loans (Initial amount)(2)(13)	Yes, if < \$100,000	Yes, if < \$250,000	Yes, if < \$500,000	Yes, only if > \$500,000
3	MFA to Awardee: General Fund Grant Awards (initial amounts) (4) (9)(13)	Yes, if < 5,000	Yes, if < 10,000	Yes, if <50,000	Yes, if > 50,000
4	MFA to Awardee: Modifications to Loans (increase over initial amount)(2)(3)(13)	Yes, if >10%	Yes, if >15%	Yes, if < 25%	Yes, if > 25%
5	MFA to Awardee: Modifications of Grants (based Need/Capacity/Timing Constraints) (5)(13)	Yes, if < \$50,000	Yes, if > \$50,000	Yes, if > \$100,000	Staff Action
6	HOME, CDBG, ESG & NHTF (Activity Allocation as Percent of Original Line Item Allocation)	No	No	Yes, up to 25%	Yes, over 25%
7	State Appropriations (Legislative or State Agency)(6)	Yes, if < \$50,000	Yes, if > \$50,000	Yes, if > \$100,000	Staff Action
8	MFA applications for funding and receipt of Awards and/or New Funding Source to MFA	No	Yes, if < \$100,000	Yes, if > \$100,000	Staff Action
9	Disposition or Sale of Tangible Goods	No	No	Yes, All Instances	Staff Action
10	Professional Service Contracts RFP Language Approval and Selection of Vendor (7)(12)	No	No	No	Yes
11	Professional Service Contract RFP Renewals	Yes	Yes	PC Staff Action	No
12	Small Purchases per Procurement Policy (\$1-\$50,000/No RFQ Required)	No	Yes, if < \$50,000	PC Staff Action	No
13	RFQ/Informal Bids (Advance and Selections Approvals) for all procurement, modifications and renewals	No	Yes, RFQ needed – Approval between \$50,001- \$75,000	Yes, RFQ needed - Approval between \$75,001 - \$200,000	Yes, if > \$200,000 or Staff Action if below \$200K
14	Emergency, Limited Source, State Contract (Per individual contract limit – No RFQ Required)	Yes if <=\$50,000	Yes, if between \$ 50,001- \$75,000	Yes, if between > \$75,001 - \$200,000 Staff Action if below \$75K	Yes, only if >\$200,000 or Staff Action if below \$200K
15	All Programmatic RFP Language Approved and Selection of Vendor (12)	No	No	No	Yes
16	All Programmatic RFP Contract Renewals	No	Yes	PC Staff Action	No
17	Regional Housing Authorities: Approval of Contracts and MOUs (does not include real estate transactions or MFA funds)(Note: Contracts <100K do not require MFA approval)(14)	No	No	Yes, for any amount over \$100,000	Staff Action
18	Program Policies (8)	No	No	No	Yes
19	Notice of Funding Availability (NOFA) Language and Selection of Vendor(s) (All other funding sources except for NMHTF) (156)	No	No	No	Yes
20	Consolidated and Action Plans (HOME)	No	No	No	Yes
21	State Plan Approval and allocation of DOE Funds (9)	No	No	No	Yes
22	NMHTF Funds (11) (16)	No	Yes	Yes	Yes
23	NMHTF Selection of Service Providers and Programmatic Award Notifications for RFPs	No	No	Yes	Yes
24	NMHTF Selection of Service Providers and Programmatic Award Notifications for NOFAs (17)	No	No	Yes	Monthly Report
	Servicing				
2 <u>5</u> 4	Foreclosures and Deeds in Lieu of Foreclosure - Multi Family and Single Family Development	No	No	Yes	Staff Action
2 <u>6</u> 5	Individual Loan Modifications	Yes	No	No	No
	Housing Development				
2 <u>7</u> 6	LIHTC QAP and Awards (10)	No	No	No	Yes
	LTTF Awards (11)	No	No	No	Yes
	LTTF and NMHTF Award Modifications (3)	No V if (\$100,000	No No	Yes	Staff Action
30 2 9	All Other HD Loan/Grant Programs (HOME, NHTF, NMHTF)	Yes, if < \$100,000 (Loan)	Yes, if < \$250,000 (Loan)	Yes, if < \$500,000 (Loan)	Yes, only if > \$500,000 (Loan)
		Yes, if <\$5,000 (Grant)	Yes, if <\$10,000 (Grant)	Yes, if < \$50,000 (Grant)	Yes, if > \$50,000 (Grant)

- (1) Notice, including final REO losses, are to be provided to the Board at the following month's meeting through the Staff Action report. A member of management has the authority to negotiate sales terms and final disposition.
- (2) If at the time of the approval, the borrower's outstanding obligations to MFA and commitments by MFA exceed \$5 million (measured in commitments), approvals by Policy Committee, Committee and Board will be required regardless of the current or proposed increased loan approval amount. If at the time the original loan approved by the Board authorizes staff to increase the loan by up to 10%, an increase within this amount would not need to go back to Committee or the Board for approval regardless of whether total outstanding obligations to MFA and MFA commitments exceed \$5 million. Home Ownership Director is authorized to purchase single family loans up to a \$300,000 threshold as long as the loans are an acceptable risk to MFA or if due to MFA or subservicer error and not the fault of the lender.
- (3) Modifications to loans over the initial amount only need approval if it exceeds the original loan amount.
- (4) These grants are funded through the general fund.
- (5) For grants, please consult funder/funding guidance for modification/reallocation.
- (6) Presentation to the Board at the discretion of MFA's ED/CEO.
- (7) This applies to the following professional services: bond underwriter, legal and bond counsel, sub-servicer, lobbyist, trustee, architects, engineers and auditors, all of which require approval by the Board. Includes contracts for services paid from the MFA General Fund
- (8) Once the Board has initially approved the Program policies, the implementation of program policy changes mandated by funding agency do not require Board approval. Staff actions or presentation at the discretion of MFA's ED/CEO.
- (9) DOE Formula accounts for census population, poverty rates, heating/cooling days in allocating of funding.
- (10) Exceptions granting staff authority as stated in QAP, including granting staff authorization to award credits to tax exempt bond projects. Competitive cycle awards are recommended by outside Advisory committee.
- (11) By Statute, NMHTF and LTTF project applications or program guidelines are presented for recommendation by outside Advisory Committees.
- (12) If the RFP's selected vendor has been approved by the Board, then Director may sign contract.
- (13) The term Awardee includes: Subrecipients, individual households and borrowers.
- (14) The Board will review and approve real estate transactions involving the Regional Housing Authorities.
- (15) Once the NOFA language has been approved by the Board, MFA Management and staff may designate funds for individual projects.
- (16) The Executive Director/CEO or Chief Officers and Policy Committee shall review and approve before final approval of Board.
- (17) Staff will provide NMHTF NOFA awardees, awards, and expenditures via the Monthly Reports.
- NOTE: Delegations for Directors and Chiefs are capped at the lower end of the delegated authority or approved budget.
- NOTE: Directors and Chiefs will provide Staff Actions to PC for all items approved and Staff Actions will be provided to the Board as noted above.

EXHIBIT E, Policies & Procedures Manual DELEGATIONS OF AUTHORITY: APPROVALS AND REVIEW PROCESS REQUIREMENTS

As approved by Board (1/17/2024)

		DIRECTORS	EXECUTIVE DIRECTOR/CEO OR CHIEF OFFICER(S)	POLICY COMMITTEE (2) REVIEW	BOARD APPROVAL REQUIRED
	ITEM REVIEWED / APPROVED	APPROVAL REQUIRED	APPROVAL REQUIRED	OR APPROVAL REQUIRED	BOAND AFFINOVAL REQUIRED
1	Programmatic-Related Losses (includes Write-offs, Repairs/Improvements to Property)(1)	Yes, if < \$10,000	Yes, if < \$25,000	Yes, if < \$100,000	Yes, if > \$100,000 or Staff Action
2	MFA to Awardee: Lending/Loans (Initial amount)(2)(13)	Yes, if < \$100,000	Yes, if < \$250,000	Yes, if < \$500,000	Yes, only if > \$500,000
3	MFA to Awardee: General Fund Grant Awards (initial amounts) (4) (9)(13)	Yes, if < 5,000	Yes, if < 10,000	Yes, if <50,000	Yes, if > 50,000
4	MFA to Awardee: Modifications to Loans (increase over initial amount)(2)(3)(13)	Yes, if >10%	Yes, if >15%	Yes, if < 25%	Yes, if > 25%
5	MFA to Awardee: Modifications of Grants (based Need/Capacity/Timing Constraints) (5)(13)	Yes, if < \$50,000	Yes, if > \$50,000	Yes, if > \$100,000	Staff Action
6	HOME, CDBG, ESG & NHTF (Activity Allocation as Percent of Original Line Item Allocation)	No	No	Yes, up to 25%	Yes, over 25%
7	State Appropriations (Legislative or State Agency)(6)	Yes, if < \$50,000	Yes, if > \$50,000	Yes, if > \$100,000	Staff Action
8	MFA applications for funding and receipt of Awards and/or New Funding Source to MFA	No	Yes, if < \$100,000	Yes, if > \$100,000	Staff Action
9	Disposition or Sale of Tangible Goods	No	No	Yes, All Instances	Staff Action
10	Professional Service Contracts RFP Language Approval and Selection of Vendor (7)(12)	No	No	No	Yes
11	Professional Service Contract RFP Renewals	Yes	Yes	PC Staff Action	No
12	Small Purchases per Procurement Policy (\$1-\$50,000/No RFQ Required)	No	Yes, if < \$50,000	PC Staff Action	No
13	RFQ/Informal Bids (Advance and Selections Approvals) for all procurement, modifications and renewals	No	Yes, RFQ needed – Approval between \$50,001- \$75,000	Yes, RFQ needed - Approval between \$75,001 - \$200,000	Yes, if > \$200,000 or Staff Action if below \$200K
14	Emergency, Limited Source, State Contract (Per individual contract limit – No RFQ Required)	Yes if <=\$50,000	Yes, if between \$ 50,001- \$75,000	Yes, if between > \$75,001 - \$200,000 Staff Action if below \$75K	Yes, only if >\$200,000 or Staff Action if below \$200K
15	All Programmatic RFP Language Approved and Selection of Vendor (12)	No	No	No	Yes
16	All Programmatic RFP Contract Renewals	No	Yes	PC Staff Action	No
17	Regional Housing Authorities: Approval of Contracts and MOUs (does not include real estate transactions or MFA funds)(Note: Contracts <100K do not require MFA approval)(14)	No	No	Yes, for any amount over \$100,000	Staff Action
18	Program Policies (8)	No	No	No	Yes
19	Notice of Funding Availability (NOFA) Language and Selection of Vendor(s) (All other funding sources except for NMHTF) (16)	No	No	No	Yes
20	Consolidated and Action Plans (HOME)	No	No	No	Yes
21	State Plan Approval and allocation of DOE Funds (9)	No	No	No	Yes
22	NMHTF Funds (11) (16)	No	Yes	Yes	Yes
23	NMHTF Selection of Service Providers and Programmatic Award Notifications for RFPs	No	No	Yes	Yes
24	NMHTF Selection of Service Providers and Programmatic Award Notifications for NOFAs (17)	No	No	Yes	Monthly Report
	Servicing				
24	Foreclosures and Deeds in Lieu of Foreclosure - Multi Family and Single Family Development	No	No	Yes	Staff Action
25	Individual Loan Modifications	Yes	No	No	No
	Housing Development				
	LIHTC QAP and Awards (10)	No	No	No	Yes
	LTTF Awards (11)	No	No	No	Yes
	LTTF and NMHTF Award Modifications (3)	No Yes, if < \$100,000	No Vos. if < \$250,000 (Loan)	Yes Yes	Staff Action
29	All Other HD Loan/Grant Programs (HOME, NHTF, NMHTF)	(Loan)	Yes, if < \$250,000 (Loan)	Yes, if < \$500,000 (Loan)	Yes, only if > \$500,000 (Loan)
		Yes, if <\$5,000 (Grant)	Yes, if <\$10,000 (Grant)	Yes, if < \$50,000 (Grant)	Yes, if > \$50,000 (Grant)

- (1) Notice, including final REO losses, are to be provided to the Board at the following month's meeting through the Staff Action report. A member of management has the authority to negotiate sales terms and final disposition.
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- (4) These grants are funded through the general fund.
- (5) For grants, please consult funder/funding guidance for modification/reallocation.
- (6) Presentation to the Board at the discretion of MFA's ED/CEO.
- (7) This applies to the following professional services: bond underwriter, legal and bond counsel, sub-servicer, lobbyist, trustee, architects, engineers and auditors, all of which require approval by the Board. Includes contracts for services paid from the MFA General Fund
- (8) Once the Board has initially approved the Program policies, the implementation of program policy changes mandated by funding agency do not require Board approval. Staff actions or presentation at the discretion of MFA's ED/CEO.
- (9) DOE Formula accounts for census population, poverty rates, heating/cooling days in allocating of funding.
- (10) Exceptions granting staff authority as stated in QAP, including granting staff authorization to award credits to tax exempt bond projects. Competitive cycle awards are recommended by outside Advisory committee.
- (11) By Statute, NMHTF and LTTF project applications or program guidelines are presented for recommendation by outside Advisory Committees.
- (12) If the RFP's selected vendor has been approved by the Board, then Director may sign contract.
- (13) The term Awardee includes: Subrecipients, individual households and borrowers.
- (14) The Board will review and approve real estate transactions involving the Regional Housing Authorities.
- (15) Once the NOFA language has been approved by the Board, MFA Management and staff may designate funds for individual projects.
- (16) The Executive Director/CEO or Chief Officers and Policy Committee shall review and approve before final approval of Board.
- (17) Staff will provide NMHTF NOFA awardees, awards, and expenditures via the Monthly Reports.
- NOTE: Delegations for Directors and Chiefs are capped at the lower end of the delegated authority or approved budget.
- NOTE: Directors and Chiefs will provide Staff Actions to PC for all items approved and Staff Actions will be provided to the Board as noted above.

EXHIBIT E, Policies & Procedures Manual DELEGATIONS OF AUTHORITY: APPROVALS AND REVIEW PROCESS REQUIREMENTS

As approved by Board (5/17/2023)

	ITEM REVIEWED / APPROVED	DIRECTORS APPROVAL REQUIRED	EXECUTIVE DIRECTOR/CEO OR CHIEF OFFICER(S) APPROVAL REQUIRED	POLICY COMMITTEE (2) REVIEW OR APPROVAL REQUIRED	BOARD APPROVAL REQUIRED
1	Programmatic-Related Losses (includes Write-offs, Repairs/Improvements to Property)(1)	Yes, if < \$10,000	Yes, if < \$25,000	Yes, if < \$100,000	Yes, if > \$100,000 or Staff Action
2	MFA to Awardee: Lending/Loans (Initial amount)(2)(13)	Yes, if < \$100,000	Yes, if < \$250,000	Yes, if < \$500,000	Yes, only if > \$500,000
3	MFA to Awardee: General Fund Grant Awards (initial amounts) (4) (9)(13)	Yes, if < 5,000	Yes, if < 10,000	Yes, if <50,000	Yes, if > 50,000
4	MFA to Awardee: Modifications to Loans (increase over initial amount)(2)(3)(13)	Yes, if >10%	Yes, if >15%	Yes, if < 25%	Yes, if > 25%
5	MFA to Awardee: Modifications of Grants (based Need/Capacity/Timing Constraints) (5)(13)	Yes, if < \$50,000	Yes, if > \$50,000	Yes, if > \$100,000	Staff Action
6	HOME, CDBG, ESG & NHTF (Activity Allocation as Percent of Original Line Item Allocation)	No	No	Yes, up to 25%	Yes, over 25%
7	State Appropriations (Legislative or State Agency)(6)	Yes, if < \$50,000	Yes, if > \$50,000	Yes, if > \$100,000	Staff Action
8	MFA applications for funding and receipt of Awards and/or New Funding Source to MFA	No	Yes, if < \$100,000	Yes, if > \$100,000	Staff Action
9	Disposition or Sale of Tangible Goods	No	No	Yes, All Instances	Staff Action
10	Professional Service Contracts RFP Language Approval and Selection of Vendor (7)(12)	No	No	No	Yes
11	Professional Service Contract RFP Renewals	Yes	Yes	Staff Action	No
12	Small Purchases per Procurement Policy (\$1-\$50,000/No RFQ Required)	No	Yes, if < \$50,000	Staff Action	No
13	RFQ/Informal Bids (Advance and Selections Approvals) for all procurement, modifications and renewals	No	Yes, RFQ needed – Approval between \$50,001- \$75,000	Yes, RFQ needed - Approval between \$75,001 - \$200,000	Yes, if > \$200,000 or Staff Action if below \$200K
14	Emergency, Limited Source, State Contract (Per individual contract limit – No RFQ Required)	Yes if <=\$50,000	Yes, if between \$ 50,001- \$75,000	Yes, if between > \$75,001 - \$200,000 Staff Action if below \$75K	Yes, only if >\$200,000 or Staff Action if below \$200K
15	All Programmatic RFP Language Approved and Selection of Vendor (12)	No	No	No	Yes
16	All Programmatic RFP Contract Renewals	No	Yes	Staff Action	No
17	Regional Housing Authorities: Approval of Contracts and MOUs (does not include real estate transactions or MFA funds)(Note: Contracts <100K do not require MFA approval)(14)	No	No	Yes, for any amount over \$100,000	Staff Action
18	Program Policies (8)	No	No	No	Yes
19	Notice of Funding Availability (NOFA) Language and Selection of Vendor(s) (All other funding sources except for NMHTF) (16)	No	No	No	Yes
20	Consolidated and Action Plans (HOME)	No	No	No	Yes
21	State Plan Approval and allocation of DOE Funds (9)	No	No	No	Yes
22	NMHTF Recurring Funds (11) (17) Annual Plan to Encumber Funds Funded Programs including Program Guidelines Notice of Funding Availability (NOFA) Language and Selection of Vendor(s)	No	Yes	Yes	Yes
23	NMHTF Individual Project Awards and Programmatic Award Modifications (15)	No	Yes	Yes	Staff Action
	Servicing				
24	Foreclosures and Deeds in Lieu of Foreclosure - Multi Family and Single Family Development	No	No	Yes	Staff Action
25	Individual Loan Modifications	Yes	No	No	No
	Housing Development				
26	LIHTC QAP and Awards (10)	No	No	No	Yes
27	LTTF Awards (11)	No	No	No	Yes
28	LTTF and NMHTF Award Modifications (3)	No	No No	Yes	Staff Action
29	All Other HD Loan/Grant Programs (HOME, NHTF, NMHTF)	Yes, if < \$100,000 (Loan)	Yes, if < \$250,000 (Loan)	Yes, if < \$500,000 (Loan)	Yes, only if > \$500,000 (Loan)
		Yes, if <\$5,000 (Grant)	Yes, if <\$10,000 (Grant)	Yes, if < \$50,000 (Grant)	Yes, if > \$50,000 (Grant)

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- (14) The Board will review and approve real estate transactions involving the Regional Housing Authorities.
- (15)Once the annual plan to encumber funds has been approved by the Board, MFA Management and staff may award or designate funds to awardees (Subrecipients) for individual projects. This includes both competitive and needs-based awards. The Board will be given notice of individual awards through the monthly Staff Action report.
- (16) Once the NOFA language has been approved by the Board, MFA Management and staff may designate funds for individual projects.
- (17) The Executive Director/CEO or Chief Officers and Policy Committee shall review and approve before final approval by the Board.
- NOTE: Delegations for Directors and Chiefs are capped at the lower end of the delegated authority or approved budget.
- NOTE: Directors and Chiefs will provide Staff Actions to PC for all items approved and Staff Actions will be provided to the Board as noted above.



NEW MEXICO MORTGAGE FINANCE AUTHORITY

Finance/Operations Committee Meeting Thursday, May 9, 2024 at 3:45 p.m.

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

COMMITTEE RECOMMENDED	BOARD ACTION REQUIRED
Approved 3-0	YES
	NO NO
	Approved 3-0 Approved 3-0 Approved 3-0

Match 2024 Check Register			NO
nmittee Members present: Derek Valdo, Chair	□ present	□ absent	✓ conference call
State Treasurer Laura M. Montoya/ Christine Anaya	□ preso	ent □ ab	sent ✓ conference call
Lt. Governor Howie Morales or Proxy Martina C'de Baca	□ present	□ absent	✓ conference call
Job Fg	5/9/2024		





TO: MFA Board of Directors

Through: Finance Committee – May 7, 2024
Through: Policy Committee – April 30, 2024

FROM: Joseph McIntyre, Controller

DATE: May 15, 2024

SUBJECT: Authorized Signatures Resolution

Recommendation:

Staff recommends the update of the Authorized Signature Resolution to add Theresa Laredo-Garcia as Director of Servicing and drop former Controller Yvonne Segovia from the Authorized Signature Resolution.

Background:

The Authorized Signatures Resolution is updated periodically as needed.

Discussion:

Theresa Laredo Garcia became Director of Servicing earlier this month. To transact routine business consistent with her delegations of authority, Theresa Laredo-Garcia should be added to the Authorized Signature Resolution. Staff would also like to take this opportunity to drop former Controller Yvonne Segovia from the resolution since she retired on February 1, 2024, and she has not been removed from the signature resolution.

Summary:

The Authorized Signatures Resolution is updated periodically as needed. Staff recommends the updates per the discussion above.

NEW MEXICO MORTGAGE FINANCE AUTHORITY **AUTHORIZED SIGNATURES RESOLUTION**

WHEREAS, a regular meeting of the Board of Directors of the New Mexico Mortgage Finance Authority (MFA) was held at the New Mexico Mortgage Finance Authority Hilton Santa Fe Historic Plaza 344 Fourth Street Albuquerque, NM 87102100 Sandoval Street, Santa Fe, NM 87501 on Wednesday May 15. 2024September 20, 2023 at 9:30 a.m.; and

WHEREAS authorized signatures are required to conduct the ongoing business of the MFA;

IT IS THEREFORE RESOLVED:

1. The individuals holding the following positions are designated as Authorized Signatures on documents and/or instruments required to perform program and servicing activities consistent with their areas of responsibility:

Executive Director/Chief Executive Officer Isidoro R. Hernandez Chief Financial Officer Arundhati Bose **Chief Housing Officer** Donna Maestas-De Vries

Chief Lending Officer Jeff Payne Human Resources Director **Dolores Wood**

Director of Servicing Theresa Laredo Garcia Teresa Lloyd

Assistant Director of Servicing Blanca Vasquez Director of Secondary Market Olivia Martinez Secondary Market Supervisor Cindy Arellano Secondary Market Loan Processor Janet Armijo

Document Custodian Amber Erni Document Custodian Judy Horsman

2. The individuals, holding the following positions, are designated as Authorized Signatures on Bank Accounts with the authority to establish accounts in any bank or financial institution (bank) in the name and on behalf of MFA; or to withdraw or disburse funds by checks, drafts, wire transfers, Automated Clearing House (ACH) or other instruments or orders customarily used for the disbursement or payment of funds; and to make, execute, and deliver, under the seal of MFA, any and all bank instruments necessary to effectuate the authority here by conferred:

Chair of the Board Angel A. Reyes Vice-Chair of the Board Derek Valdo Treasurer of the Board Rebecca Wurzburger

Other Board Members Designated by the Chair of the Board

3. The individuals, holding the following positions, are authorized to effectuate the daily operations of MFA, including approve disbursements from MFA bank accounts by wire, ACH or other electronic transfer; endorse checks payable to MFA; and to make, execute, and deliver under the seal of MFA, any and all bank instruments necessary to effectuate the electronic transfers, endorsements, or other

bank services:

Chief Financial Officer Arundhati Bose Chief Housing Officer Donna Maestas-De Vries Chief Lending Officer Jeff Payne

Controller **Yvonne Segovia** Joseph G. McIntvre Controller Assistant Controller Domenica Duran-Arias 4. The individuals holding the following positions are designated as Authorized Signatures on contracts and documents that legally bind the MFA. The Executive Director/Chief Executive Officer (ED/CEO) is the authorized signer on behalf of MFA. Other Management (as defined in MFA's Bylaws) are designated to sign on behalf of ED/CEO; however, they shall be limited to signing contracts and documents within the individual's area of responsibility.

ED/CEO Isidoro R. Hernandez Chief Financial Officer Arundhati Bose

Chief Housing Officer Donna Maestas-De Vries

Chief Lending Officer Jeff Payne
Director of Human Resources Dolores Wood

5. The individuals holding the following positions are designated as Authorized Signatures on federal fiscal reports and payment vouchers in accordance with OMB 2 CFR 200.415:

Chief Financial Officer Arundhati Bose

Chief Housing Officer Donna Maestas-De Vries

Controller Yvonne Segovia
Controller Joseph G. McIntyre

6. The individuals holding the following positions are designated as Authorized Signatures on contracts and documents that legally bind the MFA where awards have been approved by Policy Committee or Board of Directors; however, such contracts and documents shall be limited to the individual's area of responsibility:

Controller

Controller

Senior Director of Information Technology

Director of Asset Management

Director of Communications & Marketing Director of Community Development Director of Compliance & Initiatives

Director of Homeownership
Director of Housing Development
Director of Policy & Planning
Director of Secondary Market

Director of Servicing

Yvonne Segovia

Joseph G. McIntyre
Joseph Navarrete
Patrick Ortiz
Kristie Garcia
Kellie Tillerson
Julie Halbig
Rene Acuna
George Maestas
Robyn Powell
Olivia Martinez

Theresa Laredo Garcia Teresa Lloyd

7. Authorized Signatures shall be valid, binding, and enforceable against MFA when executed by means of (i) an original manual signature; (ii) a faxed or scanned manual signature, or (iii) any other electronic signature permitted by the federal Electronic Signatures in Global and National Commerce Act, state enactments of the Uniform Electronic Transactions Act, and/or any other relevant electronic signatures law, including any relevant provisions of the Uniform Commercial Code (collectively, "Signature Law"), in each case to the extent applicable. Each faxed or scanned manual signature, and each electronic signature, shall for all purposes have the same validity and legal effect as an original manual signature. For the avoidance of doubt all electronic signatures must comply with MFA's Electronic Signatures Policy.

After discussion the foregoing Resolution was: ADOPTED:
Aye:
Nay:
Abstain:
Absent:
PASSED AND APPROVED BY THE NEW MEXICO MORTGAGE FINANCE AUTHORITY THIS 15th DAY OF MAY, 2024 20th DAY OF SEPTEMBER, 2023.
Angel Reyes, Chair
CERTIFICATION
I HEREBY CERTIFY, that I am the Secretary of the New Mexico Mortgage Finance Authority; that the above and foregoing is a full, true and correct copy of a resolution duly and regularly adopted by the vote of the majority or more of the directors of the New Mexico Mortgage Finance Authority in accordance with the MFA bylaws in effect on January 18, 2023; that there is no provision in the articles of the MFA bylaws conflicting with said resolution; and that said resolution has not been modified or revoked and still remains in full force and effect.
IN WITNESS WHEREOF, I have hereunto set my hand and seal of the New Mexico Mortgage Finance Authority this 15th day of May 2024.20th day of September 2023.
Isidoro Hernandez, Secretary
(SEAL)





TO: MFA Board of Directors

Through: Policy Committee April 30, 2024

Through: Finance Committee May 7, 2024

FROM: Joseph McIntyre, Controller

DATE: May 15, 2024

RE: HOF Reallocation Primero to PRLF

Recommendation:

Staff recommends the reallocation of Housing Opportunity Funds in the amount of \$925,000 from the Primero Investment Fund Program to the Preservation Revolving Loan Fund (PRLF.)

Background:

The Housing Opportunity Fund (HOF) was created in 1992 to support MFA's legislative responsibility to provide decent, safe, and affordable housing programs to benefit all New Mexicans. The HOF programs are funded by MFA's General Fund reserves through appropriations designated by the Board. The programs that comprise the General Fund HOF include the following: Primero Investment Fund Program, Partners Loan Program, Down Payment Assistance (DPA) Program, HERO First Mortgage Program, Access Loan Program, Preservation Revolving Loan Fund (PRLF) and Emergency Housing Needs Program. The Board has appropriated General Fund reserves to various programs in the HOF throughout the years. Total appropriations to date are \$98.2 million.

MFA secured funding from USDA for the Preservation Loan Development Fund (PRLF) Demonstration Program in 2014, 2015, and 2019.

MFA allocated \$925,000 of Housing Opportunity Funding (HOF) in match funding to leverage against the USDA funding.

In FY 2022 and FY 2023, MFA reallocated the \$925,000 to other areas because of delays in the USDA projects.

Housing Development staff have the USDA projects back on track, and the match funding from the HOF is needed to move projects forward in FY 2024.

Discussion:

The attached schedule summarizes the status of Housing Opportunity Funds as of 3/31/2024. Primero Loan Funds show an available balance of \$4,655,371 and PRLF shows an overall need of \$504,311. The MFA matching funds must be reallocated for the USDA funds to be available. Staff believes that the PRLF projects that have been in progress for quite some time will finally close in FY 2024. MFA has committed \$925,000 to these projects. USDA funding cannot be utilized without MFA meeting its match commitment.

Summary:

Staff recommends the reallocation of Housing Opportunity Funds in the amount of \$925,000 from Primero to PRLF.

Financial Statement Date: 3/31/2024

682,555

925,710

510,726

995,044

1,000,000

New Mexico Mortgage Finance Authority Housing Opportunity Fund Unused Appropriations

		BUILD IT Loan									
Description	Access Loans	Guaranty	DPA Mortgages	Emergency Housing Needs	Emerging Markets	HERO 1st Mortgages	Partners Loans	Primero Loans	Primero Loans PRLF	Primero Working Capital Loans	Total
Original Appropriation: Appropriation Transfers RHED 2002 Award HERO Loans/State Innovations DPA Loans/State Mortgage Loans DPA Loans/General Indenture Wells Fargo USDA NM Small Business Investment Corp. Used for:	32,143,000 (8,726,000)	2,500,000 (2,500,000)	38,478,739 30,384,709 363,413 75,000 11,019,000	500,000	1,550,000 (1,550,000)	10,000,000 (8,964,709)	6,838,000 (3,909,000)	5,824,041 (4,385,000) 13,000 850,000 3,500,000	4,125,000	350,000 (350,000)	98,183,781 0 13,000 363,413 75,000 11,019,000 850,000 4,125,000 3,500,000
Funded Loans Repayments Funded Grants	(31,522,224) 7,878,890		(168,044,212) 87,751,942	0 0 (53,390)		(9,258,705) 8,223,413	(13,878,698) 11,492,584	(19,052,318) 18,905,648	(1,935,965) 420,689	(35,000) 35,000	(243,727,122) 134,708,166 (53,390)
Totals	(226,334)	0	28,591	446,610	0	(0)	542,886	5,655,371	2,609,724	0	9,056,848
Total Unused Appropriations:											9,056,848
Net Loans Outstanding:	23,643,334	-	80,292,271	-	-	1,035,292	2,386,114	146,670	1,515,276	-	109,018,957
Reservations: Commitments: Combined Total:	0		1,544,120 1,147,597 2,691,717	125,000		0 0	0 0 0	1,000,000	3,114,035	0	5,386,632
				321,610	0	(0)	542,886	4,655,371	(504,311)	0	3,670,216

Commitments:

Las Rosas I Las Rosas II Sacramento Apartments Mountain View Apartments Tierra Encantada Apartments Homeowner in Santa Fe County

125,000.00

Non FAF HOME Match info.: Used

 Used
 (188,093)

 Payments
 170,836

^{*} Total available is not adjusted for DPA Reservations.

Financial Statement Date: 4/30/2022

New Mexico Mortgage Finance Authority Housing Opportunity Fund Unused Appropriations

BUILD IT Loan Description DPA **HERO** Emerging Primero Loans Primero Loans Primero Working Partners Loans Guaranty Access Emergency Total Capital Loans Markets Housing Needs PRLF 1st Mortgages Mortgages Loans 10,000,000 Original Appropriation: 5,824,041 0 350,000 6,838,000 2,500,000 38,478,739 1,550,000 32,143,000 500,000 98,183,781 **Appropriation Transfers** (4,877,000) 925,000 (350,000)(4,240,000) (2,500,000) 27,315,333 (8,522,333) (1,550,000) (6,201,000)RHED 2002 Award 13,000 13,000 HERO Loans/State Innovations 363,413 363,413 DPA Loans/State Mortgage Loans 75,000 75,000 DPA Loans/General Indenture 11,019,000 11,019,000 Wells Fargo 850,000 850,000 USDA 4,125,000 4,125,000 NM Small Business Investment Corp. 2,500,000 2,500,000 Used for: (19,052,318) (1,935,965) (13,532,400) (9,258,705) (221,331,697) (145,995,084) Funded Loans (35,000)(31,522,224)114,339,408 18,577,756 Repayments 298,015 35,000 10,897,202 70,878,160 7,781,037 5,872,237 2,134,562 3,835,479 3,412,050 0 (37,198) (0) 0 292,013 10,136,905 500,000 Totals

Total Unused Appropriations: 10,136,905

Net Loans Outstanding:	474,562	1,637,950	-	2,635,198	- 75,116,924	1,477,668	-	25,649,987	-	106,992,289
Reservations: Commitments: Combined Total:	500,000	3,114,035	0 _	0 100,800 100,800	1,402,794 991,046 2,393,840	0 0 0		0	0	4,705,881
Available:	3,335,479	298,015	0	(137,998)	(259,278)	(0)	0	292,013	500,000	5,431,024 *

Commitments:		
Hacienda Heights	500,000	
Las Rosas I		682,555
Las Rosas II		925,710
Sacramento Apartments		510,726
Mountain View Apartments		995,044

Non FAF HOME Match info.:

Used (188,093)
Payments 164,487

^{*} Total available is not adjusted for DPA Reservations.

G:\Financial Stmts\31 HOF Unused Appropriations4-30-22





TO: MFA Board of Directors

Through: Policy Committee April 30, 2024

Through: Finance Committee May 7, 2024

FROM: Joseph McIntyre, Controller

DATE: May 15, 2024

RE: Extension of External Audit Contract

Recommendation:

Staff recommends a one-year extension for the External Audit Services with CliftonLarsonAllen LLP (CLA) for the fiscal year ending 9/30/2024 at the proposed rate. CLA is amenable to the extension.

Background:

4/19/2023 Board issued Request for Proposal for External Audit Services.

6/21/2023 Board awarded external audit services contract to CLA for the fiscal year

ending 9/30/2023, with three successive one-year extensions at the

option of the Board.

4/19/2024 The Office of the State Auditor (OSA) directed MFA to choose an audit

firm to conduct the financial and compliance audit for the fiscal year FY

2024 under the existing 2023 audit rule.

Discussion:

The updated Audit Rule 2.2.2 issued by the Office of the State Auditor (OSA) applicable to 2024 has not yet been finalized. The OSA has proposed that changes made in 2021 to allow audit firms to to have an 8 year rotation be reduced back to a 6 year rotation. MFA's 2023 RFP contemplated a one year contract with the option for three one year extensions. The proposed changes to the 2024 Audit Rule have generated tremendous public comment and delayed issuance of the 2024 Audit Rule. On 4-19-24, OSA legal counsel was contacted by MFA Controller Joseph McIntyre to ask when the 2024 audit rule will be finalized. Andrea Salazar advised that the 2023 Audit Rule is still in effect and that MFA could begin the contract extension process.

MFA is a complex organization to learn, and CLA is familiar with the financial audit requirements and has the ability to complete them within a very short timeframe. MFA is satisfied with CLA's quality of service. CLA is amenable to extending the contract for another year. The amount proposed for the FY2024 audit is \$228,900 plus gross receipts tax. In addition, CLA needs to allocate staff time to MFA and plan for interim audit if the contract is extended. The interim audit would begin in August of 2024.

Summary:

Staff recommends a one-year extension for the External Audit Services contract with CliftonLarsonAllen LLP for the fiscal year ending 9/30/2024 at the proposed rate. CLA is amenable to the extension. The final contract with CLA will still need to be approved by the Office of the State Auditor.

New Mexico Mortgage Finance Authority

Combined Financial Statements and Schedules

March 31, 2024

NEW MEXICO MORTGAGE FINANCE AUTHORITY FINANCIAL REVIEW For the six-month period ended March 31, 2024

C	OMPARATIVE FISCAL YEAR-TO-DATE FIGURES (Dollars in millions):	6 months	6 months	% Change	Forecast	Actual to
		<u>3/31/2024</u>	<u>3/31/2023</u>	<u>Year / Year</u>	<u>3/31/2024</u>	<u>Forecast</u>
	PRODUCTION					
1	Single family issues (new money):	\$245.0	\$135.0	81.5%	\$150.3	63.0%
2	Single family loans sold (TBA):	\$44.4	\$0.0		\$12.2	264.1%
3	Total Single Family Production	\$289.4	\$135.0	114.4%	\$162.5	78.1%
4	Single Family Bond MBS Payoffs:	\$24.1	\$23.6	2.0%	\$29.9	-19.6%
	STATEMENT OF NET POSITION					
5	Avg. earning assets:	\$1,971.9	\$1,680.6	17.3%	\$1,985.3	-0.7%
6	General Fund Cash and Securities:	\$102.5	\$99.7	2.9%	\$117.4	-12.7%
7	SIC FMV Adj. (General Fund):	\$0.9	\$0.2	264.6%	N/A	N/A
8	Total bonds outstanding:	\$1,749.7	\$1,405.3	24.5%	\$1,712.5	2.2%
	STATEMENT OF REVENUES, EXPENSES AND NET POSITION		_		_	
9	General Fund expenses (excluding capitalized assets):	\$15.5	\$12.2	26.8%	\$15.1	2.2%
10	General Fund revenues:	\$19.3	\$15.7	22.9%	\$15.5	24.2%
11	Combined net revenues (all funds):	\$16.1	\$5.6	188.7%	(\$0.0)	
12	SIC FMV Adj. (Combined net revenues):	\$1.0	\$0.1	561.7%	(\$0.0)	
13	Combined net position:	\$317.1	\$291.2	8.9%	\$350.0	-9.4%
14	Combined return on avg. earning assets:	1.63%	0.66%	146.1%	0.00%	
15	SIC FMV Adj. (return on avg. earning assets):	0.10%	-0.02%	664.0%	0.00%	
16	Net TBA profitability:	1.68%	0.00%		0.10%	1583.4%
17	Combined interest margin:	0.90%	0.86%	5.0%	0.40%	122.6%
	MOODY'S BENCHMARKS					
18	Net Asset to debt ratio (5-yr avg):	23.96%	25.31%	-5.3%	24.82%	-3.5%
19	Net rev as a % of total rev (5-yr avg):	11.36%	10.38%	9.4%	8.98%	26.5%
	SERVICING					
20	Subserviced portfolio	\$2,347.4	\$2,000.7	17.3%	\$2,172.1	8.1%
21	Servicing Yield (subserviced portfolio)	0.45%	0.41%	11.2%	0.36%	25.4%
22	Combined average delinquency rate (MFA serviced)	6.82%	8.50%	-19.8%	9.50%	-28.2%
23	DPA loan delinquency rate (all)	6.81%	7.53%	-9.6%	N/A	N/A
24	Default rate (MFA serviced-annualized)	0.94%	0.52%	80.8%	1.30%	-27.7%
25	Subserviced portfolio delinquency rate (first mortgages)	10.13%	9.22%	9.9%	N/A	N/A
26	Purchased Servicing Rights Valuation Change (as of 3/31/24)	\$33.7	\$9.9	241.0%	N/A	, N/A
-	0 0	,	,	9,1	7	,

Page 1 of 2

Legend:

NEW MEXICO MORTGAGE FINANCE AUTHORITY FINANCIAL REVIEW For the six-month period ended March 31, 2024

SUMMARY OF BOND ISSUES:

Single Family Issues:

2023D: \$125.0M 2024A/B: \$120.0M

CURRENT YEAR FINANCIAL TRENDS & VARIANCES:

PRODUCTION

• MFA has closed two bond issues as of the beginning of the fiscal year, for a combined total of \$245 million. With extremely strong production, bolstered in part by the FirstDown Plus program, MFA has exceeded its overall single-family production forecast (made in September 2023) by ~78%. MFA intends to price its next bond issue, 2024C/D, in April and close the issue in May.

STATEMENT OF NET POSITION

• Average earning assets and General Fund Cash & Securities both are higher than they were at last year, though behind where we forecasted for the month. Increases in new bond issues primarily explain how MFA is earning interest on its balance sheet mortgages. General Fund investments with the State Investment Council continued to report gains.

STATEMENT OF REVENUES, EXPENSES AND NET POSITION

- Expenses for the month were higher than they were last year, but mostly in-line with what MFA budgeted for. With revenues continuing to outpace expenses, our combined net revenues saw a welcome gain.
- MFA's TBA-funded programs, which halted last year due to poor rate offerings, has provided welcome profitability since the beginning of the fiscal year. Current profitability is much stronger than MFA's FY24 goal of 0.5%.

MOODY'S BENCHMARKS

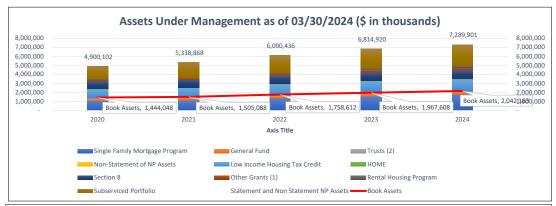
• Based on Moody's issuer credit rating scorecard, MFA's 23.93% net asset to debt ratio (5-year average), which measures balance sheet strength, indicates a strong and growing level of resources for maintaining HFA's creditworthiness under stressful circumstances (>20 %). MFA's net revenue as a % of total revenue (5-year average) is currently 11.36% which, while not at the Aaa level, nevertheless demonstrates high profitability and favorable trends (10-15%). Moody's Investor Services completed an updated credit opinion on MFA's Issuer Credit Rating in June 2020. They assigned the Aa3 rating. Comments included a high asset-to-debt ratio, good profitability, and a low-risk profile due to a mortgage-backed security structure, and no exposure to variable-rate debt. Additionally, Moody's reaffirmed the Aaa rating on the single-family indenture in January 2024.

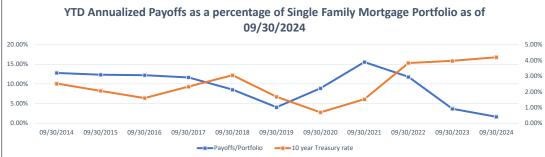
SERVICING

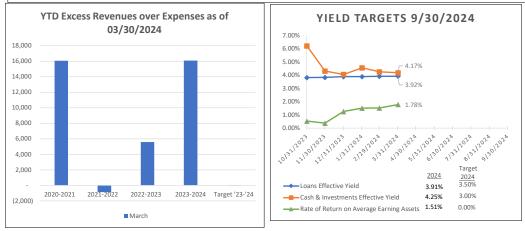
- MFA continues to monitor delinquencies and defaults on our loan portfolio to identify reduction strategies and refer borrowers to available loss mitigation programs. The annualized default rate is trending materially higher than last year but, notably, is below its target for year-end. The subserviced portfolio delinquency rate, currently serviced by Idaho Housing Finance Authority, is 10.13%. The subserviced portfolio is characterized by approximately 84% FHA-insured loans. The Mortgage Bankers Association quarterly survey as of December 31, 2023, indicates that the delinquency rate for FHA loans nationally is 10.96%, and for New Mexico is 9.35%. In addition, FHA Single Family Loan Performance Trends for January 2024 showed a 13.15% delinquency (for purchase loans only), which decreased from 13.71% in January.
- MFA's annualized default rate is 0.94%, which noticably higher than last March, but also well below its target rate of 1.30%.
- The fair market value for purchased servicing rights as of March 2024 is \$33.7 million, an increase of about \$3.1 million and ~11.9 million over cost. GASB requires MFA to record the value of servicing rights at the 'lower of cost or market'. The elevated FMV is related to decreased prepayment speed projections, and increased earnings rates impacted portfolio value positively. The current recorded cost of the asset is \$21.8 million. Valuations are obtained every quarter.

ADDITIONAL NOTES

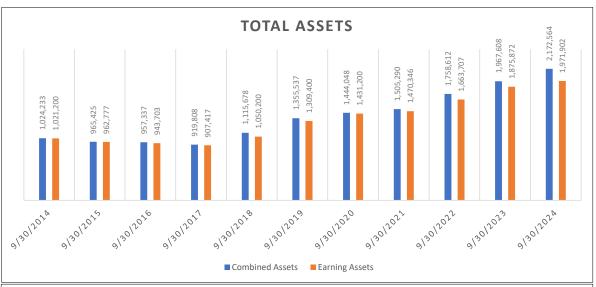
- Items 2 and 16 do not show a percent change year over year. As last year's values were zero, the percentage resulted in an error from an attempt to divide by zero. While the trend is positive, there is not an accurate depiction of the change as a percentage.
- The forecasted numbers for FYE 2024 are based off of actuals ending September 2023.
- The colors in the % Change columns (E & G) reference a materiality threshold of 10%, with a cautionary range between 10% and 25%.

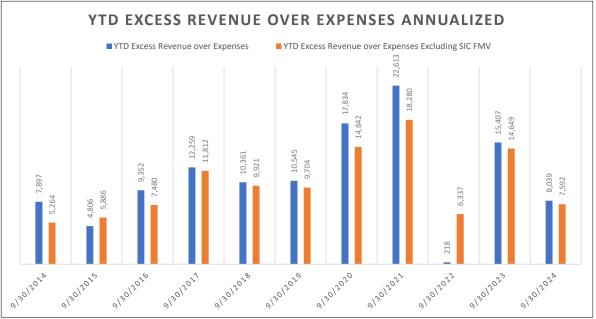


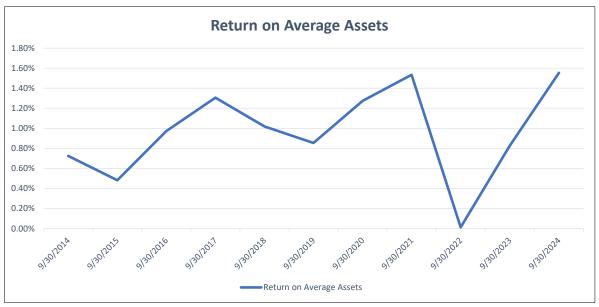


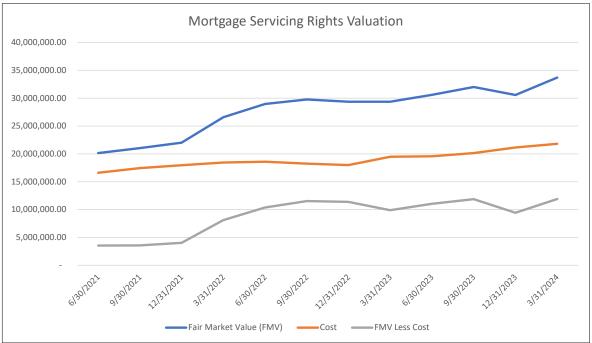


(1) Weatherization Assistance Programs; Emergency Shelter Grant; State Homeless; Housing Opportunities for People With Aids; NM State Tax Credit; Governor's Innovations; EnergySaver; Tax Credit Assistance Program; Tax Credit Exchange; Neighborhood Stabilization Program; Section 811 PRA; Homeownership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









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

	YTD 03/31/24	YTD 3/31/23
ASSETS:		
CURRENT ASSETS:		
CASH & CASH EQUIVALENTS	\$46,124	\$59,819
RESTRICTED CASH HELD IN ESCROW	11,771	9,754
SHORT-TERM INVESTMENTS	-	93
ACCRUED INTEREST RECEIVABLE	7,069	4,977
OTHER CURRENT ASSETS	8,943	5,747
ADMINISTRATIVE FEES RECEIVABLE (PAYABLE)	-	-
INTER-FUND RECEIVABLE (PAYABLE)	(0)	(0)
TOTAL CURRENT ASSETS	73,907	80,389
CASH - RESTRICTED	126,198	96,687
LONG-TERM & RESTRICTED INVESTMENTS	67,710	56,749
INVESTMENTS IN RESERVE FUNDS	-	-
FNMA, GNMA, & FHLMC SECURITIZED MTG. LOANS	1,664,925	1,340,381
MORTGAGE LOANS RECEIVABLE	210,926	180,724
ALLOWANCE FOR LOAN LOSSES	(9,269)	(10,153)
NOTES RECEIVABLE	-	-
FIXED ASSETS, NET OF ACCUM. DEPN	11,991	1,813
OTHER REAL ESTATE OWNED, NET	3,864	1,639
OTHER NON-CURRENT ASSETS	9	12
INTANGIBLE ASSETS	<u>22,167</u> 2,172,427	<u>19,591</u> 1,767,833
TOTAL ASSETS	2,172,427	1,707,033
DEFERRED OUTFLOWS OF RESOURCES		
REFUNDINGS OF DEBT	137	171
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	2,172,564	1,768,005
LIABILITIES AND NET POSITION:		
LIABILITIES:		
CURRENT LIABILITIES:		
ACCRUED INTEREST PAYABLE	\$9,114	\$7,660
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	17,641	20,543
ESCROW DEPOSITS & RESERVES	11,620	9,624
TOTAL CURRENT LIABILITIES	38,375	37,826
BONDS PAYABLE, NET OF UNAMORTIZED DISCOUNT	1 740 696	1 405 266
MORTGAGE & NOTES PAYABLE	1,749,686 66,870	1,405,266 33,271
ACCRUED ARBITRAGE REBATE	-	-
OTHER LIABILITIES	310	204
TOTAL LIABILITIES	1,855,240	1,476,567
DEFERRED INFLOWS	230	260
TOTAL LIAB/DEFERRED INFLOWS	1,855,470	1,476,828
NET POCITION.		
NET POSITION:	44.004	4 040
NET INVESTED IN CAPITAL ASSETS UNAPPROPRIATED NET POSITION (NOTE 1)	11,991 84,712	1,813 63,399
APPROPRIATED NET POSITION (NOTE 1)	220,392	225,965
TOTAL NET POSITION	317,095	291,177
TOTAL LIABILITIES & NET POSITION	2,172,564	1,768,005

NEW MEXICO MORTGAGE FINANCE AUTHORITY STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE SIX MONTH ENDED MARCH 2024 (THOUSANDS OF DOLLARS)

	YTD 03/31/24	YTD 3/31/23
OPERATING REVENUES:		
INTEREST ON LOANS	\$35,058	\$25,953
INTEREST ON INVESTMENTS & SECURITIES	5,205	2,996
LOAN & COMMITMENT FEES	2,559	1,673
ADMINISTRATIVE FEE INCOME (EXP)	2,988	2,590
RTC, RISK SHARING & GUARANTY INCOME	27	28
HOUSING PROGRAM INCOME	1,020	530
LOAN SERVICING INCOME	5,083	5,144
OTHER OPERATING INCOME		
SUBTOTAL OPERATING REVENUES	51,940	38,914
NON-OPERATING REVENUES:		
ARBITRAGE REBATE INCOME (EXPENSE)	-	-
GAIN(LOSS) ASSET SALES/DEBT EXTINGUISHMENT	1,039	(148)
OTHER NON-OPERATING INCOME	100	0
GRANT AWARD INCOME	58,484	45,110
SUBTOTAL NON-OPERATING REVENUES	59,623	44,961
TOTAL REVENUES	111,564	83,875
OPERATING EXPENSES:		
ADMINISTRATIVE EXPENSES	12,673	10,273
INTEREST EXPENSE	31,374	21,734
AMORTIZATION OF BOND/NOTE PREMIUM(DISCOUNT)	(2,115)	(1,650)
PROVISION FOR LOAN LOSSES	273	450
MORTGAGE LOAN & BOND INSURANCE	-	-
TRUSTEE FEES	104	76
AMORT. OF SERV. RIGHTS & DEPRECIATION	883	901
BOND COST OF ISSUANCE	2,161	1,254
SUBTOTAL OPERATING EXPENSES	45,354	33,038
NON-OPERATING EXPENSES:		
CAPACITY BUILDING COSTS	114	87
GRANT AWARD EXPENSE	50,016	45,182
OTHER NON-OPERATING EXPENSE		
SUBTOTAL NON-OPERATING EXPENSES	50,130	45,269
TOTAL EXPENSES	95,484	78,306
NET REVENUES	16,079	5,569
OTHER FINANCING SOURCES (USES)	(0)	
NET REVENUES AND OTHER FINANCING SOURCES(USES)	16,079	5,569
NET POSITION AT BEGINNING OF YEAR	301,015	285,608
NET POSITION AT 03/31/24	317,095	291,177

NOTES TO FINANCIAL STATEMENTS

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

(Note 1) MFA Net Position as of March 31, 2024

UNAPPROPRIATED NET POSITION:

\$ 37,322	is held by Bond Program Trustees and is pledged to secure repayment of the Bonds.
\$ 46,674	is held in Trust for the NM Housing Trust Fund and the NM Land Title Trust Fund.
\$ 716	is held for New Mexico Affordable Housing Charitable Trust.
\$ 84,712	Total Unappropriated Net Position

APPROPRIATED NET POSITION: GENERAL FUND

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

\$ 118,129	for use in the Housing Opportunity Fund (\$109,072 in loans and grants plus \$9,057 unfunded, of which \$5,387 is committed).
\$ 37,494	for future use in Single Family & Multi-Family housing programs.
\$ 1,079	for loss exposure on Risk Sharing loans.
\$ 11,991	invested in capital assets, net of related debt.
\$ 21,827	invested in mortgage servicing rights.
\$ 20,111	for the future General Fund Budget year ending 09/30/24 (\$38,374 total budget
_	less \$18,263 expended budget through 3/31/24.)
\$ 210,631	Subtotal - General Fund

APPROPRIATED NET POSITION: HOUSING

\$_	21,752	for use in the federal and state housing programs administered by MFA.
\$	21,752	Subtotal - Housing Program
\$	232,383	Total Appropriated Net Position
\$	317,095	Total Combined Net Position at March 31, 2024

Total combined Net Position, or reserves, at March 31, 2024 was \$317 million, of which \$85 million was pledged to the bond programs, Affordable Housing Charitable Trust and fiduciary trusts. \$232 million of available reserves, with \$103 million primarily liquid in the General Fund and in the federal and state Housing programs and \$130 million illiquid in the programs of the General Fund, have been:

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

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

GENERAL FUND Fiscal Year 2023-2024 Budget For the six months ended 3/31/2024

	One Month Actual	Year to Date Actuals	Year to Date ProRata Budget	Annual Budget	YTD Budget Under/(Over)	Annual Budget Under/(Over)	Expended Annual Budget %
Revenue							_
Interest Income	816,581	4,993,750	4,015,941	8,031,882	(977,809)	3,038,132	62.17%
Interest on Investments & Securities	277,269	1,777,128	1,415,023	2,830,046	(362,105)	1,052,918	62.80%
Loan & Commitment Fees	32,733	207,693	76,500	153,000	(131,193)	(54,693)	135.75%
Administrative Fee Income (Exp)	933,438	5,148,397	4,814,596	9,629,192	(333,801)	4,480,795	53.47%
Risk Sharing/Guaranty/RTC fees	208	26,150	320,504	641,008	294,354	614,858	4.08%
Housing Program Income	366,119	1,019,891	586,697	1,835,258	(433,194)	815,367	55.57%
Loan Servicing Income	1,067,124	5,083,093	4,279,685	8,559,371	(803,408)	3,476,278	59.39%
Other Operating Income			-	-	-	-	
Operating Revenues	3,493,471	18,256,101	15,508,946	31,679,756	(2,747,155)	13,423,656	57.63%
Gain (Loss) Asset Sale/Debt Ex	216,041	945,994	-	-	(945,994)	(945,994)	
Other Non-operating Income	20	100,492	30,117	60,235	(70,375)	(40,257)	166.83%
Non-Operating Revenues	216,061	1,046,486	30,117	60,235	(1,016,368)	(986,251)	1737.34%
Revenue	3,709,532	19,302,587	15,539,064	31,739,991	(3,763,523)	12,437,405	60.81%
Expenses							
Salaries	862,488	3,651,855	4,160,691	8,323,579	508,836	4,671,724	43.87%
Overtime	8,416	25,742	15,743	31,885	(9,999)	6,143	80.73%
Incentives	148,760	291,546	357,291	714,768	65,745	423,222	40.79%
Payroll taxes, Employee Benefits	364,135	1,723,658	2,182,674	4,381,069	459,016	2,657,411	39.34%
Compensation	1,383,798	5,692,801	6,716,399	13,451,302	1,023,598	7,758,501	42.32%
Business Meals Expense	105	1,108	6,950	13,900	5,842	12,792	7.97%
Public Information	37,214	155,806	180,955	361,909	25,149	206,103	43.05%
In-State Travel	2,929	53,062	70,790	141,581	17,728	88,519	37.48%
Out-of-State Travel	10,734	82,111	157,035	314,070	74,924	231,959	26.14%
Travel & Public Information	50,982	292,087	415,730	831,460	123,643	539,373	35.13%
Utilities/Property Taxes	13,383	89,164	105,281	210,562	16,117	121,398	42.35%
Insurance, Property & Liability	26,488	142,025	122,755	245,510	(19,270)	103,485	57.85%
Repairs, Maintenance & Leases	113,770	778,034	861,167	1,709,334	83,133	931,300	45.52%
Supplies	2,359	16,413	17,350	34,700	937	18,287	47.30%
Postage/Express mail	4,759	25,812	22,800	45,600	(3,012)	19,788	56.61%
Telephone	777	8,862	14,751	29,501	5,889	20,639	30.04%
Janitorial	3,528	23,301	44,570	89,139	21,269	65,838	26.14%
Office Expenses	155,962	1,047,271	1,169,285	2,325,571	122,014	1,278,299	45.03%
Dues & Periodicals	5,063	42,508	40,049	80,097	(2,459)	37,589	53.07%
Education & Training	7,385	48,950	86,596	173,193	37,647	124,243	28.26%
Contractual Services	112,561	544,678	729,316	1,458,632	184,638	913,954	37.34%
Professional Services-Program	11,188	66,235	57,950	115,900	(8,285)	49,665	57.15%
Direct Servicing Expenses	862,203	4,169,620	2,930,240	5,860,479	(1,239,380)	1,690,859	71.15%

GENERAL FUND Fiscal Year 2023-2024 Budget For the six months ended 3/31/2024

	One Month Actual	Year to Date Actuals	Year to Date ProRata Budget	Annual Budget	YTD Budget Under/(Over)	Annual Budget	Expended Annual
					- , ,	Under/(Over)	Budget %
Program Expense-Other	1,252	198,903	138,912	277,824	(59,991)	78,921	71.59%
Rebate Analysis Fees			795	1,590	795	1,590	
Other Operating Expense	999,653	5,070,893	3,983,858	7,967,715	(1,087,036)	2,896,822	63.64%
Interest Expense	279,242	1,949,631	945,018	1,890,036	(1,004,613)	(59,595)	103.15%
Non-Cash Expenses	467,694	1,152,693	1,698,359	3,396,718	545,666	2,244,025	33.94%
Expensed Assets	19,477	145,467	86,675	173,350	(58,792)	27,883	83.92%
Operating Expenses	3,356,809	15,350,843	15,015,324	30,036,151	(335,520)	14,685,308	51.11%
Program Training & Tech Asst	6,434	23,242	51,621	103,242	28,379	80,000	22.51%
Program Development	3,987	90,592	68,150	136,300	(22,442)	45,708	66.46%
Capacity Building Costs	10,421	113,834	119,771	239,542	5,937	125,708	47.52%
Non-Operating Expenses	10,421	113,834	119,771	239,542	5,937	125,708	47.52%
Expenses	3,367,230	15,464,678	15,135,095	30,275,693	(329,583)	14,811,015	51.08%
Excess Revenue over Expenses	342,302	3,837,909	403,969	1,464,298	(3,433,940)	(2,373,611)	262.10%

GENERAL FUND CAPITAL BUDGET Fiscal Year 2023-2024 Budget For the six months ended 3/31/24

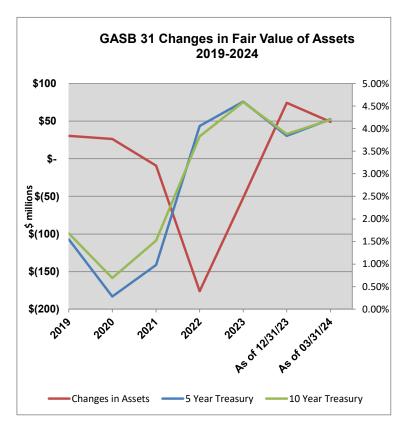
	One Month Actual Yea	r to Date Actuals	Year to Date ProRata Budget	Annual Budget	YTD Budget Under/(Over)	Annual Budget Under/(Over)	Expended Annual Budget %
2690 PURCHASED SERVICING RIGHTS	244,838	2,348,047	1,886,181	3,772,362	(461,866)	1,424,315	62.24%
2950 COMPUTER HARDWARE	-	14,872	52,662	105,324	37,790	90,452	14.12%
2960 SOFTWARE LICENSES	5,381	5,381	-	-	(5,381)	(5,381)	
2920 FURNITURE & EQUIPMENT-10 YR	-	-	389,250	778,500	389,250	778,500	0.00%
2930 FURNITURE & EQUIP, 5 YR.	-	-	-	-	-	-	
2860 BUILDING	350,337	430,402	1,721,094	3,442,189	1,290,692	3,011,787	12.50%
Capital Budget	600,556	2,798,702	4,049,187	8,098,375	1,250,485	5,299,673	34.56%

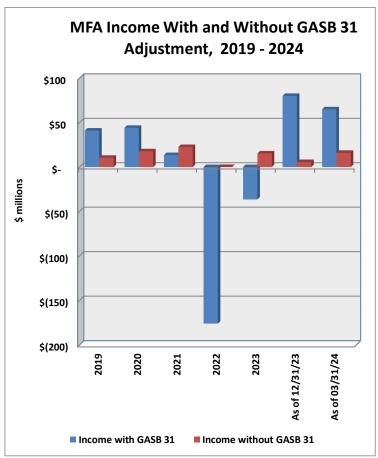
New Mexico Mortgage Finance Authority HOUSING OPPORTUNITY FUND (HOF) Unobligated Balance as of March 31, 2024

Description	Access Loans	BUILD IT Loan Guaranty	DPA Mortgages	Emergency Housing Needs Grant	Emerging Markets	HERO 1st Mortgages	Partners Loans	Primero Loans	Primero Loans PRLF	Primero Working Capital Loans	Total
AVAILABLE BALANCE 9/30/23	(468,013)	0	1,892,338	450,443	0	(0)	601,556	4,648,067	3,051,040	0	10,175,432
ADD RECEIPTS FY24:											
General Fund Authorized	0	0	0	0	0	0	0	0	0	0	0
Third-Party Awards	0	0	0	0	0	0	0	1,000,000	0	0	1,000,000
Current Year Appropriations	0	0	30,993	0	0	(30,993)	0	0	0	0	(0)
Loan Repayments	241,679	0	4,237,063	0	0	30,993	176,182	7,304	32,684	0	4,725,905
LESS DISBURSEMENTS FY24:											
Loans Funded	0	0	(6,605,803)	0	0	0	(234,853)	0	0	0	(6,840,656)
Grants Funded	0	0	0	(3,833)	0	0	0	0	0	0	(3,833)
Transfers											0
TOTAL UNUSED FUNDS 3/31/24	(226,334)	0	(445,409)	446,610	0	(0)	542,886	5,655,371	3,083,724	0	9,056,848
FUNDS COMMITTED 3/31/24			1,147,597	125,000				1,000,000	3,114,035		5,386,632
AVAILABLE BALANCE as of 3/31/24	(226,334)	0	(1,593,006)	321,610	0	(0)	542,886	4,655,371	(30,311)	0	3,670,216
Number of Units/Loans Outstanding at 3/31/24	1,575		12,965			11	94	88	136		14,869
Units/Loans Funded Since Inception	1,649	105	24,668			63	257	3,463	259		30,464
Units/Loans Funded Current Year as of 3/31/24	-	-	794	-	-	-	3	-	-	-	797
Loans/Grants Funded since Inception	31,522,224	0	168,044,212	0	0	9,258,705	13,878,698	19,052,318	1,935,965	35,000	243,727,122
Loan Amount Outstanding at 3/31/24	23,643,334	0	80,292,271	0	0	1,035,292	2,386,114	146,670	1,515,276	0	109,018,957
Loan Yield at 3/31/24	5.91%	0.00%	5.76%	0.00%	0.00%	5.17%	0.00%	3.60%	3.00%	0.00%	5.62%
Loan Loss Allowance at 3/31/24			9,051,767					79,787			9,131,554
Loan Write-offs since Inception	0	0	8,643,813	n/a		0	0	662,777	0	0	9,306,590
Loan Loss Provision Current Year as of 3/31/24			383,173					0			383,173

New Mexico Mortgage Finance Authority

Effect of GASB31 on Financials





New Mexico Mortgage Finance Authority Loan and Credit Line Activity As of 3/31/2024

Lender	Purpose	Collateral	Board Authorization Date	Authority Limit	Outstanding 12/31/2023	Advances	Repayments	Outstanding 3/31/2024	Maturity	Interest Rate as of 03/31/2024	Interest Payments this quarter
Community Banks	Fund DPA program and assist financial institutions meet CRA requirements	DPA portfolio	March 2018	5,000,000	-		-	-	n/a	n/a	
FHLB	Mortgage Backed Security Warehouse, Loans Held for Sale Program	Mortgage loan pipeline	October 2017	60,000,000	45,000,000	429,000,000	431,500,000	42,500,000	1/11/2024	5.38%	621,955
FHLB	Mortgage Backed Security Warehouse, Loans Held for Sale Program & operations	Securities	October 2017	25,000,000	15,000,000	-	-	15,000,000	12/2/2024	5.41%	205,205
Main Bank	Loan for Building on Jefferson	Jefferson Building	May 15, 2023	8,000,000	7,619,195	-	162,369	7,456,826	5/15/2033	4.26%	81,167
USDA-RD	Preservation Revolving Loan Fund Demonstration Program	PRLF mortgage loans	September 2015 April 2014, March	2,125,000	-	531,250		531,250	5/15/2051	1.00%	305
SBIC	Capitalize Primero Loan Fund	None	2019, September 2023	3,500,000	-			-	11/30/2028	n/a	
Wells Fargo	Capitalize Primero Loan Fund	None	October 2011	850,000	-			-	12/7/2023	2.00%	
USDA-RD	Preservation Revolving Loan Fund Demonstration Program	PRLF mortgage loans	May 2011	2,000,000	1,451,969		70,333	1,381,636	1/20/2042	1.00%	3,472
	TOTAL			101,475,000	69,071,164	429,531,250	431,732,702	66,869,713			912,104



TO: MFA Board of Directors

Through: Special Policy Committee – February 28, 2024

Through: Allocation Review Committee – March 21, 2024

FROM: Jeanne Redondo, Tax Credit Program Manager

DATE: May 15, 2024

SUBJECT: Low Income Housing Tax Credit Award Recommendations

Recommendation

Staff, by and through MFA's Allocation Review Committee ("ARC"), requests approval of one award of \$102,867 supplemental Low Income Housing Tax Credits ("LIHTC"), approval of five LIHTC awards, attached as Table 7A, and approval to forward allocate 2025 tax credits¹ in an amount not to exceed \$2,476,744.²

Background

In accordance with the 2024 State of New Mexico Low-Income Housing Tax Credit Program Qualified Allocation Plan ("QAP"), MFA accepted applications for the competitive 9% Tax Credit round submitted by the January 22, 2024, application deadline.

The ARC resolution attached to this memo as Attachment 6 recommends a forward allocation of \$2,916,668. This amount was correct as of the March 21, 2024, date that ARC adopted its resolution. The \$2,476,744 deducts the \$79,722 in National Pool credits that were allocated to New Mexico on April 8, 2024, through Internal Revenue Service Revenue Procedure 2024-18 and the \$360,202 difference between the credits requested for Apple Ridge (withdrawn May 8, 2024) and Country Club Apartments (added from the waitlist).

¹ Internal Revenue Code ("IRC") Section 42(h)(1)(C) permits housing finance agencies to issue a binding commitment to allocate a specified housing credit dollar amount to a project beginning in a specified future taxable year. This allows a state to allocate all available housing credits each year, and thereby qualify for additional tax credits from the National Pool of unused housing credit carryover under IRC Section 41(h)(3)(D)(iii).

² National Pool credits are allocated under IRC Section 42(h)(3)(D) in the fourth quarter of each calendar year to states that do not have unused housing credit ceiling. These credits are added to that calendar year's housing credit ceiling. The \$2,476,744 forward allocation would be reduced by any 2024 National Pool credits received later this year. New Mexico received \$31,686 in National Pool credits in October 2023 that were supplemented by \$79,722 additional national pool credit authority on April 8, 2024. (The supplemental national pool allocation is highly unusual.) (Attached Table 1 reflects how the supplemental National Pool factors into the tax credit ceiling calculation for the year.)

Each application was reviewed for threshold requirements³, scored, and underwritten to test financial feasibility and determine the maximum allowable tax credit award.

Threshold issues were discussed with legal counsel. Pursuant to Section IV.C.5 of the QAP, Applicants are allowed a deficiency correction period to remedy correctable threshold issues. However, no correctable threshold deficiencies were identified. Allowable supplemental information requests were made pursuant to Section IV.C.6 of the QAP and the information provided in connection with these supplemental information requests was satisfactory.

The results of staff's rating and ranking were reviewed and approved by the ARC at their meeting on March 21, 2024. The ARC approved a motion to recommend five projects for an award, including forward allocations, and one award of non-competitive supplemental LIHTC. Preliminary award and rejection letters were mailed on March 22, 2024, outlining MFA's appeal process as described in Section IV.F.4 of the QAP. MFA received one appeal, which could not be accepted because it did not meet the requirements of Section VI.F.4 of the QAP⁴. On May 8, 2024, MFA received a letter withdrawing the Apple Ridge project from consideration, so Country Club Apartments was moved from the ARC-approved waitlist to the list of awards presented to the MFA Board of Directors herein.

The 2024 State of New Mexico Housing Tax Credit Program Qualified Allocation Plan (QAP) sets forth in Section III.G. Pursuant to the QAP, projects with increased eligible basis resulting from increases in hard construction costs may apply for additional tax credits in a subsequent allocation round prior to issuance of an IRS Form 8609. Applicants are limited to an additional 10% of the original 9% LIHTC awarded, and the supplemental tax credits reduce the 2024 tax credit ceiling available for new projects, as requests for supplemental tax credits do not compete against other projects in the 2024 9% round.

As detailed in the attached Table 1, 2024 Housing Tax Credit Ceiling, MFA began the tax credit round with an estimated balance of \$4,669,156 after deducting the forward allocations from last year's round and the supplemental LIHTC for The Bluffs Senior Apartments. As discussed below, staff recommends the allocation of all remaining 2024 tax credits plus a forward allocation of up to \$2,476,744 of 2025 tax credits to fully fund the top three ranking new construction projects and the top two ranking rehabilitation projects submitted in the round.

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³ Threshold requirements are discussed in Section III.C of the QAP and include the following: (i) site control; (ii) appropriate zoning; (iii) all fees current; (iv) market study; (v) applicant eligibility; (vi) financial feasibility; and (vii) pre-application requirements.

⁴ The appeal was not filed by the general partner, as required. MFA staff offered to meet with the appellant after the May 15, 2024 MFA Board meeting to discuss the Application.

Discussion

A. Overview

- MFA received one request for supplemental LIHTC in the amount of \$102,867.5
- Demand for Tax Credits in 2024 increased in comparison to 2023 and 2022. MFA received 8 applications this year requesting a total of \$11,525,382 in annual tax credits vis-à-vis 2023 applications totaling \$8,944,954 in 2023 and \$10,403,899 in annual tax credits in 2022.
- Average cost per unit⁶ of all applications submitted in the round (new construction) this year is \$298,898 up somewhat from \$289,529 in 2023, and \$248,930 in 2022. All new construction projects submitted for consideration remained within the new construction cost limits as defined in Section IV.C.2 of the QAP.
- Average cost per unit (acquisition/rehab projects) this year is \$266,044, which is higher than the \$215,172 average in 2023 and the \$253,058 average in 2022. Rehabilitation costs vary based on the scope of work (moderate or substantial rehabilitation) required to meet MFA's design requirements. The sole 2023 rehabilitation project proposed a more limited rehabilitation scope of work in comparison to the projects submitted in 2022 and 2024.
- Average project size increased to 62.75 units compared with 61.0 units in 2023, and 52.4 units in 2022.
- Six projects were initially determined to be "Eligible" for tax credit awards; two
 applications were rejected: one due to financial infeasibility and the other for not
 meeting the minimum score to be eligible for an award. One application was
 withdrawn. At the conclusion of the round, MFA offers to meet with developers
 who did not qualify for an award to offer guidance on how they can be more
 successful in the future.
- At the conclusion of its meeting held on March 21, 2024, ARC passed a motion recommending approval of the five proposed awards presented in Table 7A attached to the ARC resolution. ARC recommended approval of a forward allocation up to \$2,916,668 in 2025 tax credits to fully fund five proposed awards. However, the number of 2025 tax credits required to fully fund the five proposed projects has been reduced to \$2,476,744 after receiving a \$79,722 supplemental

⁶ Except where noted, cost per unit does not include the cost of land, reserves or commercial space. This allows MFA to compare projects more consistently, as donated land, commercial space costs, and varying reserves can skew the comparisons.

⁵ Further discussion of the round does not include the request for supplemental LIHTC, which are described in section D beginning on page 8.

national pool⁷ allocation and the replacement of the withdrawn application with an application from the waitlist.

- There are no projects currently remaining on the waitlist.
- The 10% Non-Profit Set-Aside⁸ and the 20% Underserved Populations Set-Aside⁹ were both achieved in 2024.
- All five of the recommended projects have a sponsor or co-sponsor that is a nonprofit entity, local housing authority or local tribally designated housing entity (TDHE).
- Of the five recommended projects, one project will serve senior households and four projects will serve households with children. No applications to serve households with special needs were submitted.
- The five recommended projects are located in the following counties: Bernalillo, Cibola, Lincoln and Santa Fe. Three projects are located in urban areas¹⁰ (one in Albuquerque and two in Santa Fe) and two projects are located in rural areas (Laguna and Ruidoso).
- In 2024, 62.78% of the tax credits are proposed for urban areas and 37.22% of the tax credits are proposed for rural areas. The project on Tribal Trust Land represents 16.3% of the total tax credits proposed for 2024. However, 9% LIHTC awards over the period from 2000 to 2024 remain balanced with 49.24% going to urban areas and 50.76% going to rural areas. (See Table 3)
- The five recommended projects contain unit sizes ranging from 40 to 72 units.
- Three of the five recommended projects involve new construction (projects contain 70, 72 and 60 units, for a total of 202 units) and two of the five recommended projects involve rehabilitation (projects contain 40 and 62 units for a total of 102 units).
- A total of 304 units will be constructed or rehabilitated and 282 of these will be low-income units. The table below details the unit rental restrictions for the units to be constructed or rehabilitated.

⁷ On April 8, 2024, the Internal Revenue Service issued Revenue Procedure 2024-18 that awarded \$79,722 supplemental national pool tax credit authority to New Mexico for the 2023 tax year.

⁸ IRC 42(h)(5)(A) states that not more than 90 percent of the State housing credit ceiling for any State for any calendar year shall be allocated to projects other than those involving qualified nonprofit organizations. This is referred to as the nonprofit set-aside.

⁹ States will often include set-aside(s) in their QAP to incentivize developers to address housing priorities identified by the state. The Underserved Populations set-aside addresses a priority for permanent supportive housing and units on Tribal Trust lands in New Mexico.

¹⁰ Urban areas defined in the QAP include Bernalillo County and the cities of Las Cruces, Rio Rancho and Santa Fe.

Unit Rental Restrictions for Recommended Projects

30%	30% 40%		60%	70%	80%	Not
AMI	АМІ	АМІ	АМІ	АМІ	АМІ	Restricted ¹¹
32	-	89	161	-	0	22
10.5%	0%	29.3%	53.0%	0%	0%	7.2%

B. <u>Tax Credit Efficiency</u>

Three of the five projects recommended for award qualified for points under project selection criterion no. 18 entitled *Efficient Use of Tax Credits*. Ocate Apartments and Country Club Apartments qualified for three points each and Elk Meadows qualified for one point. The table below outlines the tax credit efficiency for each of the five projects.

New Construction:

			Low		Tax	Tax
Project Name:	Gross Sq. Ft.	Applicable Fraction	Income Units	Tax Credit Request	Credits/Adj. Sq. Ft.	Credits/Low Income Unit
Somos Apartments	62,449	84.29%	59	\$1,622,805	\$30.83	\$27,505.17
Elk Meadows	86,413	84.72%	61	\$1,496,000	\$20.31	\$24,524.59
Ocate Apartments	82,800	100%	60	\$1,622,805	\$19.60	\$27,046.75

Rehabilitation:

Low Tax Tax Gross Sq. **Applicable** Income **Tax Credit** Credits/Adj. Credits/Low **Fraction Income Unit Project Name:** Ft. Units Request Sq. Ft. 51,067 100% 40 \$22.79 \$29,093.30 Laguna #4 1,163,732 **Country Club Apts** 68,257 100% 62 1,240,558 \$18.17 \$20,009.00

¹¹ Market rate units are not included in eligible basis used to calculate the LIHTC.

C. Total Development Costs

The Total Development Cost Analysis (cost/gross square foot) for each of the recommended Projects is as follows¹²:

TOTAL DEVELOPMENT COST INFORMATION SUMMARY								
Project: Somos Apartments, Albuquerque, New Construction**	Total	% TDC	Cost/GSF*					
Acquisition Costs (land, building acquisition, & other acquisition costs)	\$535,000	2.5%	\$ 8.31					
Construction Hard Costs	\$12,832,046	59.0%	\$ 199.32					
Other Construction Costs (contractor O&P, general req, GRT, landscaping, furnishing:	\$3,860,424	17.7%	\$ 59.96					
Professional Services/Fees (architect, engineer, real estate legal, etc)	\$735,000	3.4%	\$ 11.42					
Construction Financing Costs (interest, insurance, inspections, fees, etc)	\$1,705,669	7.8%	\$ 26.49					
Permanent Financing Costs (fees, title/recording, etc)	\$14,000	0.1%	\$ 0.22					
Other Soft Costs (tax credit fees, environmental reports, appraisals, accounting, etc)	\$307,409	1.4%	\$ 4.77					
Syndication-Related Costs (organization, bridge loan, tax opinion, etc)	\$35,000	0.2%	\$ 0.54					
Reserves (rent-up, operating, replacement, escrows, etc)	\$442,590	2.0%	\$ 6.87					
Developer Fees (inc consultant fees)	\$1,284,500	5.9%	\$ 19.95					
Total Development Costs (TDC)	\$21,751,638	100.0%	\$ 337.86					
TDC w/o Land & Reserves	\$20,774,048	96%	\$ 322.68					

*Gross square footage: 64,380

^{**}Residential + Commercial GSF

TOTAL DEVELOPMENT COST INFORMATION SUMMARY								
Project: Somos Apartments, Albuquerque, New Construction**	Total	% TDC	Co	st/GSF*				
Acquisition Costs (land, building acquisition, & other acquisition costs)	\$535,000	2.5%	\$	8.57				
Construction Hard Costs	\$12,475,069	58.8%	\$	199.76				
Other Construction Costs (contractor O&P, general req, GRT, landscaping, furnishing	\$3,757,620	17.7%	\$	60.17				
Professional Services/Fees (architect, engineer, real estate legal, etc)	\$717,750	3.4%	\$	11.49				
Construction Financing Costs (interest, insurance, inspections, fees, etc)	\$1,659,692	7.8%	\$	26.58				
Permanent Financing Costs (fees, title/recording, etc)	\$14,000	0.1%	\$	0.22				
Other Soft Costs (tax credit fees, environmental reports, appraisals, accounting, etc)	\$307,409	1.4%	\$	4.92				
Syndication-Related Costs (organization, bridge loan, tax opinion, etc)	\$35,000	0.2%	\$	0.56				
Reserves (rent-up, operating, replacement, escrows, etc)	\$442,590	2.1%	\$	7.09				
Developer Fees (inc consultant fees)	\$1,284,500	6.1%	\$	20.57				
Total Development Costs (TDC) w/o Commercial	\$21,228,630	100.0%	\$	339.94				
TDC w/o Land, Reserves & Commercial	\$20,251,040	95%	\$	324.28				

*Gross square footage: 62,449

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^{**}Residential Areas Only

¹² Somos Apartments: To provide more information regarding how the commercial space impacts costs, including cost per square foot, tables with and without the commercial space have been presented here. Tables with residential areas only do not include commercial space costs. The tables with both residential and commercial square footage includes the total development costs of the project, including the cost of commercial space that is not paid for with tax credit equity.

TOTAL DEVELOPMENT COST INFORMATION SUMMARY								
Project: Elk Meadows, Ruidoso, New Construction	Total	% TDC	Co	st/GSF*				
Acquisition Costs (land, building acquisition, & other acquisition costs)	\$0	0.0%	\$	-				
Construction Hard Costs	\$11,094,892	57.6%	\$	128.39				
Other Construction Costs (contractor O&P, general req, GRT, landscaping, furnishing:	\$3,268,516	17.0%	\$	37.82				
Professional Services/Fees (architect, engineer, real estate legal, etc)	\$465,910	2.4%	\$	5.39				
Construction Financing Costs (interest, insurance, inspections, fees, etc)	\$1,348,211	7.0%	\$	15.60				
Permanent Financing Costs (fees, title/recording, etc)	\$341,221	1.8%	\$	3.95				
Other Soft Costs (tax credit fees, environmental reports, appraisals, accounting, etc)	\$147,007	0.8%	\$	1.70				
Syndication-Related Costs (organization, bridge loan, tax opinion, etc)	\$201,661	1.0%	\$	2.33				
Reserves (rent-up, operating, replacement, escrows, etc)	\$1,058,608	5.5%	\$	12.25				
Developer Fees (inc consultant fees)	\$1,323,000	6.9%	\$	15.31				
Total Development Costs (TDC) w/o Commercial	\$19,249,026	100.0%	\$	222.76				
TDC w/o Land, Reserves & Commercial	\$18,190,418	95%	\$	210.51				

*Gross square footage: 86,413

TOTAL DEVELOPMENT COST INFORMATION SUMMARY								
Project: Ocate Apartments, Santa Fe, New Construction	Total	% TDC	Cos	t/GSF*				
Acquisition Costs (land, building acquisition, & other acquisition costs)	\$780,000	3.5%	\$	9.42				
Construction Hard Costs	\$12,687,200	57.0%	\$	153.23				
Other Construction Costs (contractor O&P, general req, GRT, landscaping, furnishing	\$3,787,015	17.0%	\$	45.74				
Professional Services/Fees (architect, engineer, real estate legal, etc)	\$455,000	2.0%	\$	5.50				
Construction Financing Costs (interest, insurance, inspections, fees, etc)	\$2,420,385	10.9%	\$	29.23				
Permanent Financing Costs (fees, title/recording, etc)	\$85,000	0.4%	\$	1.03				
Other Soft Costs (tax credit fees, environmental reports, appraisals, accounting, etc)	\$387,188	1.7%	\$	4.68				
Syndication-Related Costs (organization, bridge loan, tax opinion, etc)	\$50,000	0.2%	\$	0.60				
Reserves (rent-up, operating, replacement, escrows, etc)	\$318,844	1.4%	\$	3.85				
Developer Fees (inc consultant fees)	\$1,305,000	5.9%	\$	15.76				
Total Development Costs (TDC)	\$22,275,632	100.0%	\$	269.03				
TDC w/o Land, Reserves & Commercial	\$21,176,788	95%	\$	255.76				

*Gross square footage: 82,800

TOTAL DEVELOPMENT COST INFORMATION SUMMARY								
Project: Laguna #4, Pueblo of Laguna, Acquisition/Rehabilitation	Total	% TDC	Co	st/GSF*				
Acquisition Costs (land, building acquisition, & other acquisition costs)	\$1,685,000	14.7%	\$	33.00				
Construction Hard Costs	\$5,817,892	50.7%	\$	113.93				
Other Construction Costs (contractor O&P, general req, GRT, landscaping, furnishing:	\$1,995,899	17.4%	\$	39.08				
Professional Services/Fees (architect, engineer, real estate legal, etc)	\$528,944	4.6%	\$	10.36				
Construction Financing Costs (interest, insurance, inspections, fees, etc)	\$49,800	0.4%	\$	0.98				
Permanent Financing Costs (fees, title/recording, etc)	\$42,500	0.4%	\$	0.83				
Other Soft Costs (tax credit fees, environmental reports, appraisals, accounting, etc)	\$512,417	4.5%	\$	10.03				
Syndication-Related Costs (organization, bridge loan, tax opinion, etc)	\$0	0.0%	\$	-				
Reserves (rent-up, operating, replacement, escrows, etc)	\$75,000	0.7%	\$	1.47				
Developer Fees (inc consultant fees)	\$775,000	6.7%	\$	15.18				
Total Development Costs (TDC)	\$11,482,452	100.0%	\$	224.85				
TDC w/o Land, Reserves & Commercial	\$11,407,452	99%	\$	223.38				

*Gross square footage: 51,067

TOTAL DEVELOPMENT COST INFORMATION SUMMARY									
Project: Country Club, Santa Fe, Acquisition/Rehabilitation and NC	Total	% TDC	Со	st/GSF*					
Acquisition Costs (land, building acquisition, & other acquisition costs)	\$5,495,000	25.4%	\$	80.50					
Construction Hard Costs	\$8,668,700	40.1%	\$	127.00					
Other Construction Costs (contractor O&P, general req, GRT, landscaping, furnishing	\$2,587,620	12.0%	\$	37.91					
Professional Services/Fees (architect, engineer, real estate legal, etc)	\$455,000	2.1%	\$	6.67					
Construction Financing Costs (interest, insurance, inspections, fees, etc)	\$2,199,231	10.2%	\$	32.22					
Permanent Financing Costs (fees, title/recording, etc)	\$85,000	0.4%	\$	1.25					
Other Soft Costs (tax credit fees, environmental reports, appraisals, accounting, etc)	\$356,697	1.7%	\$	5.23					
Syndication-Related Costs (organization, bridge loan, tax opinion, etc)	\$50,000	0.2%	\$	0.73					
Reserves (rent-up, operating, replacement, escrows, etc)	\$355,382	1.6%	\$	5.21					
Developer Fees (inc consultant fees)	\$1,341,000	6.2%	\$	19.65					
Total Development Costs (TDC)	\$21,593,630	100.0%	\$	316.36					
TDC w/o Land, Reserves & Commercial	\$20,463,248	95%	\$	299.80					

*Gross square footage: 68,257

D. Supplemental Credits

MFA received a request for \$102,867 non-competitive supplemental LIHTC from The Bluffs Senior Apartments. The project received a \$1,028,671 LIHTC allocation in the 2019 round. It was the highest scoring project in the 2019 round and the supplemental credits do not affect the project's ranking among the projects that competed in that round. The total development cost per unit also remains within the current cost limit per unit.¹³

When MFA underwrote the project for the carryover allocation, total development costs were \$12,871,284. By the end of 2023¹⁴, costs had risen to \$17,991,050. The increased costs are due to a combination of factors including continued COVID-related effects on supply chain delays, subcontractor manpower availability, material costs, state and county inspections delays, and weather-related delays. The combination of these various delays significantly increased the construction time and added additional construction costs.

Some of those costs were covered by negotiating with the permanent lender to increase the permanent financing by approximately \$3 million. The remaining costs are covered by the equity generating by the requested \$102,867 LIHTC, and by deferring all of the remaining 86% of the developer fee that was not already paid at construction closing. As contractually agreed with the investor, the nonprofit partner received \$124,750 to pay for its cost to provide supportive services and the developer received \$47,800. The remaining \$1,074,950 would be paid during the first 15 years of operations, as required by the Internal Revenue Code.

¹³ The 2024 cost limit per unit (excluding land, reserves and commercial) was \$298,898; The Bluffs Senior Apartments cost per unit is \$263,304.

¹⁴ IRS Notice 2022-05 extended the deadline to place the project in service from December 31, 2021 to December 31, 2023. The project met this deadline.

TOTAL DEVELOPMENT COST INFORMATION SUMMARY									
Project: The Bluffs Senior Apartments, Los Alamos, New Construction Sources: Carryover Current Increase									
Permanent Loan	\$1,859,500	\$4,900,000	\$3,040,500						
Los Alamos County	\$1,500,000	\$1,500,000	\$0						
Deferred Developer Fee	\$460,384	\$1,074,950	\$614,566						
LIHTC Equity	\$9,051,400	\$10,516,099	\$1,464,699						
Total Development Costs (TDC)	\$12,871,284	\$17,991,049	\$5,119,765						

Uses:	Carryover	Current	Increase
Acquisition Costs (land, building acquisition, & other acquisition costs)	\$759,578	\$766,686	\$7,108
Construction Hard Costs	\$7,444,610	\$11,034,695	\$3,590,085
Other Construction Costs (contractor O&P, general req, GRT, landscaping, furnishing	\$2,072,651	\$2,094,482	\$21,831
Professional Services/Fees (architect, engineer, real estate legal, etc)	\$328,500	\$449,877	\$121,377
Construction Financing Costs (interest, insurance, inspections, fees, etc)	\$625,250	\$1,757,588	\$1,132,338
Permanent Financing Costs (fees, title/recording, etc)	\$39,795	\$80,200	\$40,405
Other Soft Costs (tax credit fees, environmental reports, appraisals, accounting, etc)	\$113,400	\$180,022	\$66,622
Reserves (rent-up, operating, replacement, escrows, etc)	\$240,000	\$380,000	\$140,000
Developer Fees (inc consultant fees)	\$1,247,500	\$1,247,500	\$0
Total Development Costs (TDC)	\$12,871,284	\$17,991,050	\$5,119,766

Summary

Staff and the ARC recommend approval of the following, all in accordance with ARC recommendations:

- I. Approval of one (1) proposed supplement LIHTC award in the amount of \$102,867 to The Bluffs Senior Apartments project; and
- II. Approval of the following four new construction projects and one rehabilitation project presented in the attached updated Table 7A; and

	Total	\$7.145.900
5.	Ocate Apartments, new construction, Santa Fe	\$1,622,805
4.	Country Club Apartments, acquisition/rehabilitation, Santa Fe	\$1,240,558
3.	Elk Meadows, new construction, Ruidoso	\$1,496,000
2.	Somos Apartments, new construction, Albuquerque	\$1,622,805
1.	Laguna #4, acquisition/rehabilitation, Laguna	\$1,163,732

- III. Approval of the 2024 9% LIHTC Wait List, Ineligible Projects and Rejected Projects as presented in the attached updated Table 7B; and
- IV. Approval of a forward allocation in an amount not to exceed \$2,476,744 in 2025 LIHTC minus the amount of National Pool LIHTC received by New Mexico pursuant to Internal Revenue Code §42(h)(3)(D) when they are allocated in the fourth quarter of 2024.

Attachments:

- 1. Table 1 2024 LIHTC Ceiling
- 2. Table 2 Summary of Proposed 2024 LIHTC & Loan Allocations
- 3. Table 3 LIHTC Awards by County
- 4. Table 4 Scoring Summary
- 5. Recommended Project Photos with Brief Summaries¹⁵
- 6. Allocation Review Committee Resolution
- 7. Tables 7A and 7B 2024 Proposed Initial LIHTC Awards and Waitlist/Ineligible/Rejected Projects

¹⁵ The total development costs per unit exclude land, reserves and commercial costs as defined to calculate Cost Limits in Section IV.C.2 of the 2024 QAP. The cost per square foot in the summaries include construction hard costs and other construction costs listed in each project's Total Development Cost

Information Summary on pages 6 through 8 of this memo.

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Table 1 2024 Housing Tax Credit Ceiling

	Population	Credit \$				
Component	_	Per Capita	Amount			Balance
Population Allocation	2,114,371	2.90	\$	6,131,676	\$	6,131,676
2023 Forward Allocations			\$	(1,439,375)	\$	4,692,301
Supplemental Credits			\$	(102,867)	\$	4,589,434
Supplemental 2023 National Pool - 4/8/2024	*		\$	79,722	\$	4,669,156
2024 National Pool (To Be Determined)			\$	-	\$	4,669,156
Returned or Unused Credits from Prior Years			\$	-	\$	4,669,156
				Set Aside		Achieved
Nonprofit Set Aside		10.00%	\$	621,140	\$	5,982,168
Underserved Populations Set Aside**		20.00%	\$	1,242,280	\$	1,163,732

^{*} National Pool awarded in 4Q 2023 awarded in 2023

^{**} if QAP set aside requirements satisfied

Table 2 SUMMARY OF PROPOSED 2024 LIHTC & LOAN ALLOCATIONS

Project	NC, AR, or	Total #	Location	Development	Total Development Cost w/o Land, Reserves, &	Cost w/o Land, R Commercial	Costs	LIHTC Investor Equity ³	9% LIHTC Allocation	HOME Loan	NM HTF⁵	Nat'l HTF ⁶	Comm Fire ⁷	Total 9 % LIHTC Allocation &
	NC/AIX	OI OIIILS		Cost	Commercial Costs	Per Unit	Per Gross Per Unit Square Foot (GSF)		7000.001	(inc cribo)			THE	MFA Loans
Laguna #4	AR	40	Laguna	\$ 11,482,452	\$ 11,407,452	\$ 285,186.30	\$ 223.38	\$ 9,483,467	\$ 1,163,732	\$ -	\$ -	\$ -	\$ -	\$ 1,163,732
Somos Apartments	NC	70	Albuquerque	\$ 21,751,638	\$ 20,251,040	\$ 289,300.57	\$ 324.28	\$ 14,035,860	\$ 1,622,805	\$ -	\$ 4,000,000	\$ -	\$ -	\$ 5,622,805
Elk Meadows	NC	72	Ruidoso	\$ 19,249,026	\$ 18,190,418	\$ 252,644.69	\$ 210.51	\$ 12,714,728	\$ 1,496,000	\$ 400,000	\$ 2,000,000	\$ 400,000	\$ 489,300	\$ 4,785,300
Country Club Apartments	AR	62	Santa Fe	\$ 21,593,630	\$ 20,463,248	\$ 330,052.39	\$ 299.80	\$ 10,915,819	\$ 1,240,558	\$ 400,000	\$ 3,000,000	\$ 400,000	\$ -	\$ 5,040,558
Ocate Apartments	NC	60	Santa Fe	\$ 22,275,632	\$ 21,176,788	\$ 352,946.47	\$ 255.76	\$ 14,279,256	\$ 1,622,805	\$ 400,000	\$ 3,000,000	\$ 400,000	\$ -	\$ 5,422,805
												Total		\$ 22,035,200

Average Costs for all 2024 Awards w/o Land, Reserves, and							
Commercial Costs							
Type of Project		Cost per Unit		Cost per GSF			
New Construction	\$	298,297	\$	263.52			
Acquisition/Rehab [®]	\$	307,619	\$	261.59			

¹ New Construction = NC

Acquisition/Rehab = AR

² All units - including employee and market rate

³ Low Income Housing Tax Credit Equity - Not included in Total 9% LIHTC Allocation & MFA Loans column

⁴ Community Housing Development Corporation

⁵ New Mexico Housing Trust Fund

⁶ National Housing Trust Fund

⁷ Community Project Fire Grant

⁸ Country Club Apartments includes 26 newly constructed units, which increases the cost per unit

Table 3
9% Low Income Housing Tax Credit Awards by County
2000 - 2024

Urban and Rural Areas \$57.4 million or 49.24% of awards were made in urban areas.

\$59.2 million or 50.76% of awards were made in rural areas.

County*	Population (July 1, 2023 Estimates)	Percent of Population	9% LIHTC Award Amount	Percent of Total 9% LIHTC Awards	9% LIHTC Awards in Urban Areas**	9% LIHTC Awards in Rural Areas	9% LIHTC per capita
Bernalillo County	671,586	31.8%	32,715,729	28.0%	32,715,729	0	48.71
Chaves County	63,561	3.0%	2,120,141	1.8%		2,120,141	33.36
Cibola County	26,780	1.3%	5,462,707	4.7%		5,462,707	203.98
Curry County	47,222	2.2%	5,090,452	4.4%		5,090,452	107.80
Doña Ana County	225,210	10.7%	12,599,812	10.8%	6,739,156	5,860,656	55.95
Eddy County	60,275	2.9%	3,374,358	2.9%		3,374,358	55.98
Grant County	27,472	1.3%	1,837,270	1.6%		1,837,270	66.88
Lea County	72,101	3.4%	7,674,510	6.6%		7,674,510	106.44
Lincoln County	20,029	0.9%	1,912,734	1.6%		1,912,734	95.50
Los Alamos County	19,444	0.9%	2,592,410	2.2%		2,592,410	133.33
Luna County	25,316	1.2%	1,746,914	1.5%		1,746,914	69.00
McKinley County	68,797	3.3%	3,846,631	3.3%		3,846,631	55.91
Otero County	68,835	3.3%	2,488,710	2.1%		2,488,710	36.15
Rio Arriba County	39,876	1.9%	307,779	0.3%		307,779	7.72
San Juan County	120,675	5.7%	2,775,168	2.4%		2,775,168	23.00
San Miguel County	26,668	1.3%	1,242,063	1.1%		1,242,063	46.58
Sandoval County	155,936	7.4%	4,849,431	4.2%	2,850,483	1,998,948	31.10
Santa Fe County	155,956	7.4%	16,103,948	13.8%	15,122,386	981,562	103.26
Socorro County	15,963	0.8%	768,507	0.7%		768,507	48.14
Taos County	34,405	1.6%	4,226,641	3.6%		4,226,641	122.85
Union County	3,964	0.2%	240,064	0.2%		240,064	60.56
Valencia County	79,141	3.7%	2,661,928	2.3%		2,661,928	33.64
Other Counties	85,159	4.0%	0	0.0%	0	0	0.00
Total New Mexico	2,114,371	100%	116,637,907	100%	57,427,754	59,210,153	55.16
Percentage of Tax Credits					49.24%	50.76%	

^{*}Only counties receiving 9% LIHTC awards are listed separately.

^{**}Urban Areas include Bernalillo County and the Cities of Rio Rancho, Las Cruces, and Santa Fe.

Table 4
Project Scoring Summary

Project Name	Self Score	MFA Score	Score Change
Country Club Apts	78	66	-12
Elk Meadows	87	74	-13
Laguna #4	77	77	0
Ocate Apts	77	72	-5
Somos Apartments	81	81	0
Apple Ridge***	80	Withdrawn	
Sunset 1600 Apartments*	77	Rejected	
The Summit at La Joya**	72	Rejected	

^{*}Project did not meet threshold

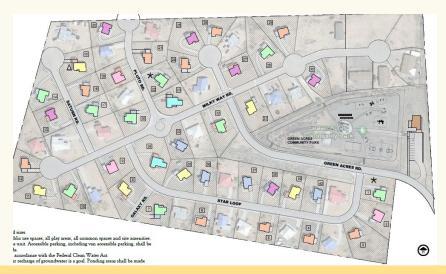
^{**} Project did not meet minimum score

Laguna #4 Laguna

Acq/Rehab, HH with Children, 40 units, \$11,407,452 TDC, \$285,186/unit, \$153.01/sq ft, \$1,163,732 LIHTC request

Scope of Work:

- 1 New on-site community building and improvements to playground;
- 2 Mechanical Systems HVAC system replacement;
- 3 Unit Interiors new flooring, fixtures, paint, Energy Star appliances;
- 4 Exterior envelope roof, window and door replacements.



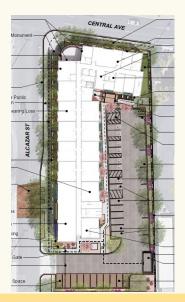




Somos Apartments Albuquerque

New, Seniors 55+, 70 units (59 LI Units), \$20,251,040 TDC, \$289,301/unit, \$259.94/sq ft, \$1,622,805 LIHTC request

- 1 Sustainability Solar water heaters and EV charging stations;
- 2 25 Project Based Rental Assistance Vouchers;
- 3 Placemaking Enhanced pedestrian connections to Talin World Market, murals and preservation of sidewalk enhancements;
- 4-1,791 sf commercial space for local business incubation.





Elk Meadows Ruidoso

New, HH with Children, 72 units (61 LI Units), \$18,190,418 TDC, \$252,645/unit, \$166.22/sq ft, \$1,496,000 LIHTC request

- 1 Mixed income property will serve a range of residents;
- 2 Convenient to public transportation and local amenities;
- 3 Family services program run by Region 9 and ENMU;
- 4 Village land lease and \$1,000,000 contribution.



Country Club Apartments Santa Fe

Acq/Rehab & NC, HH with Children, 62 units, \$20,463,248 TDC, \$330,052/unit, \$164.91/sq ft, \$1,240,558 LIHTC request

- 1 Exterior New windows, doors, siding, stairs, HVAC;
- 2 Renovated access and site utilities
- 2 "Gut" interior rehabilitation with extensive re-plumbing;
- 3 26 Newly Constructed Units include nine 3-bedroom units





Ocate Apartments Santa Fe

New, Households with Children, 60 units, \$21,176,788 TDC, \$352,946/unit, \$198.96/sq ft, \$1,622,805 LIHTC request

- 1 Unit interiors open design concept with kitchen island;
- 2 Interior common areas computer training center and kitchen;
- 3 Designed to create a pueblo surrounding a central plaza;
- 4 Exterior amenities tot lots, large turf play area, picnic areas, community gardens and patios.





NEW MEXICO MORTGAGE FINANCE AUTHORITY (MFA) HOUSING TAX CREDIT ALLOCATON REVIEW COMMITTEE RESOLUTION

Resolution:

Be it resolved, the Allocation Review Committee recommends to the MFA Board of Directors the following:

- 1. Approval of one (1) proposed supplemental Low Income Housing Tax Credits (LIHTC) award in the amount of \$102,867 to The Bluffs Senior Apartments project; and
- 2. Approval of five (5) proposed initial awards to those 2024 9% LIHTC Projects presented in Table 7A; and
- 3. Approval of the 2024 9% LIHTC Wait List, Ineligible Projects, and Rejected Projects as presented in Table 7B; and
- 4. Approval of a forward allocation in an amount not to exceed \$2,916,668 in 2025 Tax Credits minus the amount of National Pool tax credits received by New Mexico pursuant to Internal Revenue Code \$42(h)(3)(D) when they are allocated in the fourth quarter of 2024.

Approved this 21st day of March 2024 by a vote of five (5) in favor and zero (0) opposed:

By: Rosalyn D. Nguyen

Rosalyn Nguyen Chafey, Acting Allocation Review Committee Chair

By: Fidoro Horandez,

Secretary, New Mexico Mortgage Finance Authority

2024 ARC Resolution

Final Audit Report 2024-03-21

Created: 2024-03-21

By: Jeanne Redondo (jredondo@housingnm.org)

Status: Signed

Transaction ID: CBJCHBCAABAAyPhCNX-1HIGpII0NBN3HkCGuVr1iz-Sz

"2024 ARC Resolution" History

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Table 7a 2024 LIHTC Awards - reduced by 2023 forward allocations

New Construction

Total Ceiling after 2023 forward allocations: \$4,589,434

Δςα	/Rehab
ALU	/ Kellab

Rank	Score	Project	Developer	Units	Threshold	Amount	Tax Credit Balance	Tie Breaker Calculation	Proposed Status*
1	77	Laguna #4	Laguna Housing Development & Management Enterprise	40	Yes	\$1,163,732	\$3,425,702	N/A	2024 Award
1	81	Somos Apartments	Sol Housing (fka GAHP)	70	Yes	\$1,622,805	\$1,802,897	N/A	2024 Award
2	74	Elk Meadows	Enriched Communities	72	Yes	\$1,496,000	\$306,897	N/A	2024 Award
2	80	Apple Ridge	YES Housing, Inc.	80	Yes	\$1,600,760	-\$1,293,863	N/A	Split
3	72	Ocate Apartments	Santa Fe Civic Housing Authority	60	Yes	\$1,622,805	-\$2,916,668	N/A	2025 Award

322 Subtotal \$7,506,102

Cuand Tatal	¢7.506.403	2025 Forward	¢2.016.660	
Grand Total	\$7,506,102	Allocations	-\$2,916,668	

*The 2024 QAP states: In order to serve both the purpose of building new affordable housing units and rehabilitating existing structures to create or preserve affordable housing units, MFA will allocate the tax credits awarded in the 9% Application round based on project type. As such, new construction Applications, including Adaptive reuse Applications, will be scored against other new construction Applications and rehabilitation Applications will be scored against other rehabilitation Applications; thus creating two separate tracks or categories for purposes of scoring and reserving tax credits for specific Projects. An Adaptive reuse Project shall be categorized as a new construction Project for these purposes. From those tracks, the two highest scoring new construction Projects will be awarded first, followed by the highest scoring rehabilitation Project. The target pattern of two new construction Projects followed by one rehabilitation Project will be followed until all credits are allocated, or until the last Project in a track has been awarded. Projects awarded in the Nonprofit or Underserved Population set-asides will be considered in achieving this target. Forward allocations may be made following the same process, however any decision to forward allocate tax credits lies solely within MFA's inherent discretion and is not subject to further review.

Table 7b 2024 LIHTC Waitlist / Ineligible Projects / Rejected Projects

New Construction
Acq/Rehab

Rank	Score	Project	Developer	Units	Threshold	Amount	Tax Credit Balance	Tie Breaker Calculation	Proposed Status*
3	66	Country Club Apartments	Santa Fe Civic Housing Authority	70	Yes	\$1,240,558	-\$4,157,226	N/A	Wait List
4	NS	The Summit at La Joya	Summit Housing Group	58	No	\$1,622,805	-\$5,780,031	N/A	Rejected
4	NS	Sunset 1600 Apartments	Community Preservation Partners	60	No	\$1,155,917	-\$6,935,948	N/A	Rejected

188 Subtotal \$4,019,280

Grand Total Tax Credits \$11,525,382

*The 2024 QAP states: In order to serve both the purpose of building new affordable housing units and rehabilitating existing structures to create or preserve affordable housing units, MFA will allocate the tax credits awarded in the 9% Application round based on project type. As such, new construction Applications, including Adaptive reuse Applications, will be scored against other new construction Applications and rehabilitation Applications will be scored against other rehabilitation Applications; thus creating two separate tracks or categories for purposes of scoring and reserving tax credits for specific Projects. An Adaptive reuse Project shall be categorized as a new construction Project for these purposes. From those tracks, the two highest scoring new construction Projects will be awarded first, followed by the highest scoring rehabilitation Project. The target pattern of two new construction Projects followed by one rehabilitation Project will be followed until all credits are allocated, or until the last Project in a track has been awarded. Projects awarded in the Nonprofit or Underserved Population set-asides will be considered in achieving this target. Forward allocations may be made following the same process, however any decision to forward allocate tax credits lies solely within MFA's inherent discretion and is not subject to further review.

Table 7a 2024 LIHTC Awards - reduced by 2023 forward allocations

New Construction
Acg/Rehab

Total Ceiling after 2023 forward allocations: \$4,669,156

Rank	Score	Project	Developer	Units	Threshold	Amount	Tax Credit Balance	Tie Breaker Calculation	Proposed Status*
1	77	Laguna #4	Laguna Housing Development & Management Enterprise	40	Yes	\$1,163,732	\$3,505,424	N/A	2024 Award
1	81	Somos Apartments	Sol Housing (fka GAHP)	70	Yes	\$1,622,805	\$1,882,619	N/A	2024 Award
2	74	Elk Meadows	Enriched Communities	72	Yes	\$1,496,000	\$386,619	N/A	2024 Award
2	66	Country Club Apartments	Santa Fe Civic Housing Authority	62	Yes	\$1,240,558	-\$853,939	N/A	Split
3	72	Ocate Apartments	Santa Fe Civic Housing Authority	60	Yes	\$1,622,805	-\$2,476,744	N/A	2025 Award
				304	Subtotal	\$7,145,900			

Grand Total \$7,145,900 2025 Forward -\$2,476,744

*The 2024 QAP states: In order to serve both the purpose of building new affordable housing units and rehabilitating existing structures to create or preserve affordable housing units, MFA will allocate the tax credits awarded in the 9% Application round based on project type. As such, new construction Applications, including Adaptive reuse Applications, will be scored against other new construction Applications and rehabilitation Applications will be scored against other rehabilitation Applications; thus creating two separate tracks or categories for purposes of scoring and reserving tax credits for specific Projects. An Adaptive reuse Project shall be categorized as a new construction Project for these purposes. From those tracks, the two highest scoring new construction Projects will be awarded first, followed by the highest scoring rehabilitation Project. The target pattern of two new construction Projects followed by one rehabilitation Project will be followed until all credits are allocated, or until the last Project in a track has been awarded. Projects awarded in the Nonprofit or Underserved Population set-asides will be considered in achieving this target. Forward allocations may be made following the same process, however any decision to forward allocate tax credits lies solely within MFA's inherent discretion and is not subject to further review.

Table 7b 2024 LIHTC Waitlist / Ineligible Projects / Rejected Projects

New Construction

Acq/Rehab

Ra	ank	Score	Project	Developer	Units	Threshold	Amount	Tax Credit Balance	Tie Breaker Calculation	Proposed Status*
	3	0	Apple Ridge	YES Housing, Inc.	80	Yes	\$1,600,760	-\$4,077,504	N/A	Withdrawn
2	4	NS	The Summit at La Joya	Summit Housing Group	58	No	\$1,622,805	-\$5,700,309	N/A	Rejected
4	4	NS	Sunset 1600 Apartments	Community Preservation Partners	60	No	\$1,155,917	-\$6,856,226	N/A	Rejected

198 Subtotal \$4,379,482

Grand Total Tax Credits \$11,525,382

*The 2024 QAP states: In order to serve both the purpose of building new affordable housing units and rehabilitating existing structures to create or preserve affordable housing units, MFA will allocate the tax credits awarded in the 9% Application round based on project type. As such, new construction Applications, including Adaptive reuse Applications, will be scored against other new construction Applications and rehabilitation Applications will be scored against other rehabilitation Applications; thus creating two separate tracks or categories for purposes of scoring and reserving tax credits for specific Projects. An Adaptive reuse Project shall be categorized as a new construction Project for these purposes. From those tracks, the two highest scoring new construction Projects will be awarded first, followed by the highest scoring rehabilitation Project. The target pattern of two new construction Projects followed by one rehabilitation Project will be followed until all credits are allocated, or until the last Project in a track has been awarded. Projects awarded in the Nonprofit or Underserved Population set-asides will be considered in achieving this target. Forward allocations may be made following the same process, however any decision to forward allocate tax credits lies solely within MFA's inherent discretion and is not subject to further review.



Contracted Services/Credit Committee meeting did not occur due to no quorum. Board items are being presented to the Board without Committee recommendation.

NEW MEXICO MORTGAGE FINANCE AUTHORITY **Contracted Services/Credit Committee Meeting** Tuesday, May 7, 2024 @ 10:00 am

MFA – Albuquerque

WebEx join the meeting from the calendar or call 1-408-418-9388 (access code): 2485 316 1174

	AGENDA ITEM	TIME ALLOTTED	COMMITTEE RECOMMENDED	BOARD ACTION REQUIRED	
1	State Fiscal Year 2025 Severance Tax Bond Funds Allocation and Certification of Need – Robyn Powell, Stephanie Gonzales & Sonja Unrau	10:00-10:05		YES	
2	\$1 million NMHTF for Preservation & Reinvestment Initiative for Community Enhancement Grant Leverage – Sonja Unrau & Sharlynn Rosales	10:05-10:10		YES	
3	Elk Meadows Apartments - HOME, National Housing Trust Fund, and New Mexico Housing Trust Fund Loan Requests – Tim Martinez & George Maestas	10:10-10:15		YES	
4	Somos Apartments – New Mexico Housing Trust Fund Loan Request – Tim Martinez & George Maestas	10:15-10:20		YES	
5	Ocate Apartments - HOME, National Housing Trust Fund, and New Mexico Housing Trust Fund Loan Requests – Justin Carmona & George Maestas	10:20-10:25		YES	
6	Apple Ridge – HOME-CHDO, National Housing Trust Fund, and New Mexico Housing Trust Fund Loan Requests – Josh Howe, Justin Carmona, & George Maestas	10:25-10:30		YES	
<u>Al</u> 7	Proposed 2024 Low Income Housing Tax Credit (LIHTC) Awards- Jeanne Redondo	10:30-10:35	N/A (Info. Only)	NO	
8	Questions/comments from Committee	10:35-10:40		NO	
(Committee Members present: Rebecca Wurzburger, Chair	present \square a	bsent	e call	
	Attorney General Raul Torrez/Designee Gideon Elliot	oresent 🗆 a	bsent	e call	
	Patricia Sullivan	present □ absent □ conference call			

2024 RENTAL AWARD SUMMARY

Project Name &	Elk Meadows	Apartments		
Address		Drive, Ruidoso, Lincoln County, NM 88345		
Proposed	\$400,000	HOME	Rate	0%
Awards	\$400,000	National Housing Trust Fund (NHTF)	Rate	0%
	\$2,000,000	New Mexico Housing Trust Fund (NMHTF)	Rate	2.0% Fixed
Borrowers	Enriched Com 20% by LDC Development (LP will be owned .0010% by Village of Ruidoso as munities, LLC, as General Partner, owned 80% by Ke Housing LLC (Member); and 0051% by New Morporation as Co-General Partner; and 99.99% by F	strel Housing L exico Housing R4 Capital, as L	LC (Member) and and Community imited Partner.
Management	third-party, full Mexico, and 0	perties, Inc. is a privately held Texas corporation chan- service management of multifamily apartment commodulation. The corporate office is located in Albuquer management have consistently averaged more loyed.	munities throug Juerque, New	phout Texas, New Mexico. The total
Developers	Enriched Con entity incorpor include Colin kin New Mexico and developm The team see positively impart acquisitions of been on afforcincome. He had Richard Ashto housing and elith and the Lith and the colon consequences of the colon kin the development of the colon kin the	Armunities LLC (Enriched Communities) is a private ated in New Mexico in 2023 and is the lead develope (Truger and Richard Ashton, who are currently involved), Texas, and Alabama. The team has combined expensed over 30 years and have built nine tax credit meks to design and deliver projects that are affordal act outcomes for children and families. Was previously the General Manager of Fair House Section 8 portfolios and facilitated 9% LIHTC conversed to the previously partnered with Richard Ashton on LIHTC in its the President of the Leadership Development Conducational charity. Mr. Ashton has been the lead prine of over the past several years, including one project in erty Multifamily LLC. Richard Ashton is a specialist in the president of the Leadership Development Corporation of the profit organization established in 2003 as a development of 10 affordable multifamily rental properties of Housing Authority (TCHA). NMHCDC is currently lead to the former Executive Director of TCHA. For over a decoment of 10 affordable multifamily rental properties of Espanola. Financing sources utilized for these projects in Truth or Consequence of Espanola. Financing sources utilized for these projects in Mexico, with projects in Truth or Consequence of Espanola. Financing sources utilized for these projects in Mexico, with projects in Truth or Consequence of Sapanola. Financing sources utilized for these projects in Truth or Consequence of Sapanola. Financing sources utilized for these projects in Truth or Consequence of Sapanola. Financing sources utilized for these projects in Truth or Consequence of Sapanola. Financing sources utilized for these projects in Truth or Consequence of Sapanola. Financing sources utilized for these projects in Truth or Consequence of Sapanola. Financing sources utilized for these projects in Truth or Consequence of Sapanola. Financing sources utilized for these projects in Truth or Consequence of Sapanola. Financing sources utilized for these projects in Truth or Consequence of Sapanola. Finan	r of Elk Meadored in affordable erience in real enultifamily develope with superions. Mr. Kosed on inequitic developments on (NMHCDC) welopment afford by President and the cade, NMHCDC on (NMHCDC) welopment afford by President and the cade, NMHCDC on (NMHCDC) welopment afford by President and the cade, NMHCDC on (NMHCDC) welopment afford by President and the cade, NMHCDC on the cade, NMHCDC on the case of \$100, net income (NMHCDC) and the case of	ws. The principals housing projects estate acquisitions elopment projects. For amenities that where he led the truger's focus has es in housing and so a looper of multiple is Managing di underwriting for and CEO Steven C has participated for 414 apartments earlsbad, Deming, conventional loans, C, and tax-exempt at 1.2M, total assets loss) of (\$9K), and 06/30/2023 show worth ratio of 0.32 internally prepared sted cash of \$92K,
	Apartments an Principal of E Richard Ashto	munities LLC is a newly formed entity created spected, as such, does not yet have any prepared financial nriched Communities LLC. The HUD Personal Financial prepared on 04/18/2024 shows a personal asset to c. Colin Kruger is also a Principal of Enriched Comm	statements. R ancial and Cre liability ratio of	ichard Ashton is a edit Statement for 2,252 to 1.00 and

liability ratio of 168 to 1.00 and strong liquidity.		
(100% of units) will target households with children. Four units will be income restricted to households earning 30% or less of Area Median Income (AMI). 18 units will be income restricted to households earning 50% or less of AMI, 39 units will be income restricted to households earning 50% or less of AMI, 39 units will be income restricted to households earning 60% or less of AMI, 39 units will be income restricted to households earning 60% or less of AMI, and 11 units will be rented at market rate. Fifteen units will receive HUD Section 8 Project Based Vouchers. Project Project Enriched Communities is proposing the new construction of Elk Meadows Apartments, a 72-unit apartment project targeting households with children in Ruidoso, NM. The project will consist of 27 one-bedroom units at approximately 955 sq. ft. The project's gross square footage will be about 86 413 sq. ft. to be comprised 585 sq. ft. 37 two-bedroom units at approximately 789 sq. ft. and 8 three-bedroom units at approximately 955 sq. ft. The project's gross square footage will be about 86 413 sq. ft. to be comprised of two and three-story walk-up buildings and one community building intended as a key venue for enrichment service programs. The site plan is optimized for minimal impact to the natural environment. Trees will be preserved as much as possible for cover and assertices. The circulation of the site is designed for efficient access and connections of individual apartment complexes to each other and the community building and other common areas. Dedicated spaces are planned for the residing children including a playground and large open spaces separated from vehicular traffic. Residents will have several shaded areas in which to gather for picnics and barbeques. There will be a walking path along a nearby golf course, which runs the length of the eastern border and will provide walking and bike access to the MainStreet district and other areas of the Village. Elk Meadows will feature living rooms and kitchens sized to accommodate		
apartment project targeting households with children in Ruidoso, NM. The project will consist of 27 one-bedroom units at approximately 585 sq. ft. 37 Nwo-bedroom units at approximately 585 sq. ft. The project's gross square footage will be about 86,413 sq. ft. to be comprised of two and three-story walk-up buildings and one community building intended as a key venue for enrichment service programs. The site plan is optimized for minimal impact to the natural environment. Trees will be preserved as much as possible for cover and aesthetics. The circulation of the site is designed for efficient access an environment of the site is designed for efficient access an environment of the site is designed for efficient access and connections of individual apartment complexes to each other and the community building and other common areas. Dedicated spaces are planned for the residing children, including a playground and large open spaces separated from vehicular traffic. Residents will have several shaded areas in which to gather for picnics and barbeques. There will be a walking path along a nearby golf course, which runs the length of the eastern border and will provide walking path along a nearby golf course, which runs the length of the eastern border and will provide walking path along a nearby golf course, which runs the length of the eastern border and will provide walking path along a nearby golf course, which runs the length of the eastern border and will provide walking path along a nearby golf course, which runs the length of the eastern border and will provide walking path along a nearby golf course, which runs the length of the eastern border and will provide walking path along a nearby golf course, which runs the length of the eastern border and will provide walking path along a nearby golf course, which runs the length of the eastern border was a stable of the eastern border. Environmental & Site		(100% of units) will target households with children. Four units will be income restricted to households earning 30% or less of Area Median Income (AMI), 18 units will be income restricted to households earning 50% or less of AMI, 39 units will be income restricted to households earning 60% or less of AMI, and 11 units will be rented at market rate. Fifteen units will receive HUD Section 8 Project Based Vouchers.
Kitchens will feature abundant cabinet and countertop space. Large windows will maximize natural light. All units will have high ceilings to improve thermal comfort during hot summer months. The cabin-like buildings, site layout, elevations and topography will be optimized to match the overall area and feel of Ruidoso Village. The Novogradac market study dated 01/15/2024 generally defines the Subject's Primary Market Area as the cities of Ruidoso Downs and Glencoe, the Village of Ruidoso, and the communities of Sun Valley, Sierra Vista, Ponderosa, and Hollywood. The Subject is located in the northern portion of Ruidoso. The Subject's neighborhood generally consists of vacant land, single-family homes, multifamily developments, commercial/retail uses, public uses, and is in close proximity to US Highway 70. The off-site amenities are appropriate and sufficient for the market and the intended tenants. The market study advises that due a significant level of demand for affordable and market rate housing and lack of recent multifamily construction in the area the Subject is marketable as proposed. The market study identifies only one non-subsidized LIHTC comparable located within the PMA. As such, it appears that there has been a significant lack of affordable non-subsidized developments in the Subject's immediate area. Given the presence of waiting lists in the area as well as the stabilized occupancy levels and low vacancy rates at all comparables, the market study finds that the Subject will not have a significant impact upon the vacancy rates of competing projects, either LIHTC or market rate. As such, the market study finds there is more than adequate demand in the market to support the Subject and existing competitive supply. The market study demand analysis shows the subject site will reach a stabilized occupancy of 95.0% within three to four months of opening. This absorption period is based on an average absorption rate of approximately 15 to 17 units per month. The analysis also shows a Capture Rate of	1	apartment project targeting households with children in Ruidoso, NM. The project will consist of 27 one-bedroom units at approximately 585 sq. ft., 37 two-bedroom units at approximately 789 sq. ft., and 8 three-bedroom units at approximately 955 sq. ft. The project's gross square footage will be about 86,413 sq. ft. to be comprised of two and three-story walk-up buildings and one community building intended as a key venue for enrichment service programs. The site plan is optimized for minimal impact to the natural environment. Trees will be preserved as much as possible for cover and aesthetics. The circulation of the site is designed for efficient access and connections of individual apartment complexes to each other and the community building and other common areas. Dedicated spaces are planned for the residing children, including a playground and large open spaces separated from vehicular traffic. Residents will have several shaded areas in which to gather for picnics and barbeques. There will be a walking path along a nearby golf course, which runs the length of the eastern border and will provide walking and bike access to the MainStreet district and other areas of
as the cities of Ruidoso Downs and Glencoe, the Village of Ruidoso, and the communities of Sun Valley, Sierra Vista, Ponderosa, and Hollywood. The Subject site is located in the northern portion of Ruidoso. The Subject's neighborhood generally consists of vacant land, single-family homes, multifamily developments, commercial/retail uses, public uses, and is in close proximity to US Highway 70. The off-site amenities are appropriate and sufficient for the market and the intended tenants. The market study advises that due a significant level of demand for affordable and market rate housing and lack of recent multifamily construction in the area the Subject is marketable as proposed. The market study identifies only one non-subsidized LIHTC comparable located within the PMA. As such, it appears that there has been a significant lack of affordable non-subsidized developments in the Subject's immediate area. Given the presence of waiting lists in the area as well as the stabilized occupancy levels and low vacancy rates at all comparables, the market study finds that the Subject will not have a significant impact upon the vacancy rates of competing projects, either LIHTC or market rate. As such, the market study finds there is more than adequate demand in the market to support the Subject and existing competitive supply. The market study demand analysis shows the subject site will reach a stabilized occupancy of 95.0% within three to four months of opening. This absorption period is based on an average absorption rate of approximately 15 to 17 units per month. The analysis also shows a Capture Rate of 8.2%, which is considered low and indicative of a deep base of potential support for the project. The project is expected to maintain a 5% vacancy rate or below. Environmental & Phase I Environmental Site Assessment has not yet been completed for the subject property. As required by HOME, the project must be determined to be in compliance with HUD Environmental		Kitchens will feature abundant cabinet and countertop space. Large windows will maximize natural light. All units will have high ceilings to improve thermal comfort during hot summer months. The cabin-like buildings, site layout, elevations and topography will be optimized to match the overall area
such, it appears that there has been a significant lack of affordable non-subsidized developments in the Subject's immediate area. Given the presence of waiting lists in the area as well as the stabilized occupancy levels and low vacancy rates at all comparables, the market study finds that the Subject will not have a significant impact upon the vacancy rates of competing projects, either LIHTC or market rate. As such, the market study finds there is more than adequate demand in the market to support the Subject and existing competitive supply. The market study demand analysis shows the subject site will reach a stabilized occupancy of 95.0% within three to four months of opening. This absorption period is based on an average absorption rate of approximately 15 to 17 units per month. The analysis also shows a Capture Rate of 8.2%, which is considered low and indicative of a deep base of potential support for the project. The project is expected to maintain a 5% vacancy rate or below. Environmental & A Phase I Environmental Site Assessment has not yet been completed for the subject property. As required by HOME, the project must be determined to be in compliance with HUD Environmental		as the cities of Ruidoso Downs and Glencoe, the Village of Ruidoso, and the communities of Sun Valley, Sierra Vista, Ponderosa, and Hollywood. The Subject site is located in the northern portion of Ruidoso. The Subject's neighborhood generally consists of vacant land, single-family homes, multifamily developments, commercial/retail uses, public uses, and is in close proximity to US Highway 70. The off-site amenities are appropriate and sufficient for the market and the intended tenants. The market study advises that due a significant level of demand for affordable and market rate housing and lack of recent multifamily construction in the area the Subject is marketable as
within three to four months of opening. This absorption period is based on an average absorption rate of approximately 15 to 17 units per month. The analysis also shows a Capture Rate of 8.2%, which is considered low and indicative of a deep base of potential support for the project. The project is expected to maintain a 5% vacancy rate or below. Environmental & A Phase I Environmental Site Assessment has not yet been completed for the subject property. Site As required by HOME, the project must be determined to be in compliance with HUD Environmental		such, it appears that there has been a significant lack of affordable non-subsidized developments in the Subject's immediate area. Given the presence of waiting lists in the area as well as the stabilized occupancy levels and low vacancy rates at all comparables, the market study finds that the Subject will not have a significant impact upon the vacancy rates of competing projects, either LIHTC or market rate. As such, the market study finds there is more than adequate demand in the market to
Site As required by HOME, the project must be determined to be in compliance with HUD Environmental		within three to four months of opening. This absorption period is based on an average absorption rate of approximately 15 to 17 units per month. The analysis also shows a Capture Rate of 8.2%, which is considered low and indicative of a deep base of potential support for the project. The project is expected to maintain a 5% vacancy rate or below.
National Housing Trust Fund, the project must be determined to be in compliance with HUD Environmental Provisions of 24 CFR part 93.301 before construction is complete.		A Phase I Environmental Site Assessment has not yet been completed for the subject property. As required by HOME, the project must be determined to be in compliance with HUD Environmental Review 24 CFR part 58 before site control and/or execution of loan documents. As required by the National Housing Trust Fund, the project must be determined to be in compliance with HUD
Site and Neighborhood Standards The subject property is located within Census Tract 9606.00. The Subject site will be located on a 5.5-acre parcel, which is currently undeveloped land currently zoned C-2 (Community Commercial District). Multifamily development is permitted in this zoning designation with a conditional use permit. Page 2 of 6	Neighborhood	5.5-acre parcel, which is currently undeveloped land currently zoned C-2 (Community Commercial District). Multifamily development is permitted in this zoning designation with a conditional use permit.

(HOME and NHTF New Construction only)

According to a letter, dated November 4, 2021, from the Village of Ruidoso, "The conditional use permit for this site was approved November 2, 2021 by the Planning Commission." As such, the Subject will represent a legal, conforming use as proposed.

The project will be required to meet HUD's Site and Neighborhood Standards prior to the acquisition of the property.

Project Financials, Projections and Assumptions, and Subsidy Layering Review

This project was underwritten utilizing MFA's standard 7% vacancy rate, which is considered conservative due to the low vacancy rates at nearby affordable and market rate housing properties. The applicant has provided a detailed 15-year cash flow projection for the project, which assumes a total annual income of \$689,759. The developers estimate \$381,683 in total operating expenses less reserves and social services (i.e., \$5,301 per unit per year), which is within MFA's standard underwriting range of \$4,300 to \$5,800.

The project's Debt Service Coverage Ratio (DSCR) starts at 1.36 to 1.00 in year one, increasing to 1.41 to 1.00 in year 15. This ratio is within MFA's underwriting standards of a range between 1.20 – 1.40 to 1:00 from year one of operation through year eight. The DSCR is slightly above underwriting standards at 1.41 to 1:00 from year nine through year 15.

The interest rate for R4 Capital's first mortgage loan is assumed to be 6.75% (6.25% adjusted upwards by 50 basis points for underwriting). If, for any reason, the rate increases too much to accommodate required DSCR, then the first mortgage permanent loan can be reduced and that portion of it replaced by a cash flow loan from Enriched Communities.

Currently, it appears that 42% (\$607,750) of the \$1,323,000 developer fee will be deferred. Generally, a deferral in fee could be used to replace a portion of the first mortgage loan and would mitigate any possible interest rate risk that may occur between commitment and inception of the permanent loan. Deferral of the developer fee is usually allowable by the investor, provided that cash flow can repay the deferred fee by the end of the 15-year LIHTC compliance period. Current projections indicate the Subject would fully pay off the deferred developer fee by the end of year nine.

Based on the investor's letter of interest, the project is currently underwritten using a credit price of 85 cents on the dollar, which is within the average range for recent LIHTC projects. Every one (1) cent drop in that price would create the need for an additional \$150K in deferred developer fee or cash flow loan from Enriched Communities.

Subsidy Layering Review

<u>HOME</u>- MFA's Housing Development Department's underwriting guidelines, performed for the HOME loan request, show this project is not over-subsidized per HUD regulations.

<u>National HTF- MFA's Housing Development Department's underwriting guidelines, performed for the National Housing Trust Fund loan request, show this project is not over-subsidized per HUD regulations.</u>

Affordability Requirements

HOME: Two HOME units consisting of: One 1-bedroom apartment unit and one 3-bedroom apartment unit at or below 60% AMI and restricted to High HOME rents for which a Land Use Restriction Agreement (LURA) will be filed in Lincoln County. The affordability period is 40 years: 20 years as required by HOME rules standards and 20 years for MFA's extended affordability period (i.e. in concurrence with the loan term). The affordability period starts on the date of acceptance by HUD of a final HOME project completion report and ends 40 years later.

NHTF: Two NHTF units consisting of: One 1-bedroom apartment unit and one 2-bedroom apartment unit restricted to households earning the greater of 30% AMI or the federal poverty level, for which a Land Use Restriction Agreement (LURA) will be filed in Lincoln County. The affordability period is 35 years, starting on the date of acceptance by HUD of a final NHTF project completion report and ends 35 years later.

NMHTF: Sixty-one (61) units income-restricted to households earning 60% or less of AMI for which a Land Use Restriction Agreement (LURA) will be filed in Lincoln County. The NMHTF affordability period is 40 years; 20 as required by Affordable Housing Act Rules and 20 for MFA's extended affordability period (i.e., in concurrence with the loan term) and starts on the date the Certificate of Occupancy is issued.

Repayment and Disbursement

HOME:

<u>Payments</u>: No payments during the construction period, which is not to exceed 24 months; thereafter, 480 equal principal payments during the permanent loan period, based on a 40-year amortization, with all outstanding principal due with the final payment at the maturity date. Outstanding principal due at the earlier of maturity, refinance, or sale of the project.

<u>Disbursement</u>: Allow up to three draws: two during the construction period and the third upon submission of a final project completion report to HUD.

NHTF:

<u>Payments</u>: No payments during the construction period, which is not to exceed 24 months; thereafter, annual payments, 1) as determined from available cash flow or 2) a fixed principal payment of \$500, maturing in 35 years.

<u>Disbursement</u>: Allow up to three draws: two during the construction period and the third upon submission of a final NHTF project completion report to HUD.

NMHTF:

<u>Payments</u>: Interest only monthly during the construction period not to exceed 24 months; 480 equal principal & interest payments during the permanent loan period. Outstanding principal and interest due at the earlier of maturity, refinance, or sale of the project.

<u>Disbursement</u>: Multiple disbursements upon evidence of costs incurred, not more frequently than monthly.

Special Conditions

- 1. All loans are subject to MFA's final underwriting for project feasibility if needed. Loan amounts may be reduced if the financing gap decreases, and/or terms (i.e. interest rate & amortization) may be revised in line with projected cash flow at closing:
- 2. Any changes or additions to the following development team members listed in the loan 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. Acceptance of 2024 award of Low-Income Housing Tax Credits (LIHTC);
- 5. Approval of plans/construction monitoring/draws by MFA's Architectural Services Representative or a third party acceptable to MFA (i.e. hired by MFA, investor, or primary construction lender) and shared with MFA. Cost to be paid by applicant;
- 6. Other conditions as may be determined by staff; and
- 7. Subject to availability of funds.

Additional Conditions: HOME Loan

- 8. Loan to be in second lien position;
- 9. HUD Environmental Review (ER) approval must occur prior to acquisition and construction start, and any other ER approval conditions must be met;
- 10. If other than minimal funds used during construction (i.e. \$50,000 or less), New Mexico Housing and Community Development Corporation (NMHCDC), and Principals of Enriched

- Communities LLC, Colin Kruger and Richard Ashton, must provide a guarantee during the construction period;
- 11. If HOME CHDO (Community Housing Development Organization) funds are to be used, New Mexico Housing and Community Development Corporation (NMHCDC) must be approved by MFA as a CHDO, and any transfers of ownership must be in accordance with HUD's CHDO rules.

Additional Conditions: NHTF Loan

- 12. Loan to be in third lien position; and
- 13. HUD Environmental Provision (EP) approval must occur prior to construction completion; and
- 14. Project building plans must meet NHTF Rehabilitation Standards prior to acquisition and construction start; and
- 15. If other than minimal funds used during construction (i.e. \$50,000 or less), New Mexico Housing and Community Development Corporation (NMHCDC), and Principals of Enriched Communities LLC, Colin Kruger and Richard Ashton, must provide a guarantee during the construction period.

Additional Conditions: NMHTF

- 16. Loan to be in fourth lien position; and
- 17. New Mexico Housing and Community Development Corporation (NMHCDC), and Principals of Enriched Communities LLC, Colin Kruger and Richard Ashton, must provide a guarantee during the construction period.

MFA Commitments to Other Projects

Enriched Communities LLC: N/A - Newly formed entity

<u>Liberty Multifamily LLC (Richard Ashton as Managing Member):</u>

2022 HOME – EMLI Wells of Artesia - \$800,000 2022 NHTF – EMLI Wells of Artesia - \$500,000 2022 NMHTF – EMLI Wells of Artesia - \$500,000 2022 LIHTC (4%) – EMLI Wells of Artesia - \$1,702,421

NMHCDC:

2004 LIHTC (4%) - Sunny Acres - \$118,602 2004 Risk Share - Sunny Acres - \$0 2004 LIHTC (4%) - Sandia Vista - \$172,583 2004 Risk Share - Sandia Vista - \$0 2004 LIHTC (4%) - Deming Manor - \$43,820 2004 Risk Share - Deming Manor - \$476,822 2004 LIHTC (4%) - King Arthur's Court - \$27,952 2004 Risk Share - King Arthur's Court - \$298,271 2004 LIHTC (4%) - Tradewinds - \$34,422 2004 Risk Share - Tradewinds - \$429,410 2005 HOME - Vista Montano - \$130.571 2005 HOME - Casa del Rio I & II - \$476,665 2007 HOME - Villa San Jose - \$0 2007 HOME - Villa del Norte - \$0 2017 LIHTC - Villa San Jose - \$572,358 2017 HOME - Villa San Jose - \$382,500 2017 NMHTF - Villa San Jose - \$468.696 2017 Primero - Villa San Jose - \$773,137 2017 Risk Sharing - Villa San Jose - \$572,358 2019 LIHTC - Villa del Norte - \$572,401 2019 HOME - Villa del Norte - \$369.135 2019 NHTF - Villa del Norte - \$400.000 2019 NMHTF - Villa del Norte - \$486,686 2019 Primero - Villa del Norte - \$0

(1) Risk Share loans carry 10% MFA risk (2) Bonds are non-recourse to MFA

	(3) Lean Palaness on of 2/4/2024					
	(3) Loan Balances as of 3/1/2024					
MFA Exposure	\$9,060,206 (excludes LIHTC, grants and loans pending approval)					
Risk Factors	Market – Low (Strong demand for proposed property in PMA)					
	2. Construction – Medium (construction material pricing remains high, however, the developer is experienced plus the investor and main construction lender will provide additional oversight and controls)					
	Developer – Medium (Developer team has strong experience in affordable housing development but has limited experience in New Mexico)					
	4. Guarantor – Medium					
	5. General Partner/Managing Member – Medium (i.e. the developer)					
	6. Community Opposition – Low					
	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. Final underwriting is required					
	before loan closing to ensure viability before final commitment)					
	, , ,					
Summary &	The proposed project presents a favorable risk profile and is recommended for approval.					
Recommendation						
Prepared by	im Martinez, Housing Development Supervisor Date 04/30/24					
Reviewed by	George Maestas, Director of Housing Development Date 04/30/24					

	F	PROJECT INFORMATION SUMM	1ARY			
Dwain at Ma		Olan.	NC, AR,	T-4-1 #		
Project Na		City	or	Total # Units	Unit Sizes	Target AMIs
Elk Meadows Apa	artments	Ruidoso	NC/AR	Onics		
Total Development Cost			NC	72	1 BED, 2 BED,	30%, 50%, 60%, &
	EC Ruidoso LP				3 BED	Market Rate
	Monarch Properties, Inc		YEAR BU		LIHTC ALLOC	4% or 9%
Developer	Enriched Communities	LLC	NC =	New Cons	\$ 1,496,000	9%
			AR =	Acquisitio		
					ian Income	
			AMI = MR =		ite apartments	
HC	ME LOAN INFORMATION				F HOME UNITS	2
Funds Available as of:	04/30/24	\$4,698,007				
	MFA Guidelines	Loan Request		EXCE	PTIONS/CONDITIO	NS/NOTES
Maximum Loan Amount	\$1,000,000	\$400,000	Max. HON	ME loan a	mount for 9% LIHTC	w/ no CHDO
Rates	0.0% to 3.0%	0.00%				
Loan Fees	N/A	N/A				
Maximum Loan Term	2 yr construct, 40 yr	2 yr construct, 40 yr perm				
	perm					
Loan Amortization	,	40 years				
Lien Position	Subordinate allowed	2nd lien position				
Affordability Requirements	Min 20 yrs, max 60% AMI	40 yrs, 2 units @ 60% AMI				
DSCR	1.20 to 1.40 : 1 on all	1.36 : 1.00 increasing to 1.41	DSCR eta	ve hetwe	oon 1 20 · 1 /0 in yea	re 1-8 and increases to
Dock	must-pay debt	: 1.00 by year 15	1.41:1.0	-		15 1-0 and increases to
Scoring Criteria		N/A	1.41.1.0	o morni ye	2013 3 10.	
-	ST FUND (NHTF) LOAN IN		NU	MBER O	F NHTF UNITS:	2
Funds Available as of:		\$28,868				_
		vard allocation of 2024 NHTF a	llocation			
	MFA Guidelines	Loan Request		EXCE	PTIONS/CONDITIO	NS/NOTES
Maximum Loan Amount	\$1,500,000	\$400,000	Max. NHT	F loan ar	nount with 9% LIHTC	;
Rates	0.0%	0.0%				
Loan Fees	N/A	N/A				
Maximum Loan Term	2 yr construct, no max	2 yr construct, 35 yr perm				
	on perm			4		
	Cash-flow or Forgivable	Cash flow	Cash flow	v or \$500	fixed based on inves	tor's preference
Lien Position		3rd lien position				
Affordability Requirements	Min 30 years, Max 30% AMI	35 yrs, 2 units @ 30% AMI				
DSCR	1.20 to 1.40 : 1 on all	1.36 : 1.00 increasing to 1.41	DSCR sta	vs hetwe	en 1.20 · 1.40 in vea	rs 1-8 and increases to
230K	must-pay debt	: 1.00 by year 15	1.41:1.0	-		to 2 o and moredoes to
Saaring Oritaria		95		y(
Scoring Criteria NEW MEXICO HOUSING TR	·		NILIA	ARER OF	NMHTF UNITS:	61
Funds Available as of:	04/30/24	\$2,000,000	1401	IDEN OF	MINITI ONITS.	01
	MFA Guidelines	Loan Request		EXCE	PTIONS/CONDITIO	NS/NOTES
Maximum Loan Amount	\$3,000,000	\$2,000,000				
Rates	·		Base rate	for 9% L	IHTC is 3%. Project o	ualifies for 1%
	0.0% to 5.0%	2.0%			ral designation.	
Loan Fees	N/A	N/A				
Maximum Loan Term	2 yr construct, 40 yr	2 yr construct, 40 yr perm				
	perm					
Loan Amortization	Mthly during perm	Mthly during perm				
Lien Position		4th lien position				
Affordability Requirements	<u>-</u>	40 yrs, 60% AMI				
DCOD	AMI	1.26 · 1.00 increasing to 1.44	DSCD ata	ve hotur	on 1 20 · 1 · 10 in visa	re 1 0 and increases to
DSCR	1.20 to 1.40 : 1 on all	1.36: 1.00 increasing to 1.41			een 1.20 : 1.40 in yea ears 9-15.	15 1-6 allu ilicreases to
Scoring Criteria	must-pay debt		1.41 . 1.0	o moni ye	ars 9-10.	
Scoring Criteria	57-112 points	82				

TOTAL DEVELOPMENT COST INFORMATION SUMMARY					
Project: Elk Meadows Apartments		Total	% TDC		Cost/GSF*
Acquisition Costs (land, building acquisition, & other acquisition costs)	\$	-	0.0%	\$	-
Construction Hard Costs	\$	11,094,892	57.6%	\$	128.39
Other Construction Costs (contractor O&P, general req, GRT, landscaping, furnishings, etc)	\$	3,298,516	17.1%	\$	38.17
Professional Services/Fees (architect, engineer, real estate legal, etc)	\$	451,660	2.3%	\$	5.23
Construction Financing Costs (interest, insurance, inspections, fees, etc)	\$	1,301,211	6.8%	\$	15.06
Permanent Financing Costs (fees, title/recording, etc)	\$	341,221	1.8%	\$	3.95
Other Soft Costs (tax credit fees, environmental reports, appraisals, accounting, etc)	\$	169,007	0.9%	\$	1.96
Syndication-Related Costs (organization, bridge loan, tax opinion, etc)	\$	201,661	1.0%	\$	2.33
Reserves (rent-up, operating, replacement, escrows, etc)	\$	1,083,608	5.6%	\$	12.54
Developer Fees (inc consultant fees)	\$	1,323,000	6.9%	\$	15.31
Total Development Costs (TDC)	\$	19,264,776	100.0%	\$	222.94
TDC w/o Land, Reserves & Commercial	\$	18,181,168	94.4%	\$	210.40

	CONSTRUCTION SOURCES					
Project:	Elk Meadows Apartments		Total	% of Total		Per Unit
Construct. Lender	R4 Capital	\$	12,500,000	64.9%	\$	173,611.11
2nd Lien Holder	MFA/HOME	\$	360,000	1.9%	\$	5,000.00
3rd Lien Holder	MFA/NHTF	\$	360,000	1.9%	\$	5,000.00
4th Lien Holder	MFA/NMHTF	\$	2,000,000	10.4%	\$	27,777.78
Other	Village of Ruidoso Grant	\$	1,000,000	5.2%	\$	13,888.89
Deferred Developer Fee	Enriched Communities LLC	\$	501,830	2.6%	\$	6,969.86
LIHTC Equity	R4 Capital	\$	2,542,946	13.2%	\$	35,318.69
	Total Construction Sources	\$	19,264,776	100.0%	\$	267,566.33

PERMANENT SOURCES						
Project:	Elk Meadows Apartments		Total	% of Total		Per Unit
Permanent Lender - 1st Lien	R4 Capital	\$	1,500,000	7.8%	\$	20,833.33
2nd Lien Holder	MFA/HOME	\$	400,000	2.1%	\$	5,555.56
3rd Lien Holder	MFA/NHTF	\$	400,000	2.1%	\$	5,555.56
4th Lien Holder	MFA/NMHTF	\$	2,000,000	10.4%	\$	27,777.78
Other	MFA/HUD Community Project Funding Grant	\$	489,300	2.5%	\$	6,795.83
Other	Village of Ruidoso Grant	\$	1,000,000	5.2%	\$	13,888.89
Deferred Developer Fee	Enriched Communities LLC	\$	607,750	3.2%	\$	8,440.97
45L Tax Credit Equity	R4 Capital	\$	152,998	0.8%	\$	2,124.97
LIHTC Equity	R4 Capital	\$	12,714,728	66.0%	\$	176,593.44
	Total Permanent Sources	\$	19,264,776	100.0%	\$	267,566.33

Development	Cost	t Budget		
Elk Meadows Apartments		Gross Sq. Footage:		86,413
Ruidoso	TOTAL COST COST/GSF			COST/GSF
ACQUISITION COSTS				
Land Acquisition			\$	-
Building Acquisition			\$	-
Other:			\$	-
SUBTOTAL	\$	-	\$	-
CONSTRUCTION HARD COSTS				
Demolition	\$	-	\$	-
Accessory Structures	\$	-	\$	-
Site Construction	\$	1,741,576	\$	20.15
Buildings and Structures	\$	8,953,316	\$	103.61
Off-Site Improvements	\$	-	\$	-
Other:	\$	400,000	\$	4.63
SUBTOTAL	\$	11,094,892	\$	128.39
OTHER CONSTRUCTION COSTS				
Contractor Overhead	\$	221,898	\$	2.57
Contractor Profit	\$	665,809	\$	7.70
General Requirements	\$	665,809	\$	7.70
Construction Contingency	\$	850,000	\$	9.84
Gross Receipts Tax (GRT)	\$	850,000	\$	9.84
Landscaping			\$	-
Furniture, Fixtures, & Equipment	\$	45,000	\$	0.52
Other:	\$	-	\$	-
SUBTOTAL	\$	3,298,516	\$	38.17
PROFESSIONAL SERVICES/FEES				
Architect (Design)	\$	311,560	\$	3.61
Architect (Supervision)	\$	77,890	\$	0.90
Attorney (Real Estate)	\$	40,000	\$	0.46
Engineer/Survey	\$	12,000	\$	0.14
Other :	\$	10,210	\$	0.12
SUBTOTAL	\$	451,660	\$	5.23
CONSTRUCTION FINANCING COSTS				
Hazard Insurance			\$	-
Liability Insurance	\$	95,000	\$	1.10
Performance Bond	\$	159,680	\$	1.85
Interest	\$	800,000	\$	9.26
Origination\Discount Points	\$	140,000	\$	1.62
Credit Enhancement	\$	-	\$	_
Inspection Fees	\$	25,500	\$	0.30
Title and Recording	\$	19,531	\$	0.23
Legal	\$	35,000	\$	0.41
Taxes			\$	-
Other:	\$	26,500	\$	0.31
SUBTOTAL	\$	1,301,211	\$	15.06

Project: Elk Meadows Apartments				
PERMANENT FINANCING COSTS				
Bond Premium			\$	-
Credit Report			\$	-
Origination\Discount Points	\$	226,006	\$	2.62
Credit Enhancement			\$	-
Title and Recording	\$	115,215	\$	1.33
Legal			\$	-
Cost of Bond Issuance			\$	-
Pre-Paid MIP			\$	-
Reserves and Escrows			\$	
Other:	\$	-	\$	-
SUBTOTAL	\$	341,221	\$	3.95
SOFT COSTS				
Market Study	\$	12,500	\$	0.14
Environmental	\$	3,000	\$	0.03
Tax Credit Fees			\$	-
Appraisal	\$	10,000	\$	0.12
Hard Relocation Costs			\$	-
Accounting/Cost Certification	\$	12,000	\$	0.14
Other:	\$	131,507	\$	1.52
SUBTOTAL	\$	169,007	\$	1.96
SYNDICATION				
Organization			\$	-
Bridge Loan	\$	-	\$	-
Tax Opinion	\$	-	\$	-
Other:	\$	201,661	\$	2.33
SUBTOTAL	\$	201,661	\$	2.33
TDC before Dev. Fees & Reserves	\$	16,858,168	\$	195
RESERVES				
Rent Up	\$	700,000	\$	8.10
Operating	\$	320,608	\$	3.71
Replacement (inc. only if capitalized)			\$	-
Escrows/Working Capital	\$	38,000	\$	0.44
Other:	\$	25,000	\$	0.29
SUBTOTAL	\$	1,083,608	\$	12.54
DEVELOPER FEES				
Developer Fee	\$	1,323,000	\$	15.31
Consultant Fee	\$	-	\$	-
SUBTOTAL	\$	1,323,000	\$	15.31
Total Development Cost (TDC)	\$	19,264,776	\$	222.94
	T .			
TDC w/o Land, Reserves & Commercial	\$	18,181,168	\$	210.40

2024 RENTAL AWARD SUMMARY

Project Name &	Somos Apartments 7200 Central SE, Albuquerque, Bernalillo County, NM 87108									
Address	\$4,000,000 New Mexico Housing Trust Fund (NMHTF) Rate 3.0% Fixed									
Borrowers	Somos Apartments Limited Partnership will be owned .01% by Somos Apartments LLC, as General Partner, owned 100% by Sol Housing; and 99.99% by a to-be-determined tax credit equity 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.									
Developers	Sol Housing (formerly Greater Albuquerque Housing Partnership) is New Mexico 501(c)(3) nonprofit organization established in 1993. Sol Housing has 30 years of experience in affordable housing development, finance, construction operations, and service delivery in the City of Albuquerque. The team has the capacity and expertise to navigate City, HUD, and MFA development programs and the in-house experience to complete projects on time and on budget. Since 2010, Sol Housing has developed 652 affordable housing units in eight separate developments utilizing Low Income Housing Tax Credits and/or City of Albuquerque affordable housing funds. Additionally, Sol Housing has prior experience developing senior housing. Executive Director, Felipe Rael has over 20 years housing finance expertise with Low Income									
	Housing Tax Credits, bond financing, FHLB Affordable Housing Program, Fannie Mae/Freddie Mac, Real Estate Capital Markets, Commercial Mortgage Backed Securities (CMBS) and State of New Mexico affordable housing development programs. Management expertise includes: staff development, profit & loss, financial controls & reporting, strategic planning, program policies & procedures and marketing to a variety of public, private & non-profit development partners.									
	Greater Albuquerque Housing Partnership's (now Sol Housing) audited financials for FYE 12/31/2021 show unrestricted cash of \$4.6M, total assets of \$74.1M, a net worth of \$43.1M, a debt-to-worth ratio of 0.72 to 1:00, a net income (loss) of (\$1.9M), and traditional cash flow of \$481K. Greater Albuquerque Housing Partnership's (GAHP) audited financials for FYE 12/31/2022 show unrestricted cash of \$6.3M, total assets of \$91.3M, a net worth of \$51.8M, a debt-to-worth ratio of 0.76 to 1:00, a net income (loss) of (\$589K), and traditional cash flow of \$2.1M. GAHP's internally prepared financials for FYE 12/31/2023 show unrestricted cash of \$3.25M, total assets of \$27.7M, a net worth of \$8.6M, a debt-to-worth ratio of 2.20 to 1.00, and net income of \$11K.									
Project Type & Size	New Construction of a 70-unit multifamily development to be located on a roughly one-acre site. The project (100% of units) will serve seniors aged 55 years and older. Twenty-one units will be income restricted to households earning 30% or less of Area Median Income (AMI), 14 units will be income restricted to households earning 50% or less of AMI, 24 units will be income restricted to households earning 60% or less of AMI, and 11 units will be rented at market rate. Twenty-five units will receive HUD Section 8 Project Based Vouchers.									
Project Description	Sol Housing is proposing the new construction of Somos Apartments, a 70-unit mixed-use, mixed-income senior apartment community to be located in Albuquerque, NM. The project consists of a 64,380 square foot, 4-story wood framed singular building containing all residential units, a leasing office, communal amenity spaces, and a 1,791 square foot commercial space for local business incubation. The project will consist of 70 one-bedroom units at approximately 569 square feet each.									
	Somos will incorporate Universal Design guidelines and added accessibility features to enrich the lives of residents. Amenities include a two-story lobby with controlled access and a large community room that will host social enrichment events, parties, and a lounging area by the TV. It includes a small kitchen for warming and sharing a meal and can be reserved for private events. A pantry space accessible from the community room will house a potential free food pantry. An indoor secure bike parking area, 24-hour mail and parcel center, and fitness room will be conveniently co-located on the first floor near the resident entry accessible from the secure parking lot that leads to a small lobby and elevator access to all upper floors. Small furnished lounges and an optional third-floor roof deck provide a variety of social gathering areas for residents and their guests. Somos will also include installation of two electric vehicle charging stations with ability to add more, and a dedicated parking space outside of the secured parking area for rideshare vehicles such as Uber and Lyft. Outdoor									

amenities include raised garden beds, site furnishings, and a private exercise park for service dogs and pets. All apartments are located on an accessible route and will have full size, Energy Star rated appliances including a range/oven, refrigerator, front loading washers and dryers, central air conditioning with individual thermostat, and window blinds.

A social services coordinator will be on site a minimum of two days per week for a cumulative of 10 hours per week and will provide events designed to engage residents and encourage them to gather and socialize. On-site enrichment services will provide health screenings, financial literacy, technology training, Medicaid/Medicare enrollment assistance, health education, and gardening classes. Collaboration with local health providers will create access to services that promote healthy living and housing stability.

A Vogt Strategic Insights market study dated 01/08/2024 generally defines the Subject's Primary Market Area as the southeast portion of Albuquerque, NM including the neighborhoods of the International District, La Mesa, Fair West, Fair Heights, Uptown, Highland Business, Parkland Hills, South San Pedro, Trumbull Village, South Los Altos, Princess Jeanne and Snow Heights, all within Bernalillo County, New Mexico. The proposed site is adjacent to and southeast of the intersection of Central Avenue SE and Alcazar Street SE, approximately 5.1 miles east of downtown Albuquerque. The proposed site is located in the established International District neighborhood in east Albuquerque. Surrounding land uses include residential neighborhoods and commercial structures. The proposed site is in a revitalizing area of the International District neighborhood in east Albuquerque. A few nearby structures in poor condition were noted as potential nuisances; however, the full occupancy at the adjacent multifamily property and the newer developments in the area suggest these structures will not negatively impact the site's marketability. Access and visibility are both considered very good. The site is in proximity to opportunities for shopping, employment, recreation, entertainment and education. The Cesar Chavez Community Center is 1.2 miles south of the subject site and Manzano Mesa Multigenerational Center is 2.9 miles southeast. Both offer activities and services, including meals, for seniors in the area. Health and safety services are within 4.3 miles. The site has convenient access to major highways and public transportation.

The market study identifies 13 LIHTC comparables located within the PMA comprised of 1,252 fully occupied units, indicating very strong demand for affordable housing in the market. Three of the 13 LIHTC comparables are senior-restricted. Based on an analysis of square footage, amenities, location, quality and occupancy rates of the existing LIHTC properties within the market, the market study finds that the subject development will be marketable as proposed.

As such, it appears that there has been a significant lack of affordable non-subsidized developments in the Subject's immediate area. Given the presence of waiting lists in the area as well as the stabilized occupancy levels and low vacancy rates at all comparables, the market study finds that the Subject will not have a significant impact upon the vacancy rates of competing projects, either LIHTC or market rate. As such, the market study finds there is more than adequate demand in the market to support the Subject and existing competitive supply.

The market study demand analysis shows the subject site will reach a stabilized occupancy of 95.0% within three to four months of opening. This absorption period is based on an average absorption rate of approximately 18 units per month. The market study also includes a capture rate analysis for several rent-assisted, and non-rent-assisted categories demonstrating capture rates ranging from 0.3% and 3.2%, which is considered low and indicative of a deep base of potential support for the project. The project is expected to maintain a 5% vacancy rate or below.

Environmental & Site

A Phase I Environmental Site Assessment has not yet been completed for the subject property.

Project Financials, Projections, and Assumptions

This project was underwritten utilizing MFA's standard 5% vacancy rate for senior projects, which is considered reasonable due to the very low vacancy rates at nearby affordable and senior housing properties identified in the market study. The applicant has provided a detailed 15-year cash flow projection for the project, which assumes a total annual income of \$687,122. The developers estimate \$405,300 in total operating expenses less reserves and social services (i.e., \$5,790 per unit per year), which is within MFA's standard underwriting range of \$4,300 to \$5,800. The project's Debt Service Coverage Ratio (DSCR) starts at 1.26 to 1.00 in year one, increasing to 1.28 to 1.00 in year 15. This ratio is within MFA's underwriting standards of a range between 1.20 – 1.40 to 1:00 for the first 15 years of operation.

Affordability Requirements	The interest rate for MFA's permanent first mortgage loan is assumed to be 3.5% (3% adjusted upwards by 50 basis points for underwriting). If, for any reason, the rate increases too much to accommodate required DSCR, then the first mortgage permanent loan can be reduced and that portion of it replaced by a cash flow loan from Sol Housing. Currently, it appears that 60% (\$770,700) of the \$1,284,500 developer fee will be deferred. Generally, a deferral in fee could be used to replace a portion of the first mortgage loan and would mitigate any possible interest rate risk that may occur between commitment and inception of the permanent loan. Deferral of the developer fee is usually allowable by the investor, provided that cash flow can repay the deferred fee by the end of the 15-year LIHTC compliance period. Current projections indicate the Subject would fully pay off the deferred developer fee by the end of year 14. Based on the investor's letter of interest, the project is currently underwritten using a credit price of 87 cents on the dollar, which is within the average range for recent LIHTC projects. Every one (1) cent drop in that price would create the need for an additional \$81K in deferred developer fee or cash flow loan from Sol Housing. NMHTF: Fifty-nine (59) units income-restricted to households earning 60% or less of AMI for which a Land Use Restriction Agreement (LURA) will be filed in Bernalillo County. The NMHTF affordability period is 35 years; 20 as required by Affordable Housing Act Rules and 15 for MFA's extended affordability period (i.e., in concurrence with the loan term proposed by the developer) and starts on the date the Certificate of Occupancy is issued.
Repayment and	NMHTF:
Disbursement	Payments: Interest only monthly during the construction period not to exceed 24 months; 420 equal principal & interest payments during the permanent loan period. All outstanding principal and interest due at the earlier of maturity, refinance, or sale of the project. Disbursement: Multiple disbursements upon evidence of costs incurred, not more frequently than monthly.
Special Conditions	 All loans are subject to MFA's final underwriting for project feasibility if needed. Loan amounts may be reduced if the financing gap decreases, and/or terms (i.e. interest rate & amortization) may be revised in line with projected cash flow at closing; 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; Financing commitments acceptable to MFA prior to funding on all funding sources; Acceptance of 2024 award of Low-Income Housing Tax Credits (LIHTC); Approval of plans/construction monitoring/draws by MFA's Architectural Services Representative or a third party acceptable to MFA (i.e. hired by MFA, investor, or primary construction lender) and shared with MFA. Cost to be paid by applicant; Other conditions as may be determined by staff; and Subject to availability of funds.
	Additional Conditions: NMHTF 8. Loan to be in second lien position during construction and first lien during the permanent period; and 9. Sol Housing must provide a guarantee during the construction period.
MFA Commitments to Other Projects	Greater Albuquerque Housing Partnership:
	2010 LIHTC (9%) - Plaza Feliz - \$768,729 2012 Risk Share - Plaza Feliz - \$1,000,679 2012 LIHTC (9%) - Plaza Ciudana - \$1,100,000 2012 NMHTF - Plaza Ciudana - \$196,876 2014 LIHTC (9%) - Cuatro - \$1,072,150 2014 NMHTF - Cuatro - \$85,651 2015 LIHTC (9%) - Casa Feliz - \$1,150,000 2015 NMHTF - Casa Feliz - \$326,456 2016 LIHTC (4%) - The Sterling Downtown - \$594,218 2017 NMHTF - The Sterling Downtown - \$449,478 2021 LIHTC (9%) - Hiland Plaza - \$1,652,725

	2023 LIHTC (4%) - Farolito - \$1,622,805
MFA Exposure Risk Factors	 Risk Share loans carry 10% MFA risk Bonds are non-recourse to MFA Loan Balances as of 3/1/2024 \$2,059,140 (excludes LIHTC, grants and loans pending approval) Market – Low (Strong demand for proposed property in PMA) Construction – Medium (construction material pricing remains high, however, the developer is experienced plus the investor and main construction lender will provide additional oversight and controls) Developer – Low Guarantor – Low General Partner/Managing Member – Low (i.e. the developer) Community Opposition – Low Financing – Medium (as long as market conditions for interest rates & LIHTC pricing do not fluctuate too much, the project is feasible. However, in the event of adverse market conditions the project would not move forward. Final underwriting is required
	before loan closing to ensure viability before final commitment)
Summary &	The proposed project presents a favorable risk profile and is recommended for approval.
Recommendation	
Prepared by	Tim Martinez, Housing Development Supervisor Date 04/30/24
Reviewed by	George Maestas, Director of Housing Development Say Date 04/30/24
-	

	ı	PROJECT INFORMATION SUMM	IARY				
Project Nan		City	NC, AR, or NC/AR Total # Units		Unit Sizes	Target AMIs	
Somos Apartm		Albuquerque					
Total Development Cost	\$ 21,751,639		NC	70	1 BED	30%, 50%, 60%, &	
	Somos Apartments Limi					Market Rate	
	Monarch Properties, Inc	•	YEAR BU	ILT (AR)	LIHTC ALLOC	4% or 9%	
Developer	Sol Housing		N/	Ά	\$ 1,622,805	9%	
			NC =	New Cons	truction		
			AR =	Acquisitio	n/Rehab		
			AMI =	Area Medi	an Income		
			MR =	Market Ra	te apartments		
NEW MEXICO HOUSING TRU	JST FUND (NMHTF) RENT	TAL LOAN INFORMATION	NUI	MBER OF	NMHTF UNITS:	59	
Funds Available as of:	04/30/24	\$2,000,000					
	*Award contigent on forw	vard allocation of State FY 2025	STB alloc	ation			
	MFA Guidelines	Loan Request		EXC	PTIONS/CONDITION	S/NOTES	
Maximum Loan Amount			Request i	s above N	MFA NMHTF loan limit	of \$3M. If an	
	\$3,000,000	\$4,000,000	exception	is appro	ved, MFA will require	a 1% increase to the	
			base inte	rest rate.			
Rates	0.00/ +- 5.00/	0.00/	Base rate	for 9% L	IHTC is 3% (4% after N	1FA increase of 1%).	
	0.0% to 5.0%	3.0%	Project qu	ualifies fo	r 1% discount due to	senior designation.	
Loan Fees	N/A	N/A					
Maximum Loan Term	2 yr construct, 40 yr	Our comptunet Of					
	perm	2 yr construct, 35 yr perm					
Loan Amortization	Mthly during perm	Mthly during perm					
Lien Position		First lien position during perm	Second li	en positio	on during construction	1	
	Subordinate allowed	period					
Affordability Requirements	Min 20 years, Max 60%						
	AMI	35 yrs, 60% AMI					
DSCR	1.20 to 1.40 : 1 on all	1.26: 1.00 increasing to 1.28:					
	must-pay debt	1.00 by year 15					
	paj aoot	jour 10					

TOTAL DEVELOPMENT COST INFORMATION SUMMARY								
Project: Somos Apartments		Total	% TDC		Cost/GSF*			
Acquisition Costs (land, building acquisition, & other acquisition costs)	\$	535,000	2.5%	\$	8.31			
Construction Hard Costs	\$	12,832,046	59.0%	\$	199.32			
Other Construction Costs (contractor O&P, general req, GRT, landscaping, furnishings, etc)	\$	3,860,424	17.7%	\$	59.96			
Professional Services/Fees (architect, engineer, real estate legal, etc)	\$	735,000	3.4%	\$	11.42			
Construction Financing Costs (interest, insurance, inspections, fees, etc)	\$	1,705,669	7.8%	\$	26.49			
Permanent Financing Costs (fees, title/recording, etc)	\$	14,000	0.1%	\$	0.22			
Other Soft Costs (tax credit fees, environmental reports, appraisals, accounting, etc)	\$	307,409	1.4%	\$	4.77			
Syndication-Related Costs (organization, bridge loan, tax opinion, etc)	\$	35,000	0.2%	\$	0.54			
Reserves (rent-up, operating, replacement, escrows, etc)	\$	442,590	2.0%	\$	6.87			
Developer Fees (inc consultant fees)	\$	1,284,500	5.9%	\$	19.95			
Total Development Costs (TD	c) \$	21,751,639	100.0%	\$	337.86			
TDC w/o Land, Reserves & Commerci	al \$	20,774,049	95.5%	\$	322.68			

CONSTRUCTION SOURCES							
Project: Somos Apartments		Total		% of Total		Per Unit	
Construct. Lender	Bank of Oklahoma	\$	10,066,100	46.3%	\$	143,801.43	
2nd Lien Holder	MFA/NMHTF	\$	4,000,000	18.4%	\$	57,142.86	
3rd Lien Holder	City of Albuquerque/HOME	\$	2,168,981	10.0%	\$	30,985.44	
Other	City of Albuquerque Land Contribution	\$	535,000	2.5%	\$	7,642.86	
Deferred Developer Fee	Sol Housing	\$	770,700	3.5%	\$	11,010.00	
Developer Contrbution	Sol Housing	\$	100	0.0%	\$	1.43	
LIHTC Equity	Raymond James	\$	4,210,758	19.4%	\$	60,153.69	
	Total Construction Sources	\$	21,751,639	100.0%	\$	310,737.70	

PERMANENT SOURCES								
Project: Somos Apartments		Total		% of Total		Per Unit		
Permanent Lender - 1st Lien	MFA/NMHTF	\$	4,000,000	18.4%	\$	57,142.86		
2nd Lien Holder	City of Albuquerque/HOME	\$	2,409,979	11.1%	\$	34,428.27		
Other	City of Albuquerque Land Contribution	\$	535,000	2.5%	\$	7,642.86		
Deferred Developer Fee	Sol Housing	\$	770,700	3.5%	\$	11,010.00		
Developer Contrbution	Sol Housing	\$	100	0.0%	\$	1.43		
LIHTC Equity	Raymond James	\$	14,035,860	64.5%	\$	200,512.29		
	Total Permanent Sources	\$	21,751,639	100.0%	\$	310,737.70		

Development	Cost	t Budget	
Somos Apartments		Gross Sq. Footage:	64,380
Albuquerque		TOTAL COST	COST/GSF
ACQUISITION COSTS			
Land Acquisition	\$	535,000	\$ 8.31
Building Acquisition			\$ -
Other:			\$ -
SUBTOTAL	\$	535,000	\$ 8.31
CONSTRUCTION HARD COSTS			
Demolition	\$	-	\$ -
Accessory Structures	\$	-	\$ -
Site Construction	\$	994,852	\$ 15.45
Buildings and Structures	\$	11,762,194	\$ 182.70
Off-Site Improvements	\$	75,000	\$ 1.16
Other:	\$	-	\$ -
SUBTOTAL	\$	12,832,046	\$ 199.32
OTHER CONSTRUCTION COSTS		· ·	
Contractor Overhead	\$	256,641	\$ 3.99
Contractor Profit	\$	769,923	\$ 11.96
General Requirements	\$	769,923	\$ 11.96
Construction Contingency	\$	917,286	\$ 14.25
Gross Receipts Tax (GRT)	\$	981,652	\$ 15.25
Landscaping		·	\$ -
Furniture, Fixtures, & Equipment	\$	90,000	\$ 1.40
Other:	\$	75,000	\$ 1.16
SUBTOTAL	\$	3,860,424	\$ 59.96
PROFESSIONAL SERVICES/FEES			
Architect (Design)	\$	500,000	\$ 7.77
Architect (Supervision)	\$	75,000	\$ 1.16
Attorney (Real Estate)	\$	60,000	\$ 0.93
Engineer/Survey	\$	50,000	\$ 0.78
Other :	\$	50,000	\$ 0.78
SUBTOTAL	\$	735,000	\$ 11.42
CONSTRUCTION FINANCING COSTS			
Hazard Insurance	\$	100,000	\$ 1.55
Liability Insurance	\$	553,451	\$ 8.60
Performance Bond	\$	74,057	\$ 1.15
Interest	\$	600,000	\$ 9.32
Origination\Discount Points	\$	100,661	\$ 1.56
Credit Enhancement	\$	-	\$ -
Inspection Fees	\$	30,000	\$ 0.47
Title and Recording	\$	85,000	\$ 1.32
Legal	\$	25,000	\$ 0.39
Taxes	\$	10,000	\$ 0.16
Other:	\$	127,500	\$ 1.98
SUBTOTAL	\$	1,705,669	\$ 26.49

Project: Somos Apartments		
PERMANENT FINANCING COSTS		
Bond Premium		\$ -
Credit Report		\$ -
Origination\Discount Points		\$ -
Credit Enhancement		\$ -
Title and Recording		\$ -
Legal		\$ -
Cost of Bond Issuance		\$ -
Pre-Paid MIP		\$ -
Reserves and Escrows	\$ 14,000	\$ 0.22
Other:	\$ -	\$ -
SUBTOTAL	\$ 14,000	\$ 0.22
SOFT COSTS		
Market Study	\$ 16,000	\$ 0.25
Environmental	\$ 12,000	\$ 0.19
Tax Credit Fees	\$ 137,938	\$ 2.14
Appraisal	\$ 10,000	\$ 0.16
Hard Relocation Costs	\$ -	\$ -
Accounting/Cost Certification	\$ 20,000	\$ 0.31
Other:	\$ 111,471	\$ 1.73
SUBTOTAL	\$ 307,409	\$ 4.77
SYNDICATION		
Organization		\$ -
Bridge Loan		\$ -
Tax Opinion	\$ 25,000	\$ 0.39
Other:	\$ 10,000	\$ 0.16
SUBTOTAL	\$ 35,000	\$ 0.54
TDC before Dev. Fees & Reserves	\$ 20,024,549	\$ 311
RESERVES		
Rent Up	\$ 100,000	\$ 1.55
Operating	\$ 342,590	\$ 5.32
Replacement (inc. only if capitalized)		\$ -
Escrows/Working Capital		\$ -
Other:	\$ -	\$ -
SUBTOTAL	\$ 442,590	\$ 6.87
DEVELOPER FEES		
Developer Fee	\$ 1,284,500	\$ 19.95
Consultant Fee	\$ -	\$ -
SUBTOTAL	\$ 1,284,500	\$ 19.95
Total Development Cost (TDC)	\$ 21,751,639	\$ 337.86
TDC w/o Land, Reserves & Commercial	\$ 20,774,049	\$ 322.68
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2024 RENTAL AWARD SUMMARY

Project Name &	Ocate Apartme								
Address		ad, Santa Fe, Santa Fe County, NM 87507							
Proposed	\$400,000	HOME	Rate	0%					
Awards	\$400,000	National Housing Trust Fund (NHTF) New Mexico Housing Trust Fund (NMHTF)	Rate Rate	0%					
_	\$3,000,000	3.0% Fixed							
Borrowers	Ocate SF, LLC (to be formed) will be owned .01% by Ocate SFCHA, LLC (to be formed), as Managing Member, owned 100% by Santa Fe Civic Housing Authority, Inc. as Sole and Managing Member; and 99.99% by a to be determined investor partner, as Member.								
Management	Santa Fe Civic Housing Authority, Inc. (SFCHA) was created by the City of Santa Fe in 1961 as								
_	an autonomous agency. In 1988, the agency became a non-profit organization, though its mission to build and operate housing for low to moderate income families remained the same. SFCHA currently manages 7 multifamily properties and 7 single family homes comprised of 415 units across Northern New Mexico.								
Developers	extensive experience years, SFCHA consisting of 79 by SFCHA directions	Housing Authority, Inc. (SFCHA) is led by Executerience producing and managing affordable housing has developed 12 affordable multifamily rental project the continually provided the continually provided the continual provided the	developments ects across Nort ed with an array onprofit organiza	. Over the last 15 thern New Mexico of services, either ations.					
	of \$66M, a net SFCHA's CPA of \$67M, a net SCFHA's interr \$7.7M, total as income of \$1.3		.00, and a net ricted cash of \$.00, and a net .31/23 shows un n ratio of 0.22 t	income of \$1.7M. 8.6M, total assets income of \$2.1M. irestricted cash of o 1.00, and a net					
Project Type & Size	serve househo of Area Mediar of AMI, and thr	ion of a 60-unit multifamily rental development. All 6 lds with children. 33 units will be income restricted to n Income (AMI), 24 units will be income restricted to ee units will be income-restricted to households earn	households ea households ea ning 30% or les	arning 60% or less arning 50% of less s of AMI.					
Project Description	project targeting bedroom units 15 three-bedroom 82,800 sq. ft. cobuilding will be	osing the new construction of Ocate Apartments, a 60 g households with children in Santa Fe, NM. The at approximately 664 sq. ft., 35 two-bedroom units om units at approximately 1,126 sq. ft. The project's comprised of one three-story residential building with on the outside of a central, walkable plaza, which weas, community gardens, and patios.	e project will co at approximate gross square foo n a built-in comi	onsist of 10 one- ly 928 sq. ft., and otage will be about munity room. This					
	manager's offic a community ki on site at least CPR training, q tutoring through	ent's central corner will serve as the building's price and social service coordinator's office, a compute itchen area. Services coordinated by SFCHA through two days per week will include bi-monthly health and juarterly blood pressure or other health screening, quanterly blood year, quarterly job training/search assistancial literacy training.	r area, the com gh a service coo I nutrition educa uarterly compute	munity room, and ordinator provided ation, semi-annual er training, weekly					
	Fe. It will be les	e is located on an undeveloped parcel of land off Cer ss than a mile away from several retail, service, and are center and a supermarket offering fresh produce	d community fac						
	Area as centra Highway in the east, and I-25 a lot in southwes nursery consis	dy completed by Novogradac and dated 1/9/24 defit and southwestern portions of the city of Santa Fe, north and west, State Route 590, Bishops Lodge Roand US Highway 85 in the south. The project site is letern Santa Fe. Surrounding land uses include industing of a warehouse, several greenhouses, and a reity known as Santa Fe Mobile Home Hacienda, all co	running from Voad, and Old Sa ocated on a vac trial uses, a fen etail facility, and	eterans Memorial anta Fe Trail in the cant, undeveloped aced parking lot, a d a manufactured					

Environmental & Site

The market study demand analysis states that Ocate Apartment's capture rate is 0.7%, which is considered very low and indicative of a deep base of potential support for the project. The analysis also shows the project will be absorbed at a rate of 15 units per month, reaching a stabilized occupancy rate of 95% within the first four months of operation. The market study anticipates that the project will maintain a 5% vacancy rate or below.

A Phase I Environmental Site Assessment has not yet been completed for the subject property.

As required by HOME, the project must be determined to be in compliance with HUD Environmental Review 24 CFR part 58 before site control and/or execution of loan documents. As required by the National Housing Trust Fund, the project must be determined to be in compliance with HUD Environmental Provisions of 24 CFR part 93.301 before construction is complete.

Site and Neighborhood Standards (HOME and NHTF New Construction only)

The Subject site is located within the C-2 (General Commercial District) zoning district, which includes areas along streets carrying large volumes of traffic where commercial uses are appropriate. Multifamily developments are also permitted uses in this zone. Maximum height of structures within this zone is 45 feet. Parking requirements include at least one assigned space per dwelling unit, plus 0.5 unassigned space per dwelling unit. The Subject is proposed to be developed at a height of 30 feet and offer 1.58 parking spaces per unit. Surrounding land uses include industrial uses, a fenced parking lot, a nursery consisting of a warehouse, several greenhouses, and a retail facility, and a manufactured home community known as Santa Fe Mobile Home Hacienda, all considered to be in average to good condition.

The project will be required to meet HUD's Site and Neighborhood Standards prior to the acquisition of the property.

Project Financials, Projections and Assumptions, and Subsidy Layering Review

This project was underwritten utilizing MFA's standard 7% vacancy rate, which is considered conservative due to the low vacancy rates at nearby affordable housing properties. The applicant has provided a detailed 15-year cash flow projection for the project, which assumes a total annual income of \$743,892. The developer estimates \$278,449 in total operating expenses less reserves and social services (i.e., \$4,641 per unit per year), which is within MFA's standard underwriting range of \$4,300 to \$5,800.

The project's Debt Service Coverage Ratio (DSCR) starts at 1.20 to 1.00 in year one, increasing to 1.41 to 1.00 in year 15. This ratio is within MFA's underwriting standards of a range between 1.20 – 1.40 to 1:00 from year one of operation through year 14. The year 15 DSCR is just slightly over underwriting standards.

The interest rate for Rocky Mountain Community Reinvestment Corporation's first mortgage loan is assumed to be 8.00% (7.50% adjusted upwards by 50 basis points for underwriting). If, for any reason, the rate increases too much to accommodate required DSCR, then the first mortgage permanent loan can be reduced and that portion of it replaced by a cash flow loan from SFCHA.

Currently, it appears that 84% (\$1,098,376) of the \$1,305,000 developer fee will be deferred. Generally, a deferral in fee could be used to replace a portion of the first mortgage loan and would mitigate any possible interest rate risk that may occur between commitment and inception of the permanent loan. Deferral of the developer fee is usually allowable by the investor, provided that cash flow can repay the deferred fee by the end of the 15-year LIHTC compliance period. Current projections indicate the Subject would fully pay off the deferred developer fee by the end of year 13.

Though an investor's letter of interest was not included in the application, the project is currently underwritten using a credit price of 88 cents on the dollar, which is within the MFA recommended range for the credit pricing factor as stated in our underwriting guidelines. Every one (1) cent drop in that price would create the need for an additional \$162K in deferred developer fee or cash flow loan from SFCHA.

Subsidy Layering Review

<u>HOME</u>- MFA's Housing Development Department's underwriting guidelines, performed for the HOME loan request, show this project is not over-subsidized per HUD regulations.

Affordability Requirements

<u>National HTF</u>- MFA's Housing Development Department's underwriting guidelines, performed for the National Housing Trust Fund loan request, show this project is not over-subsidized per HUD regulations.

HOME: Two HOME units consisting of: One 2-bedroom apartment unit and one 3-bedroom apartment unit for households at or below 60% AMI and restricted to High HOME rents for which a Land Use Restriction Agreement (LURA) will be filed in Santa Fe County. The affordability period is 40 years: 20 years as required by HOME rules standards and 20 years for MFA's extended affordability period (i.e. in concurrence with the loan term). The affordability period starts on the date of acceptance by HUD of a final HOME project completion report and ends 40 years later.

NHTF: Two NHTF units consisting of: One 2-bedroom apartment unit and one 3-bedroom apartment unit restricted to households earning the greater of 30% AMI or the federal poverty level, for which a Land Use Restriction Agreement (LURA) will be filed in Santa Fe County. The affordability period is 35 years, starting on the date of acceptance by HUD of a final NHTF project completion report and ends 35 years later.

NMHTF: Sixty (60) units income-restricted to households earning 60% or less of AMI for which a Land Use Restriction Agreement (LURA) will be filed in Santa Fe County. The NMHTF affordability period is 40 years; 20 as required by Affordable Housing Act Rules and 20 for MFA's extended affordability period (i.e., in concurrence with the loan term) and starts on the date the Certificate of Occupancy is issued.

Repayment and Disbursement

HOME:

<u>Payments</u>: No payments during the construction period, which is not to exceed 24 months; thereafter, 479 equal principal payments during the permanent loan period, based on an 80-year amortization, with all outstanding principal due with the final payment at the maturity date. Outstanding principal due at the earlier of maturity, refinance, or sale of the project.

<u>Disbursement</u>: Allow up to three draws: two during the construction period and the third upon submission of a final project completion report to HUD.

NHTF:

<u>Payments</u>: No payments during the construction period, which is not to exceed 24 months; thereafter, annual payments, 1) as determined from available cash flow or 2) a fixed principal payment of \$500, maturing in 35 years.

<u>Disbursement</u>: Allow up to three draws: two during the construction period and the third upon submission of a final NHTF project completion report to HUD.

NMHTF:

<u>Payments</u>: Interest only monthly during the construction period not to exceed 24 months; 480 equal principal & interest payments during the permanent loan period. Outstanding principal and interest due at the earlier of maturity, refinance, or sale of the project.

<u>Disbursement</u>: Multiple disbursements upon evidence of costs incurred, not more frequently than monthly.

Special Conditions

- 1. All loans are subject to MFA's final underwriting for project feasibility if needed. Loan amounts may be reduced if the financing gap decreases, and/or terms (i.e. interest rate & amortization) may be revised in line with projected cash flow at closing;
- 2. Any changes or additions to the following development team members listed in the loan 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. Acceptance of 2024 award of Low-Income Housing Tax Credits (LIHTC);
- 5. Approval of plans/construction monitoring/draws by MFA's Architectural Services Representative or a third party acceptable to MFA (i.e. hired by MFA, investor, or primary construction lender) and shared with MFA. Cost to be paid by applicant;
- 6. Other conditions as may be determined by staff; and
- 7. Subject to availability of funds.

Additional Conditions: HOME Loan

- 8. Loan to be in second lien position;
- 9. HUD Environmental Review (ER) approval must occur prior to acquisition and construction start, and any other ER approval conditions must be met;

	 If other than minimal funds used during construction (i.e. \$50,000 or less), Santa Fe Civic Housing Authority, Inc. (SFCHA) must provide a guarantee during the construction period; If HOME CHDO (Community Housing Development Organization) funds are to be used,
	Santa Fe Civic Housing Authority, Inc. (SFCHA) must be approved by MFA as a CHDO, and any transfers of ownership must be in accordance with HUD's CHDO rules.
	Additional Conditions: NHTF Loan
	12. Loan to be in third lien position; and 13. HUD Environmental Provision (EP) approval must occur prior to construction completion; and
	 Project building plans must meet NHTF Rehabilitation Standards prior to acquisition and construction start; and
	15. If other than minimal funds used during construction (i.e. \$50,000 or less), Santa Fe Civic Housing Authority, Inc. (SFCHA) must provide a guarantee during the construction period;
	Additional Conditions: NMHTF 16. Loan to be in fourth lien position; and
	17. Santa Fe Civic Housing Authority, Inc. (SFCHA) must provide a guarantee during the construction period.
MFA Commitments to Other Projects	SFCHA:
	2008 HOME – Villa Consuelo - \$208,597 2010 Risk Share – Villa Alegre Senior Apartments - \$751,432
	2010 TCAP – Villa Alegre Senior Apartments - \$4,770,335 2014 LIHTC (4%) – Santa Fe Community Living – \$770,562
	2014 HOME – Santa Fe Community Living - \$548,750
	2014 NMHTF – Santa Fe Community Living - \$421,105 2013 LIHTC (9%) – Village in the Bosque - \$1,150,000
	2013 HOME – Village in the Bosque - \$404,531 2013 NMHTF – Village in the Bosque - \$405,911
	2016 LIHTC (9%) – Villa Hermosa - \$1,150,000
	2016 HOME – Villa Hermosa - \$334,444 2016 LIHTC (4%) – Pasa Tiempo - \$658,136
	2016 HOME
	2019 LIHTC (9%) – 1115 Calle La Resolana - \$723,285
	2019 HOME – 1115 Calle La Resolana - \$400,000 2019 NHTF – 1115 Calle La Resolana - \$400,000
	(1) Risk Share loans carry 10% MFA risk (2) Bonds are non-recourse to MFA (3) Loan Balances as of 4/1/2024
MFA Exposure	\$9,196,014 (excludes LIHTC, grants, and loans pending approval) 1. Market – Low (Strong demand for proposed property in PMA)
Risk Factors	2. Construction - Medium (construction material pricing remains high; however, the
	developer is experienced plus the investor and main construction lender will provide additional oversight and controls)
	3. Developer – Low
	4. Guarantor – Low5. General Partner/Managing Member – Low (i.e. the developer)
	6. Community Opposition – Low
	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. Final underwriting is required
Cumman array 9	before loan closing to ensure viability before final commitment) The proposed project procents a fewerable rick profile and is recommended for approval.
Summary & Recommendation	The proposed project presents a favorable risk profile and is recommended for approval.
Prepared by	Justin Carmona, Development Loan Manager Date 4/30/24
Reviewed by	George Maestas, Director of Housing Development

	F	PROJECT INFORMATION SUMN	1ARY			
Drojoet No.	ma	City	NC, AR,	Total #		
Project Na		City	or	Units	Unit Sizes	Target AMIs
Ocate Apartn		Santa Fe	NC/AR			
Total Development Cost			NC	60	1 BED, 2 BED,	30%, 50%, 60%
	Ocate SF, LLC (to be for	<u> </u>			3 BED	
	Santa Fe Civic Housing		YEAR BU	ILT (AR)	LIHTC ALLOC	4% or 9%
Developer	Santa Fe Civic Housing	Authority, Inc.			\$ 1,622,805	9%
		AR = AMI =				
HO	ME LOAN INFORMATION				F HOME UNITS	2
Funds Available as of:	04/30/24	\$4,698,007				
	MFA Guidelines	Loan Request		EXC	PTIONS/CONDITION	S/NOTES
Maximum Loan Amount	\$1,000,000	\$400,000	Max. HON	1E loan a	mount for 9% LIHTC v	w/ no CHDO
Rates	0.0% to 3.0%	0.00%				
Loan Fees	N/A	N/A				
Maximum Loan Term	2 yr construct, 40 yr	2 vr construct 10 vr norm				
	perm	2 yr construct, 40 yr perm				
Loan Amortization	20 to 80 years	80 years				
Lien Position	Subordinate allowed	2nd lien position				
Affordability Requirements	Min 20 yrs, max 60% AMI	40 yrs, 2 units @ 60% AMI				
DSCR	1.20 to 1.40 : 1 on all	1.20: 1.00 increasing to 1.41	DSCR sta	ys betwe	een 1.20 : 1.40 in years	s 1-14 and trends
	must-pay debt	: 1.00 by year 15	upward, i	ncreasin	g to slightly above 1.4	0 : 1.00 in year 15
Scoring Criteria	N/A	N/A				
	ST FUND (NHTF) LOAN IN	FORMATION	NU	MBER O	F NHTF UNITS:	2
Funds Available as of:	04/30/24	\$28,868				
		*Award contingent on forwar	d allocatio			
			1			
	MFA Guidelines	Loan Request		EXC	PTIONS/CONDITION	S/NOTES
Maximum Loan Amount	\$1,500,000	\$400,000		EXC	EPTIONS/CONDITION mount with 9% LIHTC	S/NOTES
Rates	\$1,500,000 0.0%	\$400,000 0.0%		EXC		IS/NOTES
Rates Loan Fees	\$1,500,000 0.0% N/A	\$400,000		EXC		S/NOTES
Rates Loan Fees Maximum Loan Term	\$1,500,000 0.0% N/A 2 yr construct, no max on perm	\$400,000 0.0%	Max. NHT	EXCI F loan ar	mount with 9% LIHTC	
Rates Loan Fees Maximum Loan Term Loan Amortization	\$1,500,000 0.0% N/A 2 yr construct, no max on perm Cash-flow or Forgivable	\$400,000 0.0% N/A 2 yr construct, 35 yr perm Cash flow	Max. NHT	EXCI F loan ar		
Rates Loan Fees Maximum Loan Term Loan Amortization Lien Position	\$1,500,000 0.0% N/A 2 yr construct, no max on perm Cash-flow or Forgivable Subordinate allowed	\$400,000 0.0% N/A 2 yr construct, 35 yr perm	Max. NHT	EXCI F loan ar	mount with 9% LIHTC	
Rates Loan Fees Maximum Loan Term Loan Amortization Lien Position Affordability Requirements	\$1,500,000 0.0% N/A 2 yr construct, no max on perm Cash-flow or Forgivable Subordinate allowed Min 30 years, Max 30% AMI	\$400,000 0.0% N/A 2 yr construct, 35 yr perm Cash flow 3rd lien position 35 yrs, 2 units @ 30% AMI	Max. NHT	EXCE F loan ar or \$500	mount with 9% LIHTC	or's preference
Rates Loan Fees Maximum Loan Term Loan Amortization Lien Position	\$1,500,000 0.0% N/A 2 yr construct, no max on perm Cash-flow or Forgivable Subordinate allowed Min 30 years, Max 30% AMI 1.20 to 1.40 : 1 on all	\$400,000 0.0% N/A 2 yr construct, 35 yr perm Cash flow 3rd lien position 35 yrs, 2 units @ 30% AMI 1.20: 1.00 increasing to 1.41	Max. NHT Cash flow DSCR sta	F loan ar	nount with 9% LIHTC fixed based on invest een 1.20: 1.40 in years	or's preference
Rates Loan Fees Maximum Loan Term Loan Amortization Lien Position Affordability Requirements	\$1,500,000 0.0% N/A 2 yr construct, no max on perm Cash-flow or Forgivable Subordinate allowed Min 30 years, Max 30% AMI	\$400,000 0.0% N/A 2 yr construct, 35 yr perm Cash flow 3rd lien position 35 yrs, 2 units @ 30% AMI	Max. NHT Cash flow DSCR sta	F loan ar	mount with 9% LIHTC	or's preference
Rates Loan Fees Maximum Loan Term Loan Amortization Lien Position Affordability Requirements	\$1,500,000 0.0% N/A 2 yr construct, no max on perm Cash-flow or Forgivable Subordinate allowed Min 30 years, Max 30% AMI 1.20 to 1.40: 1 on all must-pay debt	\$400,000 0.0% N/A 2 yr construct, 35 yr perm Cash flow 3rd lien position 35 yrs, 2 units @ 30% AMI 1.20: 1.00 increasing to 1.41	Max. NHT Cash flow DSCR sta	F loan ar	nount with 9% LIHTC fixed based on invest een 1.20: 1.40 in years	or's preference
Rates Loan Fees Maximum Loan Term Loan Amortization Lien Position Affordability Requirements DSCR Scoring Criteria NEW MEXICO HOUSING TR	\$1,500,000 0.0% N/A 2 yr construct, no max on perm Cash-flow or Forgivable Subordinate allowed Min 30 years, Max 30% AMI 1.20 to 1.40: 1 on all must-pay debt 40-115 points UST FUND (NMHTF) REN	\$400,000 0.0% N/A 2 yr construct, 35 yr perm Cash flow 3rd lien position 35 yrs, 2 units @ 30% AMI 1.20: 1.00 increasing to 1.41 : 1.00 by year 15 76 TAL LOAN INFORMATION	Max. NHT Cash flow DSCR sta upward, in	F loan and or \$5000 ys between creasing the second	nount with 9% LIHTC fixed based on invest een 1.20: 1.40 in years	or's preference
Rates Loan Fees Maximum Loan Term Loan Amortization Lien Position Affordability Requirements DSCR Scoring Criteria	\$1,500,000 0.0% N/A 2 yr construct, no max on perm Cash-flow or Forgivable Subordinate allowed Min 30 years, Max 30% AMI 1.20 to 1.40 : 1 on all must-pay debt 40-115 points UST FUND (NMHTF) RENTO 04/30/24	\$400,000 0.0% N/A 2 yr construct, 35 yr perm Cash flow 3rd lien position 35 yrs, 2 units @ 30% AMI 1.20: 1.00 increasing to 1.41 : 1.00 by year 15 76 TAL LOAN INFORMATION \$2,000,000	Max. NHT Cash flow DSCR sta upward, in	F loan ar	een 1.20 : 1.40 in years g to slightly above 1.4	or's preference s 1-14 and trends 0 : 1.00 in year 15
Rates Loan Fees Maximum Loan Term Loan Amortization Lien Position Affordability Requirements DSCR Scoring Criteria NEW MEXICO HOUSING TR	\$1,500,000 0.0% N/A 2 yr construct, no max on perm Cash-flow or Forgivable Subordinate allowed Min 30 years, Max 30% AMI 1.20 to 1.40 : 1 on all must-pay debt 40-115 points UST FUND (NMHTF) RENTO 104/30/24	\$400,000 0.0% N/A 2 yr construct, 35 yr perm Cash flow 3rd lien position 35 yrs, 2 units @ 30% AMI 1.20: 1.00 increasing to 1.41 : 1.00 by year 15 76 TAL LOAN INFORMATION \$2,000,000 Award contigent on forward all	Max. NHT Cash flow DSCR sta upward, in	F loan ar or \$500 ys betweencreasin 1BER OF	een 1.20 : 1.40 in years g to slightly above 1.4 NMHTF UNITS:	s 1-14 and trends 0: 1.00 in year 15
Rates Loan Fees Maximum Loan Term Loan Amortization Lien Position Affordability Requirements DSCR Scoring Criteria NEW MEXICO HOUSING TR Funds Available as of:	\$1,500,000 0.0% N/A 2 yr construct, no max on perm Cash-flow or Forgivable Subordinate allowed Min 30 years, Max 30% AMI 1.20 to 1.40 : 1 on all must-pay debt 40-115 points UST FUND (NMHTF) RENTO 04/30/24 ** MFA Guidelines	\$400,000 0.0% N/A 2 yr construct, 35 yr perm Cash flow 3rd lien position 35 yrs, 2 units @ 30% AMI 1.20: 1.00 increasing to 1.41 : 1.00 by year 15 76 TAL LOAN INFORMATION \$2,000,000 Award contigent on forward all Loan Request	DSCR staupward, in	F loan ar	een 1.20 : 1.40 in years g to slightly above 1.4 NMHTF UNITS: (2025 STB allocation	s 1-14 and trends 0: 1.00 in year 15 60
Rates Loan Fees Maximum Loan Term Loan Amortization Lien Position Affordability Requirements DSCR Scoring Criteria NEW MEXICO HOUSING TR Funds Available as of: Maximum Loan Amount	\$1,500,000 0.0% N/A 2 yr construct, no max on perm Cash-flow or Forgivable Subordinate allowed Min 30 years, Max 30% AMI 1.20 to 1.40 : 1 on all must-pay debt 40-115 points UST FUND (NMHTF) RENTO 104/30/24 ** MFA Guidelines \$3,000,000	\$400,000 0.0% N/A 2 yr construct, 35 yr perm Cash flow 3rd lien position 35 yrs, 2 units @ 30% AMI 1.20: 1.00 increasing to 1.41 : 1.00 by year 15 76 TAL LOAN INFORMATION \$2,000,000 Award contigent on forward all Loan Request \$3,000,000	DSCR sta upward, in NUN location of Max. NMH	F loan ar or \$500 ys betweencreasin fBER OF State FY EXCE	een 1.20 : 1.40 in years g to slightly above 1.4 NMHTF UNITS: (2025 STB allocation amount. Paid down to	s 1-14 and trends 0: 1.00 in year 15 60
Rates Loan Fees Maximum Loan Term Loan Amortization Lien Position Affordability Requirements DSCR Scoring Criteria NEW MEXICO HOUSING TR Funds Available as of: Maximum Loan Amount Rates	\$1,500,000 0.0% N/A 2 yr construct, no max on perm Cash-flow or Forgivable Subordinate allowed Min 30 years, Max 30% AMI 1.20 to 1.40 : 1 on all must-pay debt 40-115 points UST FUND (NMHTF) RENTO 04/30/24 * MFA Guidelines \$3,000,000 0.0% to 5.0%	\$400,000 0.0% N/A 2 yr construct, 35 yr perm Cash flow 3rd lien position 35 yrs, 2 units @ 30% AMI 1.20: 1.00 increasing to 1.41 : 1.00 by year 15 76 TAL LOAN INFORMATION \$2,000,000 Award contigent on forward all Loan Request \$3,000,000 3.0%	DSCR staupward, in	F loan ar or \$500 ys betweencreasin fBER OF State FY EXCE	een 1.20 : 1.40 in years g to slightly above 1.4 NMHTF UNITS: (2025 STB allocation amount. Paid down to	s 1-14 and trends 0: 1.00 in year 15 60
Rates Loan Fees Maximum Loan Term Loan Amortization Lien Position Affordability Requirements DSCR Scoring Criteria NEW MEXICO HOUSING TR Funds Available as of: Maximum Loan Amount Rates Loan Fees	\$1,500,000 0.0% N/A 2 yr construct, no max on perm Cash-flow or Forgivable Subordinate allowed Min 30 years, Max 30% AMI 1.20 to 1.40: 1 on all must-pay debt 40-115 points UST FUND (NMHTF) RENTO 04/30/24 ** MFA Guidelines \$3,000,000 0.0% to 5.0% N/A	\$400,000 0.0% N/A 2 yr construct, 35 yr perm Cash flow 3rd lien position 35 yrs, 2 units @ 30% AMI 1.20: 1.00 increasing to 1.41 : 1.00 by year 15 76 TAL LOAN INFORMATION \$2,000,000 Award contigent on forward all Loan Request \$3,000,000	DSCR sta upward, in NUN location of Max. NMH	F loan ar or \$500 ys betweencreasin fBER OF State FY EXCE	een 1.20 : 1.40 in years g to slightly above 1.4 NMHTF UNITS: (2025 STB allocation amount. Paid down to	s 1-14 and trends 0: 1.00 in year 15 60
Rates Loan Fees Maximum Loan Term Loan Amortization Lien Position Affordability Requirements DSCR Scoring Criteria NEW MEXICO HOUSING TR Funds Available as of: Maximum Loan Amount Rates	\$1,500,000 0.0% N/A 2 yr construct, no max on perm Cash-flow or Forgivable Subordinate allowed Min 30 years, Max 30% AMI 1.20 to 1.40 : 1 on all must-pay debt 40-115 points UST FUND (NMHTF) RENTO 14/30/24 ** MFA Guidelines \$3,000,000 0.0% to 5.0% N/A 2 yr construct, 40 yr	\$400,000 0.0% N/A 2 yr construct, 35 yr perm Cash flow 3rd lien position 35 yrs, 2 units @ 30% AMI 1.20: 1.00 increasing to 1.41 : 1.00 by year 15 76 TAL LOAN INFORMATION \$2,000,000 Award contigent on forward all Loan Request \$3,000,000 3.0%	DSCR sta upward, in NUN location of Max. NMH	F loan ar or \$500 ys betweencreasin fBER OF State FY EXCE	een 1.20 : 1.40 in years g to slightly above 1.4 NMHTF UNITS: (2025 STB allocation amount. Paid down to	s 1-14 and trends 0: 1.00 in year 15 60
Rates Loan Fees Maximum Loan Term Loan Amortization Lien Position Affordability Requirements DSCR Scoring Criteria NEW MEXICO HOUSING TR Funds Available as of: Maximum Loan Amount Rates Loan Fees Maximum Loan Term	\$1,500,000 0.0% N/A 2 yr construct, no max on perm Cash-flow or Forgivable Subordinate allowed Min 30 years, Max 30% AMI 1.20 to 1.40: 1 on all must-pay debt 40-115 points UST FUND (NMHTF) RENTO 04/30/24 ** MFA Guidelines \$3,000,000 0.0% to 5.0% N/A 2 yr construct, 40 yr perm	\$400,000 0.0% N/A 2 yr construct, 35 yr perm Cash flow 3rd lien position 35 yrs, 2 units @ 30% AMI 1.20: 1.00 increasing to 1.41 : 1.00 by year 15 76 TAL LOAN INFORMATION \$2,000,000 Award contigent on forward all Loan Request \$3,000,000 3.0% N/A 2 yr construct, 40 yr perm	DSCR sta upward, in NUN location of Max. NMH	F loan ar or \$500 ys betweencreasin fBER OF State FY EXCE	een 1.20 : 1.40 in years g to slightly above 1.4 NMHTF UNITS: (2025 STB allocation amount. Paid down to	s 1-14 and trends 0: 1.00 in year 15 60
Rates Loan Fees Maximum Loan Term Loan Amortization Lien Position Affordability Requirements DSCR Scoring Criteria NEW MEXICO HOUSING TR Funds Available as of: Maximum Loan Amount Rates Loan Fees Maximum Loan Term Loan Amortization	\$1,500,000 0.0% N/A 2 yr construct, no max on perm Cash-flow or Forgivable Subordinate allowed Min 30 years, Max 30% AMI 1.20 to 1.40 : 1 on all must-pay debt 40-115 points UST FUND (NMHTF) RENT 04/30/24 ** MFA Guidelines \$3,000,000 0.0% to 5.0% N/A 2 yr construct, 40 yr perm Mthly during perm	\$400,000 0.0% N/A 2 yr construct, 35 yr perm Cash flow 3rd lien position 35 yrs, 2 units @ 30% AMI 1.20: 1.00 increasing to 1.41 : 1.00 by year 15 76 TAL LOAN INFORMATION \$2,000,000 Award contigent on forward all Loan Request \$3,000,000 3.0% N/A 2 yr construct, 40 yr perm Mthly during perm	DSCR sta upward, in NUN location of Max. NMH	F loan ar or \$500 ys betweencreasin fBER OF State FY EXCE	een 1.20 : 1.40 in years g to slightly above 1.4 NMHTF UNITS: (2025 STB allocation amount. Paid down to	s 1-14 and trends 0: 1.00 in year 15 60
Rates Loan Fees Maximum Loan Term Loan Amortization Lien Position Affordability Requirements DSCR Scoring Criteria NEW MEXICO HOUSING TR Funds Available as of: Maximum Loan Amount Rates Loan Fees Maximum Loan Term Loan Amortization Lien Position	\$1,500,000 0.0% N/A 2 yr construct, no max on perm Cash-flow or Forgivable Subordinate allowed Min 30 years, Max 30% AMI 1.20 to 1.40: 1 on all must-pay debt 40-115 points UST FUND (NMHTF) RENT 04/30/24 ** MFA Guidelines \$3,000,000 0.0% to 5.0% N/A 2 yr construct, 40 yr perm Mthly during perm Subordinate allowed	\$400,000 0.0% N/A 2 yr construct, 35 yr perm Cash flow 3rd lien position 35 yrs, 2 units @ 30% AMI 1.20: 1.00 increasing to 1.41 : 1.00 by year 15 76 TAL LOAN INFORMATION \$2,000,000 Award contigent on forward all Loan Request \$3,000,000 3.0% N/A 2 yr construct, 40 yr perm Mthly during perm 4th lien position	DSCR sta upward, in NUN location of Max. NMH	F loan ar or \$500 ys betweencreasin fBER OF State FY EXCE	een 1.20 : 1.40 in years g to slightly above 1.4 NMHTF UNITS: (2025 STB allocation amount. Paid down to	s 1-14 and trends 0: 1.00 in year 15 60
Rates Loan Fees Maximum Loan Term Loan Amortization Lien Position Affordability Requirements DSCR Scoring Criteria NEW MEXICO HOUSING TR Funds Available as of: Maximum Loan Amount Rates Loan Fees Maximum Loan Term Loan Amortization	\$1,500,000 0.0% N/A 2 yr construct, no max on perm Cash-flow or Forgivable Subordinate allowed Min 30 years, Max 30% AMI 1.20 to 1.40 : 1 on all must-pay debt 40-115 points UST FUND (NMHTF) RENT 04/30/24 ** MFA Guidelines \$3,000,000 0.0% to 5.0% N/A 2 yr construct, 40 yr perm Mthly during perm Subordinate allowed Min 20 years, Max 60%	\$400,000 0.0% N/A 2 yr construct, 35 yr perm Cash flow 3rd lien position 35 yrs, 2 units @ 30% AMI 1.20: 1.00 increasing to 1.41 : 1.00 by year 15 76 TAL LOAN INFORMATION \$2,000,000 Award contigent on forward all Loan Request \$3,000,000 3.0% N/A 2 yr construct, 40 yr perm Mthly during perm	DSCR sta upward, in NUN location of Max. NMH	F loan ar or \$500 ys betweencreasin fBER OF State FY EXCE	een 1.20 : 1.40 in years g to slightly above 1.4 NMHTF UNITS: (2025 STB allocation amount. Paid down to	s 1-14 and trends 0: 1.00 in year 15 60
Rates Loan Fees Maximum Loan Term Loan Amortization Lien Position Affordability Requirements DSCR Scoring Criteria NEW MEXICO HOUSING TR Funds Available as of: Maximum Loan Amount Rates Loan Fees Maximum Loan Term Loan Amortization Lien Position Affordability Requirements	\$1,500,000 0.0% N/A 2 yr construct, no max on perm Cash-flow or Forgivable Subordinate allowed Min 30 years, Max 30% AMI 1.20 to 1.40 : 1 on all must-pay debt 40-115 points UST FUND (NMHTF) RENT 04/30/24 ** MFA Guidelines \$3,000,000 0.0% to 5.0% N/A 2 yr construct, 40 yr perm Mthly during perm Subordinate allowed Min 20 years, Max 60% AMI	\$400,000 0.0% N/A 2 yr construct, 35 yr perm Cash flow 3rd lien position 35 yrs, 2 units @ 30% AMI 1.20: 1.00 increasing to 1.41 : 1.00 by year 15 76 TAL LOAN INFORMATION \$2,000,000 Award contigent on forward all Loan Request \$3,000,000 3.0% N/A 2 yr construct, 40 yr perm Mthly during perm 4th lien position 40 yrs, 60% AMI	DSCR staupward, in NUN	ys betweencreasing The state Fy EXCENTIFICATION For 9% L	een 1.20 : 1.40 in years g to slightly above 1.4 NMHTF UNITS: /2025 STB allocation EPTIONS/CONDITION amount. Paid down to	s 1-14 and trends 0: 1.00 in year 15 60 S/NOTES 0 \$2MM at Perm.
Rates Loan Fees Maximum Loan Term Loan Amortization Lien Position Affordability Requirements DSCR Scoring Criteria NEW MEXICO HOUSING TR Funds Available as of: Maximum Loan Amount Rates Loan Fees Maximum Loan Term Loan Amortization Lien Position	\$1,500,000 0.0% N/A 2 yr construct, no max on perm Cash-flow or Forgivable Subordinate allowed Min 30 years, Max 30% AMI 1.20 to 1.40 : 1 on all must-pay debt 40-115 points UST FUND (NMHTF) RENT 04/30/24 ** MFA Guidelines \$3,000,000 0.0% to 5.0% N/A 2 yr construct, 40 yr perm Mthly during perm Subordinate allowed Min 20 years, Max 60% AMI 1.20 to 1.40 : 1 on all	\$400,000 0.0% N/A 2 yr construct, 35 yr perm Cash flow 3rd lien position 35 yrs, 2 units @ 30% AMI 1.20: 1.00 increasing to 1.41 : 1.00 by year 15 76 TAL LOAN INFORMATION \$2,000,000 Award contigent on forward all Loan Request \$3,000,000 3.0% N/A 2 yr construct, 40 yr perm Mthly during perm 4th lien position 40 yrs, 60% AMI 1.20: 1.00 increasing to 1.41	DSCR sta upward, in Nun location of Max. NMH Base rate	F loan are for \$500 yes between the state FY EXCENTE LOAN for \$9% L	een 1.20 : 1.40 in years g to slightly above 1.4 NMHTF UNITS: /2025 STB allocation EPTIONS/CONDITION amount. Paid down to	s 1-14 and trends 0: 1.00 in year 15 60 S/NOTES 0 \$2MM at Perm.
Rates Loan Fees Maximum Loan Term Loan Amortization Lien Position Affordability Requirements DSCR Scoring Criteria NEW MEXICO HOUSING TR Funds Available as of: Maximum Loan Amount Rates Loan Fees Maximum Loan Term Loan Amortization Lien Position Affordability Requirements	\$1,500,000 0.0% N/A 2 yr construct, no max on perm Cash-flow or Forgivable Subordinate allowed Min 30 years, Max 30% AMI 1.20 to 1.40 : 1 on all must-pay debt 40-115 points UST FUND (NMHTF) RENT 04/30/24 ** MFA Guidelines \$3,000,000 0.0% to 5.0% N/A 2 yr construct, 40 yr perm Mthly during perm Subordinate allowed Min 20 years, Max 60% AMI 1.20 to 1.40 : 1 on all must-pay debt	\$400,000 0.0% N/A 2 yr construct, 35 yr perm Cash flow 3rd lien position 35 yrs, 2 units @ 30% AMI 1.20: 1.00 increasing to 1.41 : 1.00 by year 15 76 TAL LOAN INFORMATION \$2,000,000 Award contigent on forward all Loan Request \$3,000,000 3.0% N/A 2 yr construct, 40 yr perm Mthly during perm 4th lien position 40 yrs, 60% AMI 1.20: 1.00 increasing to 1.41	DSCR sta upward, in Nun location of Max. NMH Base rate	F loan are for \$500 yes between the state FY EXCENTE LOAN for \$9% L	een 1.20 : 1.40 in years NMHTF UNITS: 2025 STB allocation EPTIONS/CONDITION amount. Paid down to	s 1-14 and trends 0: 1.00 in year 15 60 S/NOTES 0 \$2MM at Perm.

TOTAL DEVELOPMENT COST INFORMATION SUMMARY								
Project: Ocate Apartments		Total	% TDC		Cost/GSF*			
Acquisition Costs (land, building acquisition, & other acquisition costs)	\$	780,000	3.5%	\$	9.42			
Construction Hard Costs	\$	12,687,200	57.0%	\$	153.23			
Other Construction Costs (contractor O&P, general req, GRT, landscaping, furnishings, etc)	\$	3,787,015	17.0%	\$	45.74			
Professional Services/Fees (architect, engineer, real estate legal, etc)	\$	455,000	2.0%	\$	5.50			
Construction Financing Costs (interest, insurance, inspections, fees, etc)	\$	2,420,385	10.9%	\$	29.23			
Permanent Financing Costs (fees, title/recording, etc)	\$	85,000	0.4%	\$	1.03			
Other Soft Costs (tax credit fees, environmental reports, appraisals, accounting, etc)	\$	387,188	1.7%	\$	4.68			
Syndication-Related Costs (organization, bridge loan, tax opinion, etc)	\$	50,000	0.2%	\$	0.60			
Reserves (rent-up, operating, replacement, escrows, etc)	\$	318,844	1.4%	\$	3.85			
Developer Fees (inc consultant fees)	\$	1,305,000	5.9%	\$	15.76			
Total Development Costs (TDC)	\$	22,275,632	100.0%	\$	269.03			
TDC w/o Land, Reserves & Commercial	\$	21,176,788	95.1%	\$	255.76			

CONSTRUCTION SOURCES								
Project:	Ocate Apartments		Total	% of Total		Per Unit		
Construct. Lender	Keybank	\$	13,748,780	61.7%	\$	229,146.33		
2nd Lien Holder	MFA/HOME	\$	360,000	1.6%	\$	6,000.00		
3rd Lien Holder	MFA/NHTF	\$	360,000	1.6%	\$	6,000.00		
4th Lien Holder	MFA/NMHTF	\$	3,000,000	13.5%	\$	50,000.00		
Other	SFCHA/GP Note	\$	600,000	2.7%	\$	10,000.00		
Other	SFCHA/Land Contribution	\$	780,000	3.5%	\$	13,000.00		
Deferred Developer Fee	SFCHA	\$	1,285,000	5.8%	\$	21,416.67		
LIHTC Equity	TBD Investor	\$	2,141,852	9.6%	\$	35,697.53		
	Total Construction Sources	\$	22,275,632	100.0%	\$	371,260.53		

PERMANENT SOURCES							
Project:	Ocate Apartments		Total	% of Total		Per Unit	
Permanent Lender - 1st Lien	Rocky Mountain Community Reinvestment Corp.	\$	2,718,000	12.2%	\$	45,300.00	
2nd Lien Holder	MFA/HOME	\$	400,000	1.8%	\$	6,666.67	
3rd Lien Holder	MFA/NHTF	\$	400,000	1.8%	\$	6,666.67	
4th Lien Holder	MFA/NMHTF	\$	2,000,000	9.0%	\$	33,333.33	
Other	SFCHA/GP Note	\$	600,000	2.7%	\$	10,000.00	
Other	SFCHA/Land Contribution	\$	780,000	3.5%	\$	13,000.00	
Deferred Developer Fee	SFCHA	\$	1,098,376	4.9%	\$	18,306.27	
LIHTC Equity	TBD Investor	\$	14,279,256	64.1%	\$	237,987.60	
	Total Permanent Sources	\$	22,275,632	100.0%	\$	371,260.53	

Development Cost Budget						
Ocate Apartments	Gross Sq. Footage:	82,8	800			
Santa Fe		TOTAL COST	COST/GSF	=		
ACQUISITION COSTS						
Land Acquisition	\$	780,000	\$ 9.	.42		
Building Acquisition		,	\$ -	_		
Other:			\$ -	_		
SUBTOT	AL Ś	780,000	\$ 9.	.42		
CONSTRUCTION HARD COSTS	1 7		Ţ			
Demolition			\$ -			
Accessory Structures			\$ -	_		
Site Construction	\$	1,507,100	· ·	.20		
Buildings and Structures	\$	11,180,100	\$ 135.			
Off-Site Improvements	Ÿ	11,100,100	\$ -			
Other:			\$ -	_		
SUBTOT	AL \$	12,687,200	\$ 153.	23		
OTHER CONSTRUCTION COSTS	الم	12,087,200	Ş 133.	.23		
Contractor Overhead	\$	252 700	\$ 3.	.06		
Contractor Profit	\$	253,700 761,200		.19		
General Requirements	\$.19		
Construction Contingency	\$	761,200 634,360		.66		
Gross Receipts Tax (GRT)	\$	1,376,555		.63		
Landscaping	\$	1,370,333	\$ -	.03		
Furniture, Fixtures, & Equipment	\$	<u>-</u>	\$ -			
Other:	\$	-	\$ -			
SUBTOT	_	2 707 015	\$ 45.	74		
PROFESSIONAL SERVICES/FEES	AL Ş	3,787,015	Ş 45.	.74		
·	۲.	262 500	ć 2	17		
Architect (Design)	\$	262,500	•	.17		
Architect (Supervision) Attorney (Real Estate)	\$	87,500		.06		
Engineer/Survey	_	40,000		.48 .79		
	\$	65,000	\$ 0.	.79		
Other:		455.000		-		
SUBTOT	AL \$	455,000	\$ 5.	.50		
CONSTRUCTION FINANCING COSTS	٨	400.000	A	24		
Hazard Insurance	\$	100,000		.21		
Liability Insurance	\$	166,300		.01		
Performance Bond	\$	160,000	-	.93		
Interest	\$	1,629,085		.67		
Origination\Discount Points	\$	205,000	•	.48		
Credit Enhancement	\$	-	\$ -	-		
Inspection Fees	\$	-	\$ -	24		
Title and Recording	\$	100,000	•	.21		
Legal	\$	60,000	•	.72		
Taxes	\$	-	\$ -	•		
Other:	\$	-	\$ -			
SUBTOT	AL \$	2,420,385	\$ 29.	.23		

Project: Ocate Apartments						
PERMANENT FINANCING COSTS						
Bond Premium	\$	-	\$	-		
Credit Report	\$	-	\$	-		
Origination\Discount Points	\$	40,000	\$	0.48		
Credit Enhancement	\$	-	\$	_		
Title and Recording	\$	25,000	\$	0.30		
Legal	\$	20,000	\$	0.24		
Cost of Bond Issuance	\$	-	\$	-		
Pre-Paid MIP	\$	-	\$	-		
Reserves and Escrows	\$	-	\$	-		
Other:	\$	-	\$	-		
SUBTOTAL	\$	85,000	\$	1.03		
SOFT COSTS						
Market Study	\$	8,500	\$	0.10		
Environmental	\$	6,000	\$	0.07		
Tax Credit Fees	\$	136,688	\$	1.65		
Appraisal	\$	6,000	\$	0.07		
Hard Relocation Costs	\$	-	\$	-		
Accounting/Cost Certification	\$	30,000	\$	0.36		
Other:	\$	200,000	\$	2.42		
SUBTOTAL	\$	387,188	\$	4.68		
SYNDICATION						
Organization	\$	50,000	\$	0.60		
Bridge Loan	\$	-	\$	-		
Tax Opinion	\$	-	\$	-		
Other:	\$	-	\$	-		
SUBTOTAL	\$	50,000	\$	0.60		
TDC before Dev. Fees & Reserves	\$	20,651,788	\$	249		
RESERVES						
Rent Up	\$	-	\$	-		
Operating	\$	318,844	\$	3.85		
Replacement (inc. only if capitalized)	\$	-	\$	-		
Escrows/Working Capital	\$	-	\$	1		
Other:	\$	-	\$	-		
SUBTOTAL	\$	318,844	\$	3.85		
DEVELOPER FEES						
Developer Fee	\$	1,305,000	\$	15.76		
Consultant Fee	\$	-	\$	-		
SUBTOTAL	\$	1,305,000	\$	15.76		
Total Development Cost (TDC)	\$	22,275,632	\$	269.03		
TDC w/o Land, Reserves & Commercial	\$	21,176,788	\$	255.76		



MEMO

TO: MFA Board of Directors

Through: Policy Committee April 30, 2024

New Mexico Housing Trust Fund Advisory Committee May 6, 2024

Contracted Services Committee May 7, 2024

FROM: Izzy Hernandez, Executive Director/CEO

Robyn Powell, Director of Policy and Planning

DATE: May 15, 2024

SUBJECT: State Fiscal Year 2025 Allocation Recommendations

ATTACHMENTS:

Exhibit 1: State Fiscal Year 2025 Allocation Recommendations

Exhibit 2: State Fiscal Year 2024 Performance Metrics

Exhibit 3: Supporting Information

Exhibit A: Resolution, Notification, and Certification

Recommendation

MFA staff recommend the allocation of the state fiscal year 2025 severance tax bond allocation of \$34,620,000 and the one-time \$50 million funds transfer as presented in **Exhibit 1: State Fiscal Year 2025 Allocation Recommendations**.

Background

In 2022, the State of New Mexico enacted Senate Bill 134 into law, allocating severance tax bonding capacity to the New Mexico Housing Trust Fund for the purposes of carrying out the provisions in the New Mexico Housing Trust Fund Act. The annual allocation is 2.5% of the estimated bonding capacity, or an estimated \$34,620,000 for state fiscal year 2025. In January 2024, the New Mexico Housing Trust received a one-time general fund allocation of \$50,000,000 through the legislative process, which was approved by Governor Michelle Lujan-Grisham.

Discussion

After careful consideration, MFA staff proposes to make \$84,620,000 available between the state fiscal year 2025 severance tax bond funding and the one-time allocation for state fiscal year 2025. **Exhibit 1: State Fiscal Year 2024 Allocation Recommendations** outlines the amount each activity will be allocated between the two funding sources.

Staff anticipates a general funds transfer in the first quarter of the state fiscal year and intends to invest the majority through the New Mexico State Investment Council in order to maximize

investment income. Funds will be invested in both short and intermediate term investments that will allow access as needed to support housing program needs and production..

Allocation recommendations are based on:

- Board feedback
- Considerations included in **Exhibit 3: Supporting Information.**
 - Need
 - Capacity
 - Other funding sources
- Financial Considerations
- Activity performance in State Fiscal Year 2024 as presented in Exhibit 2: State
 Fiscal Year 2024 Performance Metrics

We believe the proposed allocation enables us to address the projected need, provides flexibility to re-allocate funds based on demand and maximizes the investment and program income.

Also attached within this memorandum as **Exhibit A** is the **Resolution, Notification, and Certification** to certify the need of the funding to the state fiscal year 2025 severance tax bond allocation of \$34,620,000. Upon approval, the Resolution will be submitted to the State Board of Finance.

Summary

MFA staff recommend the allocation of the state fiscal year 2025 severance tax bond allocation of \$34,620,000 and the one-time \$50 million general funds transfer as presented in **Exhibit 1: State Fiscal Year 2025 Allocation Recommendations**.

Exhibit 1: State Fiscal Year 2025 Allocation Recommendation							
Strategic I	Strategic Impact Area		SFY2025 STB Allocation	One Time \$50 million Allocation	One Time \$50 million Reserve		
Build Homeownership and Wealth	\$20,000,000.00	Downpayment Assistance	\$20,000,000.00		\$10,000,000.00		
Oversta Mars Hausing #200 000 000		Rental Development	\$13,620,000.00				
0.0000.0000.0000.0000.000	reate More Housing \$26,620,000.00			\$13,000,000.00			
		Preservation Loan Program		\$2,000,000.00			
		Restoring Our Communities			\$47,000,000,00		
Preserve Existing Affordable \$10,000,000.00		Weatherization - Energy\$mart Solar Program*		\$3,500,000.00	\$17,000,000.00		
		Home Improvement Program/HOME Rehabilitation		\$500,000.00			
			\$1,000,000.00	\$3,000,000.00			
Create Stable Housing Environments	\$1,000,000.00	Homelessness and Homelessness Prevention		\$1,000,000.00			
Total	\$57,620,000.00		\$34,620,000.00	\$23,000,000.00	\$27,000,000.00		

^{*}Weatherization Energy\$mart Solar Program set aside, approved by the MFA Board in November 2023, as match for a federal application.

Exhibit 2: State Fiscal Year 2024 Performance Metrics As of April 30, 2024									
Activity	Allocation	Procur	rement	Awards		Expenditures			
HomeForwardDPA	\$ 2,000,000.00	\$ 2,000,000.00	100%	\$	2,000,000.00	100%	\$ 9	906,019.47	45%
FirstDown Plus	\$ 9,625,000.00	\$ 9,625,000.00	100%	\$	9,625,000.00	100%	\$ 5,3	325,000.00	55%
Rental Development	\$ 12,500,000.00	\$ 12,500,000.00	100%	\$	12,500,000.00	100%	\$ 2,5	500,000.00	20%
Single Family Development	\$ 3,000,000.00	\$ 3,000,000.00	100%	\$	500,000.00	17%	\$	-	0%
Preservation Loan Program	\$ 1,630,000.00	\$ 1,630,000.00	100%	\$	-	0%	\$	-	0%
Restoring Our Communities	\$ 2,000,000.00	\$ 2,000,000.00	100%	\$	2,000,000.00	100%	\$	-	0%
Weatherization Assistance Program and Weatherization Readiness	\$ 775,000.00	\$ 775,000.00	100%	\$	775,000.00	100%	\$ 5	500,000.00	65%
Housing Improvement Program/HOME Rehabilitation	\$ 1,000,000.00	\$ 1,000,000.00	100%	\$	1,000,000.00	100%	\$ 2	271,262.79	27%
Housing Innovation	\$ 5,000,000.00	\$ 5,000,000.00	100%	\$	2,212,498.00	44%	\$	-	0%
	\$ 37,530,000.00	\$ 37,530,000.00	100%	\$	30,612,498.00	82%	\$ 9,5	602,282.26	25%

Amounts in green are contingent upon awards approved at the May 2024 Board Meeting

Exhibit 3: Supporting Information							
Activity	Terms	Projected Pipeline Demand	MFA Capacity Partner Capacity		*Other Funding Sources		
HomeForward DPA	- Loan amount is 3% of sales price - 15 year loan - fixed interest rate - Does not have to be first time homebuyer	\$ 20,000,000.00	High. Well-established, fully staffed homeownership programs.	High: 277 loan officers in 26 lending offices serving all counties in New Mexico.	-		
First Down Plus	- \$10,000 - 15 year amortizing loan - 0% interest - Has to be first time homebuyer	\$ 20,000,000.00	High. Well-established, fully staffed homeownership programs.	High: 277 loan officers in 26 lending offices serving all counties in New Mexico.	-		
Rental Development	-Construction loan - 30 year loan - 2% interest rate	\$ 36,000,000.00	High: Well established multifamily loan program.	High: Approximately 31 MF developers familiar with MFA housing development programs.	\$ 216,526,000.00		
Single Family Development		\$ 36,000,000.00	Moderate: Developing various single-family development programs.	Moderate: Four developers working on loan applications.	\$ 11,628,000.00		
Preservation Loan Program	-30 year loan -1% interest rate -1% monthly payments -Principle will be forgiven at maturity	\$ 17,000,000.00	Moderate: Piloting new preservation program.	High: Approximately 31 MF developers familiar with MFA housing development programs.	\$ 218,156,000.00		
Restoring Our Communities (ROC)	- 24 month repayment period (based on PI model) - 80% recapture rate	\$ 17,000,000.00	Moderate: Establishing new program.	Moderate: Four approved service providers administering the program for the first time.	\$ 4,000,000.00		
Weatherization Assistance Program	-Grant to homeowner -No recapture	\$ 17,000,000.00	High: Well established NM\$nergySmart program.	High: Three service providers servicing the entire state.	\$ 10,018,000.00		
Home Improvement Program	-Grant to homeowner -No recapture	\$ 17,000,000.00	Moderate: Establishing new program.	Moderate: MFA developing new program.	\$ 13,691,000.00		
Housing Innovation	-Varies by project	\$ 17,000,000.00	Moderate: New program with capacity to award and administer funds.	Moderate: Approximately half the applicants have experience with MFA funding.	\$ 2,787,502.00		
Homelessness and Homelessness Prevention		\$ 3,000,000.00	High: Well established programs within Community Development Department.	High: Approximately 31 service providers operate in the state, 17 are funded by MFA programs	\$ 8,927,708.00		

^{*}Other Funding Sources reflect all resources that may be used to support an activity. In some case a funding source may be used for multiple activities. Also, in many case despite a high level of resources there remains a demand for additional funding.

NEW MEXICO MORTGAGE FINANCE AUTHORITY RESOLUTION, NOTIFICATION AND CERTIFICATION

May 15, 2024

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

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

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

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

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

WHEREAS, The MFA Board of Directors approved and certified the uses of the state fiscal year severance tax allocation to the Fund on May 15, 2024 outlined in **Exhibit A: State Fiscal Year 2025 Certified Uses, attached hereto**.

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

- 1. MFA, as trustee of the Fund, hereby certifies and notifies the State Board of Finance that at least Thirty-Four Million Six Hundred Twenty Thousand Dollars (\$34,620,000) is needed for the certified purposes listed on **Exhibit A**, and that each of such purposes identified in this Certification: (a) is an authorized use of such proceeds under the terms of the Severance Tax Bonding Act and the HTF Act, (b) constitutes a capital project, (c) does not include any indirect project costs or operational or working capital expenditures, and (d) to the extent proceeds are transferred to a non-governmental entity, complies (or will comply, when such proceeds are transferred) with the Affordable Housing Act, Sections 6-27-1 et seq. NMSA 1978, which codifies the exception to the Anti-Donation Clause of the New Mexico Constitution contemplated in Article IX, Section 14, Paragraphs E and F of the Constitution.
- 2. Should the purposes to which such funds are to be applied change such that (a) the amount allocated to any category shown on **Exhibit A** of this certification is increased or reduced by more than five percent (5%), or (b) such changes result in an aggregate change in the amount needed to

an amount which is less than the amount certified in this certification, the MFA will promptly (and no later than 60 days after such change is identified) supplement and re-certify to the State Board of Finance its needs as detailed on **Exhibit A** to reflect any updates in the anticipated or actual application of such proceeds in accordance with the Severance Tax Bonding Act and the HTF Act.

- 3. The State Board of Finance is hereby requested to apply the amounts listed in **Exhibit A** for each certified project (consisting of short-term taxable severance tax note proceeds) in the aggregate principal amount of Thirty-Four Million Six Hundred Twenty Thousand Dollars (\$34,620,000) for the purposes set forth on **Exhibit A**.
- 4. During the course of expenditure of the proceeds certified herein, MFA shall monitor the use and expenditure of such proceeds and ensure proper reversions are made as provided in clause C of Section 7-27-49 of the Severance Tax Bonding Act, and shall from time to time (at least annually) provide a written report to the State Board of Finance describing: (a) actual expenditure of Bond proceeds, (b) reconciliation of actual expenditures against anticipated and previously certified and recertified projects, (c) reversions, if any, (d) specific projects funded by proceeds deposited in any revolving loan fund, and (e) MFA's policies and procedures for determination and prioritization of eligible projects expected to be funded with proceeds of Bonds.
- 5. All conditions, contingencies and limitations imposed by law with respect to the certification of the need for the Bonds to finance the original projects and the expenditure of funds with respect thereto, if any, have been satisfied.

The undersigned hereby certifies that the above and foregoing certification was duly adopted by the Board of Directors of the New Mexico Mortgage Finance Authority at a meeting duly called, held and conducted on May 15, 2024.

ADOPT	ED:
	Aye:
	Nay:
	Abstain:
	Absent:
PASSEC	O AND APPROVED BY THE NEW MEXICO MORTGAGE FINANCE AUTHORITY THIS DAY OF, 2024.
	Ву:
	Angel Reyes, Chair
	New Mexico Mortgage Finance Authority

CERTIFICATION

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

IN WITNESS WHEREOF, I have hereunte	set my hand and seal of the New Mexico Mortgage Fina	nce
Authority this day of	, 2024.	
Isidoro Hernandez, Secretary		
(SEAL)		
(32,12)		

Exhibit A: State Fiscal Year 2025 Certified Uses

Certified Use	Description	Certified Uses
First Mortgage and Down Payment Assistance	Provide down payment assistance to first-time and non-first-time homebuyers with low to moderate incomes. Provides first mortgage and affordable homeownership loan purchase.	\$20,000,000
Housing Development and Preservation	Provide funding for single family emergency repairs, accessibility, energy efficiency improvements, weatherization, and rehabilitation, and single-family acquisition and rehabilitation. Provide funding for rental and homeownership housing development and transitional housing.	\$14,620,000
TOTAL		\$34,620,000



TO: MFA Board of Directors

Through: New Mexico Housing Trust Fund Advisory Committee on May

6th, 2024

Through: Policy Committee on April 30th, 2024

FROM: Sonja Unrau & Sharlynn Rosales

DATE: May 15, 2024

SUBJECT: \$1 Million New Mexico Housing Trust Fund for Preservation and

Reinvestment Initiative for Community Enhancement Grant Leverage

Recommendation:

MFA staff recommend allocation \$1 million from the New Mexico Housing Trust Fund (NMHTF) for Preservation and Reinvestment Initiative for Community Enhancement (PRICE) grant leverage.

Background:

The Department of Housing and Urban Development issued a Notice of Funding Opportunity (NOFO) for its newly created PRICE grant program. The NOFO makes available \$235 million in competitive grant funding for the preservation and revitalization of manufactured housing and eligible manufactured housing communities. MFA, with the support of numerous partners, intends to see the maximum award of \$75 million.

Eligible activities include preservation and revitalization activities such as repair, rehabilitation, or replacement of units, development or improvement of infrastructure, development activities such as acquisition, mitigation, and resilience activities, housing and supportive services including relocation assistance and eviction prevention, and planning activities.

Discussion:

Due to the competitiveness of the funding, MFA seeks to maximize its opportunity for award by contributing leverage funds. \$1 million will demonstrate a commitment to the project and increase the strength of it application.

Summary:

MFA staff recommend allocation \$1 million from the New Mexico Housing Trust Fund (NMHTF) for Preservation and Reinvestment Initiative for Community Enhancement (PRICE) grant leverage.



TO: MFA Board of Directors

FROM: Donna Maestas-De Vries, Chief Housing Officer

DATE: May 15, 2024

SUBJECT: Eastern Regional Housing Authority (ERHA) request for approval to enter into a short-

term loan to rehabilitate public housing in Vaughn, New Mexico

Recommendation:

Staff is presenting a request from ERHA to enter into a short-term loan with Pioneer Bank to rehabilitate public housing units in Vaughn, New Mexico which include 20 residential units and an office. The loan will be paid off with grant funds from the state once costs are reimbursed.

Background:

The Regional Housing Law 11-3A-29 NMSA 1978, mandates that MFA provide oversight of certain activities of the Regional Housing Authorities. This oversight includes approval of a Regional Housing Authority to enter into a transfer, sale, or liquidation of real or personal property or to sign any contract, memorandum of understanding or other agreement with a value greater than \$100,000.

Discussion:

The Eastern Regional Housing Authority received a grant in the amount of \$3,000,000 from the state of New Mexico to rehabilitate public housing in Vaughn. The grant funding expires on July 1, 2024, ERHA needs to move very quickly in order to meet the deadline. ERHA will need to pay contractors and seek reimbursement from the state. Due to the quick expiration date of the grant funds, ERHA will not have the ability to wait for reimbursements and does not have the funds available. The short-term line of credit will enable ERHA to complete the work before the deadline and pay off the loan upon receipt of reimbursement funds.

The loan amount is \$1,750,000 with a 6-month term and interest only payments due monthly. The rate will be Prime with a 6% floor. The underwriting will begin upon approval of this request, and Pioneer Bank will allow ERHA to draw up to 50% of each invoice.

Summary:

ERHA is requesting approval to enter into a short-term loan with Pioneer Bank to rehabilitate public housing units in Vaughn, New Mexico, which will be paid back with grant funds from the state on a reimbursement basis.

REIMBURSING AGENCY: Department of Finance and Administration

Business Unit: 341

APPROPRIATION RECIPIENT:

Eastern Regional Authority

APPROPRIATION NUMBER: APPROPRIATION AMOUNT: REVERSION DATE

23-H5043-6 \$3,000,000 June 30, 2024

APPROPRIATION LANGUAGE

Three Million Dollars (\$3,000,000) to renovate housing as preparation to quality for a Rental Assistance Demonstration project; renovate up to 20 housing units to convert to project-based vouchers. Funds unexpended by June 30th, 2024, will be reverted to the State of New Mexico's general fund.

APPROPRIATION REIMBURSMENT

The appropriation funds will be disbursed through a reimbursement process. The Appropriation Recipient will submit to the Reimbursing Agency the Exhibit A: Request for Payment form along with supporting document(s) that evidence the expenses to be reimbursed. The Reimbursing Agency will review these documents to ensure all expenses to be reimbursed reflect the intent and purpose of the appropriation language. All expenditures for which the Appropriation Recipient requests reimbursement must occur prior to the reversion date. The latest date the Appropriation Recipient may submit a Request for Payment is July 12th, 2024. With the submission of the final Exhibit A: Request for Payment, the Appropriation Recipient must include a completed Exhibit B: Final Report form in order to receive the final reimbursement.

CERTIFICATION

I hereby certify that Eastern Regional Authority

- 1. Will only use the appropriation funds to carry out and/or perform activities described in appropriation language.
- Will comply with State Procurement Code and execution of binding written obligations or purchase orders with third party contractors or vendors for the provision of services, including professional services, or the purchase of tangible personal property and real property for the project.
- Ensures that the appropriation funds only benefit entities in accordance with applicable law, including, but not limited to Article IX, Section 14 of the Constitution of the State of New Mexico, "Anti-Donation Clause."
 Will follow the procedure described in "Appropriation Reimbursement" for reimbursement of appropriated

funds.	3 bu/2024
Appropriation Recipient Representative	Date
Appropriation Recipient CED	3/24/3034 Date

APPROVAL

In accordance with the authority conferred on the Department of Finance & Administration by the statute appropriating these funds, I hereby approve this certification for appropriation number 23-H5043-6 in the amount of \$3,000,000.

Wesley Billingsley							
D891C24BB85B4E9			54	15	3/25/2024	4 2 4	
Wesley Billingsley	4.2		************	******	Date		
Director, Local Governmen	Division	rough or		090901417			

EASTERN REGIONAL HOUSING AUTHORITY (ERHA) Rehabilitation Project

Source of Funding: State of New Mexico

Amount: \$3,000,000 Type of Funding: Grant

Deadline to Spend: June 30, 2024

Funding Background: In January of this year ERHA became aware that the State of New Mexico Governor's office had set aside funding in the amount of \$30,000,000 to be utilized for the benefit of affordable housing throughout the State. ERHA inquired to the Governor's Office regarding accessing this money and was awarded a \$3,000,000 grant to rehabilitate Vaughn Public Housing with the stipulation that it had to be spent by June 30, 2024.

The rehabilitation of Vaughn will address capital needs and assist with the repositioning HUD Rental Assistance Demonstration (RAD) program process that is forthcoming.

Name of Property to be Rehabilitated: Vaughn Public Housing

Address: 445 Yucca St., Vaughn, NM 88353

Size: 20 residential units and an office

Mix: one bedroom (8), two bedroom (6), & three bedroom (6)

Built: 1975

Scope of Work:

All work will be subject to prevailing State wage

All proposals were obtained through the State of New Mexico Cooperative Educational Services (CES) procurement process

Phase 1

- -Replacement of All Existing Windows with New Insulated, 3 pane, Low e, Vinyl Windows See attached proposal in the amount of \$267,550.48
- -Replacement and Upgrading of the Existing Electrical Service System in its entirety, Installation of LED Exterior Lighting, Replacement of All Existing Evaporative Cooler/Furnace System with New Refrigerated Air Split HVAC System, and Replacement of All Existing Propane Water Heaters with New Electric Water Heaters See attached proposal in the amount of \$758,922.79
- -Replacement of Roof with a New 24 Gauge Metal Panel Roof See attached proposal in the amount of \$696,561.74

Phase 2

Phase 2 will include the repair of the stucco, sidewalks, and parking lot. Currently in the process of obtaining proposals for this work.



New Mexico Mortgage Finance Authority

Marketing & Communications Department
FY 2024 Quarter 2 Strategic Marketing Overview

Kristie Garcia

Director of Communications & Marketing



Press Releases

January - March 2024

January 8

New Mexico Mortgage Finance Authority Board of Directors approves three service providers for Restoring Our Communities program

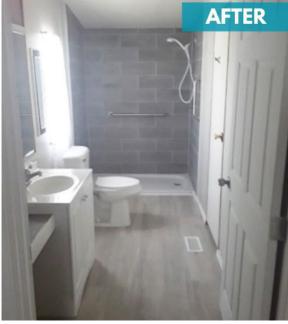
January 11

New Mexico Mortgage Finance Authority allocates \$5.5 million from New Mexico Housing Trust Fund for new FirstDown Plus down payment assistance loan program

January 16

New Mexico Mortgage Finance Authority to offer *home rehabilitation services* in eight counties through its new Home Improvement Program





Home Rehabilitation



Press Releases

January - March 2024

January 30

New Mexico Mortgage Finance Authority Board of Directors approves Housing Innovation Program funding awards to *New Mexico Ramp Project* and Town of Silver City

February 1

New Mexico Mortgage Finance Authority seeks community input regarding housing needs in the state

March 11

New Mexico Homeowner Assistance Fund provides over \$43 million to more than 4,200 households



New Mexico Ramp Project



Press Releases

January – March 2024

March 19

New Mexico Mortgage Finance Authority unveils its 2023 *Top Metro and Rural Mortgage Lenders* who are fueling the growth of affordable housing

March 28

New Mexico Mortgage Finance Authority administers over \$585 million, serving nearly 19,000 households in fiscal year 2023

John Gabaldon



Tabitha Gallegos-Kahn



Nikki Sandoval-Belt





Other Media

January - March 2024



RICHARD EEDS SHOW – MARCH 25, 2024



March 25
Richard Eeds Show (Isidoro Hernandez)
SantaFe.com | Hutton Broadcasting
https://santafe.com/podcast/richard-eeds-show-march-25-2024-2/



Real Estate TV Show Interview

March 23

The American Dream TV: New Mexico (Jeff Payne)
https://theamericandreamnetwork.vhx.tv/new-mexico/videos/the-american-dream-tv-new-mexico-9



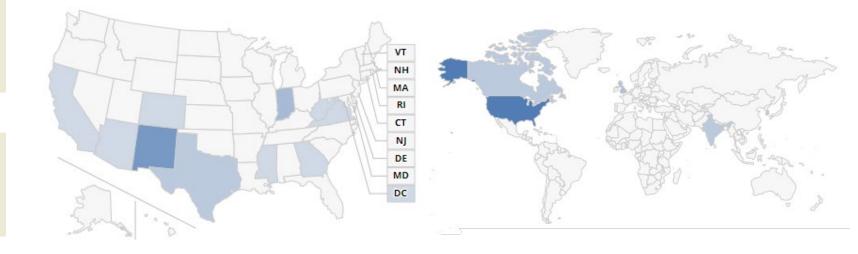
Media Mention Analytics

January 1 – March 31, 2024

Media Mentions: 317

Audience Reached:
Over 231 million

Value of Publicity: Over \$3.3 million



Mentions by State: New Mexico, California, Nevada, Colorado, Texas, Mississippi, Indiana, Georgia, Virginia, West Virginia, and Alaska

Mentions by Country: India, United Kingdom, and South Korea



MFA in the News



MFA board taps providers to clean up abandoned homes

By Ryan Boetel / Journal Business Editor Jan 8, 2024 Updated Jan 8, 2024







New program restores vacant houses into affordable housing

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



County now qualifies for housing rehab assistance



new mexico mortgage finance authority is seeking to address the problem of thousands of vacant or abandoned homes in new mexico



MFA in the News

Hidalgo County Herald

NM Mortgage Finance Authority seeks community input regarding housing needs in the state



Gallup's Hozho Center finds new home, expands recovery and wellness services



New Mexico Mortgage Finance Authority Allocates \$5.5 Million For New Down Payment Assistance Loan Program





Applause

The New Mexico Mortgage Finance Authority has announced its 2023 Top Mortgage Lender Award recipients. The recipients are:



By Jesscia Carranza-Pino

El Defensor Chieftain Editor



Advertising

Print Ads

- New Mexico Bankers Digest
- New Mexico Bankers Association Directory
- Round the Roundhouse
- Santa Fe New Mexican
- The Municipal Reporter: A Publication of the New Mexico Municipal League (free)
- The Real Estate Book

Digital Ads

- New Mexico Association of Counties News Brief (free)
- New Mexico Society of CPAs E-Newsletter

Google Ads (two campaigns)

- Down Payment Assistance
- Affordable Housing



Our vision is that all New Mexicans will have quality affordable housing opportunities.

MFA offers up to \$35,000 in down payment and closing cost assistance for workforce housing in New Mexico, depending on the borrower's qualifications.

MFA's overall impact in fiscal year 2023:

Initiatives	Funding Provided	Outcome
Create More Housing	\$10,341,000	285 New Homes Constructed
Preserve and Improve Existing Affordable Housing and Catalyze Redevelopment	\$116,219,000	1,577 Homes Weatherized, Rehabilitated, Preserved, or Redeveloped
Build Homeownership and Wealth	\$388,294,000	3,352 Loans for First Mortgage and Down Payment Assistance to 1.845 familie
	\$24,145,000	2,925 Househoulds Received Mortgage Assistance
Create Stable Housing Environments	\$39,796,000	5,843 Households Received Housing Vouchers
	\$7,002,000	6,488 Individuals Received Housing Stability and Homeless Shelter Services
TOTAL FUNDING ADMINISTERED	\$585,797,000	18,963 Households Served
*Data updated 12/12/23		3,707 Homes Produced, Finance or Preserved



Visit
housingnm.org
now to check your
eligibility and
take the first step
toward owning your
own home!

MFA: We are housing New Mexico



Advertising

New Mexico Activities Association Championships

- Venue Banner
- Website Banner Ad
- App Ads
- Tournament Program Ad
- Table at State Basketball Tournament at The Pit



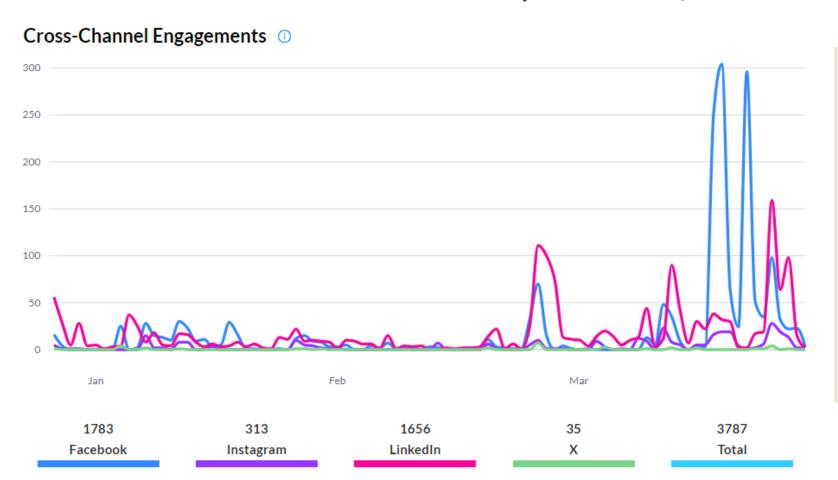






Social Media

January 1 – March 31, 2024



From February to March:

Engagements across all social media platforms increased by 406% (from 608 to 2,468 engagements).

Engagements on **Facebook** increased by nearly 700% (from 190 to 1,325 engagements).



Social Media

January 1 – March 31, 2024 Top Performing Posts

f MFA Housing New Mexico



MFA Housing New Mexico Mar 21, 2024 8:00 AM

MFA announced its 2023 Top Mortgage Lender Award recipients



Clicks Reactions Comments
261 238 66
Shares Reach Impressions
14 3178 3413

in MFA Housing New Mexico



MFA Housing New Mexico

Feb 28, 2024 8:00 AM

MFA's Executive Director/CEO Isidoro Hernandez spoke at the



Likes Comments Shares Clicks 61 3 3 288

MFA Housing New Mexico



MFA Housing New Mexico

Headed to the Nusenda Credit

Mar 14, 2024 4:00 PM





31 1 0

Engagement Impressions Reach
32 174 159



Videos

Eva Ortiz recently received a new home thanks to the New Mexico Mortgage Finance Authority and Southwestern Regional Housing and Community Development Corporation.



https://youtu.be/g7w6aIHD7MA?si=BjhvOpcn0cZxOCr5

January 1 - March 31, 2024

Hope of the Valley Rescue Mission, the nation's largest rescue mission, is dedicated to preventing, reducing and eliminating poverty, hunger and homelessness.

With over 33 facilities and 2,700 shelter beds, including tiny home villages, shelters and thrift stores, Hope the Mission is on the front lines of providing immediate assistance and long-term solutions.

New Mexico Mortgage Finance Authority Executive Director/CEO Isidoro Hernandez and Software Architect Dana Gohr joined Ken and Rowan as they cycled out of Albuquerque toward Moriarty on March 26, 2024.



https://youtu.be/sCwDOZXZAZs?si=ot9joPC89nHt-nlD



Videos

January 1 – March 31, 2024



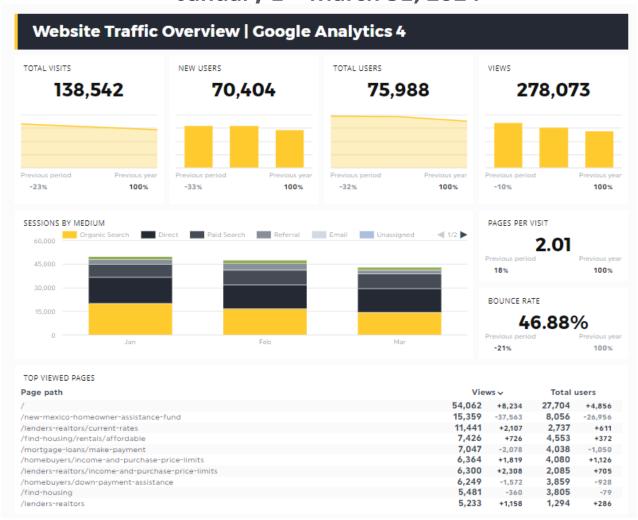


https://youtu.be/sNChsYKZoAQ?si=2LqVwYEtcRbn2VgC



Website: housingnm.org

January 1 - March 31, 2024





Recent Outreach Efforts – Quarterly Newsletter

January Newsletter

- Emailed to 3,351 people
- Available on MFA website
- Shared on social media



www.housingnm.org











MFA is a self-supporting quasi-governmental entity that administers federal, state, and private financing to make quality affordable housing and housing services available to low- and moderate-income New Mexicans



2023 Annual Report

In 2023, MFA programs impacted more than 18,900 households despite challenging market conditions. MFA maximized resources through program modifications and funding leverage strategies to align the entire organization's efforts with the New Mexico Housing Strategy. While rent, home prices, interest rates, and construction costs persisted at exceptionally high levels, MFA maintained its expansive reach across the state. While we know there is more work to be done, MFA is proud to be Housing New Mexico

18.963 New Mexicans Served

3.707 Homes Produced, Financed or Preserved

\$585.8 M Total Funding Administered

350+ Partners Statewide

240 **Technical** Assistance **Trainings**

The New Mexico Housing Strategy identifies the highest impact actions to address housing challenges. Through its programs, MFA continues to address statewide needs across the full housing continuum.

Create More Housing

\$10,341,000 provided to construct 285 new homes.

· Preserve and Improve Existing Affordable Housing and Catalyze Redevelopment

\$116,219,000 provided to weatherize, rehabilitate, preserve, or redevelop 1,577 homes.

· Build Homeownership and Wealth

\$388,294,000 provided for first mortgage and down payment assistance totaling 3,352 loans to 1,845 families.

\$24,145,000 provided for mortgage assistance to 2,925 households.

Create Stable Housing Environments

\$39,796,000 provided for housing vouchers for 5,843 households.

\$7,002,000 provided for housing stability and homeless shelter services to 6,488 people.

"Quality affordable housing is the bedrock of individual wellbeing, community prosperity, and economic development."



-Isidoro Hernandez, MFA Executive Director/CEO



Recent Outreach Efforts - *Events*





- Gallup Business Improvement District Meeting (January 10)
- Southeastern New Mexico Economic Development District Meeting (January 12)
- New Mexico Counties Legislative Conference (January 16-18)
- Economic Forum Meeting Greater Albuquerque Association of REALTORS (January 24)
- Housing Roundhouse in Valencia County with Congresswoman Melanie Stansbury (January 25)
- Santa Fe Chamber of Commerce 2024 Legislative Reception (January 29)
- Grants/Cibola County Chamber of Commerce Meeting and Legislative Update by Representatives (February 22)
- Three Sisters Groundbreaking Ceremony (February 22)



Recent Outreach Efforts - Events





- Vista de Socorro Groundbreaking Ceremony (February 27)
- Silver City Chamber of Commerce Presentation (March 7)
- Voices of the Community USDA Rural Development Forum (March 12)
- New Mexico Activities Association Nusenda Credit Union State Basketball Championships (March 12-16)
- Otero County Housing Symposium (March 21)
- Felician Villa Apartments Groundbreaking (March 21)
- New Mexico Electrification Leadership Summit (March 21)
- Philanthropy Summit & Awards (March 21)



Recent Outreach Efforts - *Events*













Hope the Mission Cycling to the Capitol Stop at MFA

Hope the Mission is the nation's largest rescue mission.

As part of Hope the Mission Founder/CEO Ken Craft's and President Rowan Vansleve's journey cycling across America to spotlight the urgent issue of homelessness, they stopped in Albuquerque March 25 to discuss homelessness and real solutions with New Mexico Mortgage Finance Authority Executive Director/CEO Isidoro Hernandez and Community Development Department Director Kellie Tillerson.



The following morning, Isidoro and MFA Software Architect Dana Gohr joined Ken and Rowan as they cycled out of Albuquerque toward Moriarty.







Continuing in Quarter 3 - MFA Programs

MFA continues to promote various **programs**, including:

- Down Payment Assistance
- Home Rehabilitation
- Weatherization

MFA continues to highlight accomplishments and production units, including an article in the April issue of New Mexico Bankers Digest.

MFA will also promote the **New Mexico State Tax Credit Program** in 2024 to encourage donations.



Did you know that MFA's HOME Rehabilitation Program can assist qualified homeowners with home repairs and accessibility modifications?

To learn more, visit: www.housingnm.org





Looking Ahead - *Rebranding*

Proposed Timeline:

- Release teaser video for social media (late May/early June)
- Update existing materials with new logo (June/July)
- Rebrand website (late June/early July)
- Officially announce new logo (late June/early July)
- Release redesigned quarterly newsletter (July)







Thank you!

Please contact me with any questions about MFA Marketing & Communications.

Kristie Garcia

Director of Communications & Marketing

kgarcia@housingnm.org

505-767-2268

Staff Actions Requiring Notice to Board During the Period of April 2024

Department and Program	Project	Action Taken	Approved by Policy Committee on February 20, 2024				
Community Development Department - Home Improvement Program – Emergency Needs	Emergency repair for sewer leak in SW Albuquerque	The Emergency Needs program, funded with NMHTF program income, successfully completed an urgent and necessary repair that affected the health and safety of both the homeowner and the surrounding neighbors. The total funds expended on this project was \$9,417.18 which required the excavation and replacement of the sewer from the property line to the city's main line.					
Community Development Department - Emergency Solution Grant (EHAP) Emergency Housing Assistance Program	Re-allocation of EHAP funds	Approval to re-allocate EHAP funds from Heading Home to Assurance Home, COPE, Option, Inc., and St. Elizabeths Shelter. Heading Home is non-compliant with the terms of their contract and will not expend their EHAP balance in the amount of \$42,142.95 by June 30,2024.	Approved by Kellie Tillerson on April 23, 2024				
Community Development Department - NM Energy\$mart Weatherization Assistance Program	NM Gas Funder Contract Approval	Approval of the 2024-2025 NM Gas Company allocations to the NM Energy\$mart Weatherization Assistance Program service providers. Funding will be split into the following amounts. Central New Mexico Housing Corporation \$1,495.000.00 Southwest Regional \$134,250.00 MFA Admin \$85,750.000 Total Funding \$1,715,000.00	Approved by Policy Committee on April 17, 2024				

Department and Program	Project	Action Taken	Comments / Date Approved				
Community Development Department - Linkages	Transfer of Funding	Approval of funding transfer from HopeWorks to Supportive Housing Coalition for the start-up costs associated with transferring fifty-four Linkages vouchers in the amount of \$41,000.00. The funds will be used for staff salaries, office equipment, and operating expenses.	Approved by Julie Habig – Acting CHO on April 30, 2024				
Policy and Planning Department	Housing Innovation Senior Home Repair Program	North Central New Mexico Economic Development District's (NCNMEDD) Senior Home Repair New Mexico Housing Trust Fund (NMHTF) Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) increased their contract by \$500,000.	Approved by Policy Committee on April 8, 2024				
Housing Development Department - National Housing Trust Fund	Belen Vista Apartments	Modified the 2021 NHTF Award Summary to reflect that the funds will now be lent to Belen Vista CIC, LLLP (loan to partnership) instead of CC Housing, Inc (loan to sponsor).	Approved by Jeff Payne on April 23, 2024				
Housing Development Department - National Housing Trust Fund	Mariposa Apartments	Modified the 2021 NHTF Award Summary to reflect that the funds will now be lent to Mariposa Taos CIC, LLLP (loan to partnership) instead of CC Housing, Inc (loan to sponsor).	Approved by Jeff Payne on April 23, 2024				

MFA Strategic Plan Benchmarks FY 2024

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



Benchmark: 1

Benchmark: Provide mortgage financing for 1,800 homebuyers.

- Q1 On Target | MFA financed 672 homebuyers in Q1 of FY 2024 and 672 homebuyers YTD.
- Q2 On Target | MFA financed 598 homebuyers in Q1 of FY 2024 and 1,270 homebuyers YTD.
- 0

Benchmark: 2

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

On Target |

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

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

New |

- Q4 The MFA quarterly product utilization reported for Q4 is 34.6 % for a YTD average of 41.5%. *MFA's mortgage rates which were well below local market rates combined with decreased mortgage production contributed to the notable increase.
- Benchmark: 3
 Benchmark: Finance the development and/or preservation of 1,800 rental and homeownership units.

On Target I

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

On Target |

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

Benchmark 4

- Benchmark: Maintain a 35% exit rate of individuals experiencing homelessness served to permanent housing through ESG.
- Q1 On Target | In Q1, 743 unduplicated ESG clients were served. Of those, 296 exited to permanent housing (39.8%).

Caution |

- Q2 In Q2, 1,066 unduplicated ESG clients were served. Of those, 319 exited to permanent housing (36.2%). YTD total served is 1,809, with 615 exiting to permanent housing. YTD rate is 34%
- Benchmark: 5
- Benchmark: Achieve annual combined average loan delinquencies of MFA serviced portfolio below 9.5%.
- Q1 On Target | MFA combined average delinquency rate is at 8.52% as of 12/31/2023 FY Q1
- Q2 On Target | MFA combined average delinquency rate is at 6.82% as of 3/31/2024 FY Q2.

Benchmark: 6

Benchmark: Maintain subserviced portfolio delinquency percentage below the Federal Housing Administration Loan Performance Trend delinquency rate (purchase loans only).

Caution |

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

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

Benchmark: 7

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

On Target |

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

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

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

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

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

⊕ B

Benchmark: 8

Benchmark: Achieve 8,400 social media engagements.

- Q1 On Target | Q1 3,508 social media engagements.
- Q2 On Target | Achieved 3,779 social media engagements for Q2, YTD 7,287.
- **a**

Benchmark: 9

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

On Target |

- Q1 NM Energy\$mart entered into contract with Red Feather to provide weatherization services specifically on the Navajo Nation territory. Funded a substance use disorder center under the Recovery Housing Program in Gallup. YTD: 2
- Q2 On Target | No updates

Benchmark: 10



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

On Target |

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

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

Q1

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

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

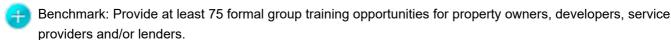
Q2 Met l

P+P - Outreach for Single Family Development Grant Pilot Program: Southwest NMCOG, Town of Silver City, Ridge at Eastland Hills, San Felipe Pueblo Housing Authority, Ohkay. Environmental reviews: McCurdy County, Homewise, Tierra Del Sol, Albuquerque Housing Authority, Thomas Development Corp., and Albuquerque Healthcare for Homeless; program partners and elected officials Kirtland Partnership, Ventana Fund, met with 5/5 offices of the New Mexico federal congressional delegation, state representatives Alcon, Anyanonu, Armstrong, Borrego, Cates, Dixon, Hembree, Herndon, Matthews, Montoya, Rehm, and state senators Burt, Campos, Gonzales, Hamblen, Correa Hemphill, Hickey, Ivey-Soto, Maestas, McCutcheon, McKenna, Munoz, Nibert, Ortiz y Pino, Padilla, Pope, Rodriguez, Schemedes, Sedillo Lopez, Steinborn, and Tallman; Housing Innovation outreach to Ceasar Foundation, Many Hands, Cuido Los Ninos, San Felipe Pueblo, Sanitary Tortilla Factory, Chris Baca (not Yes Housing). P+P Total 54 for Q2.

CDD conducted outreach at the NAEH Conference in San Francisco which resulted in participated of the Hope the Mission bike tour; met with UNM staff to discuss funding opportunity through RHP; met with the Carmichael Associates collaborative to discuss homeless prevention activities; outreach and networking at the HOME Conference in D.C.; met with Laura Ponce from TX and Southwest Regional about coordinating state to state peer exchange; and did email blast and press release for the launch of HIP. CDD Q2 total: 8. Housing Development met with Francis Bee re: Gallup housing. Tony Baca of BacaGrande System Built re: Angelfire housing. Rick Davis re: SF development. BBF Live re: potential Las Cruces projects. Chuby Tafoya re: SF development in Taos. Erica Cummins and Renee Ward from DFA on 1/29 to discuss the Uptown project in Albuquerque. Jay Rembe re: a new MF project in Albuquerque. Jackie Dunlap, a real estate Investor/Developer re: a rehab project in Grants. Solstainable Builders re: SF Development in Taos. Albuquerque Housing Authority re Casitas de Camino project. China Osbourne of the COA's Preservation department re: funding opportunities for historic properties. Emergent Development to discuss a possible 4% project. Greater Gallup EDC and a manufacturing company out of California to discuss a potential project in Gallup. Kent Thurston re: SF Development in Las Cruces on 3/27. Tierra del Sol re: Vado New Horizons project; and Synergy CDC re: a potential 4% project. HD total for Q2: 16

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

Benchmark: 1



On Target |

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

 Mortgage Operations conducted 16 trainings. Housing Development held the LIHTC Fundamentals Training, the 2024 QAP training, and the Carryover Training. YTD: 33
- Q2 On Target | CDD conducted 16 Peer Exchanges/Networking Meetings. Homeownership conducted 23 formal training sessions. YTD: 72
- Benchmark: 12
 Benchmark: Plan the MFA housing summit, open house, or networking event.
- Q1 New | Selected venue for 2025 Housing Summit.
- Selected Event Coordinator for Housing Summit.

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

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

Benchmark: 13

Benchmark: Obtain unqualified opinion on MFA financial statements and no material weakness in internal control over financial reporting or major programs, excluding first-time audits.

Met |

- Q1 Audit issued with an unmodified opinion and no material weaknesses. Audit was approved by State Auditor's Office 1/12/2024 and by Board 1/17/2024
- Benchmark: 14
 Benchmark: Maintain or improve credit rating.
- There was no issuer rating activity during the quarter;
 On Target | MFA maintains a Aa3 rating on its issuer credit rating.
- Q2 On Target |

There was no issuer rating activity during the quarter; MFA maintains a Aa3 rating on its issuer credit rating.

Benchmark: 15

- Benchmark: Achieve operating performance and profitability equal to net revenues over total revenues of at least 8.98%, based on five-year average.
- Q1 Caution | Operating performance and profitability as of 12/31/2023 is 8.58%.
- Q2 On Target | Operating performance and profitability as of 3/31/2024 is 11.36%.

Benchmark: 16

- Benchmark: Obtain balance sheet strength equal to net asset position over total bonds outstanding of at least 24.82%, based on five-year average.
- Q1 Caution | Balance sheet strength as of 12/31/2023 is 23.81%.
- Q2 Caution | Balance Sheet strength as of 3/31/2024 is 23.93%.
- Benchmark: 17
- Benchmark: Realize administrative fee of at least 18 basis points on all bond issues.
- Q1 On Target | 2023 Series D closed in Q1 with an administrative fee of 0.18%.
- Q2 On Target | 2024 Series A/B closed in Q2 with an administrative fee of 0.18%
- Benchmark: 18
 Benchmark: Realize profitability of 0.5% on TBA executions.

On Target |

- Q1 MFA settled HomeForward loans via TBA in Q1; loans settled during the quarter (i.e., since the beginning of the fiscal year) realized a profitability of 1.63%.
- Q2 On Target | MFA settled HomeForward loans via TBA in Q2; loans settled during the quarter realized a profitability of 1.73%.
- Benchmark: 19
 Benchmark: Maintain servicing fee yield at an average of .36% of the purchased servicing portfolio.
- Q1 On Target | Servicing fee yield is on target at .39%
- Q2 On Target | Servicing fee yield is on target at .45%.
- Benchmark: 20
 Benchmark: Earn 100% base fees for PBCA contract.
- Q1 On Target | All PBCA tasks were completed as required by the contract, and 100% of the base fees were earned for this quarter.
- Q2 On Target | As of 3/31/2024, all PBCA tasks were completed as required by the contract, and 100% of the base fees were earned.
- Benchmark: 21
 Benchmark: Yield a collection rate of 98% or greater for compliance monitoring fees.
- Q1 On Target | Invoices for compliance fees were processed and sent out to owner/agents this quarter.
- Q2 On Target | As of 3/31/2024, 96.7% of the fees have been collected.
- Benchmark: 22
 Benchmark: Meet commitment and expenditure requirement of 95% of recurring grant funding.
- Q1 On Target | On target to meet commitment and expenditure requirement of 95% of recurring grant funding as of 12/31/2023
- Q2 On Target | On target to meet commitment and expenditure requirement of 95% of recurring grant funding as of 3/31/2024

Benchmark: 23

Benchmark: Commit 75% of STB recurring funding annually in resources for affordable housing through expenditure of New Mexico Housing Trust Funds by June 30, 2024.

- Q1 On Target | Committed 49.96% rounded to 50% of the STB funding as of Dec. 31, 2023.
- Q2 Met | Committed 100% of STB recurring funding and expended 18% as of March 31, 2024.
- Benchmark: 24
 - Benchmark: Increase funding by at least one new source.
- Q1 Met | City of Albuquerque for the Landlord Engagement Program (\$303,335.00)
- Q2 Met | New Mexico Legislative Appropriation \$50 million. YTD 2
- Benchmark: 25

Benchmark: Improve at least 15 MFA processes or resources.

On Target |

Servicing implemented shortening the time to process One Time ACH Payments in order to clear payments sooner and reduce NSF activity.

CDD: 1) Worked with IT to update the county report fields in online invoicing system to improve accuracy of data reported by providers; 2) Received DOE authorization to conduct Quality Control Inspections simultaneously while doing monitoring visits, thus saving staff time, Q1 agency time, and helping to hit the 5% QCI requirement; 3) WAP is now using smart tablets to make inspections more professional and organized; 4) Project request was submitted for Invoicing notifications to be sent to Service Providers for all Programs reminding them when invoices are due or if they are late, which is helping to better track expenditure rates; 5) Updated Rehab checklist to create less redundancy for HOME rehab providers; 6) As a result of the new HOPWA Networking Group discussions, staff is now working with service providers on a monthly basis to prepare for the annual HOPWA CAPER in smaller sections to ensure that providers know how and what to report. Streamlined public inquiries for assistance through Hubspot by type of inquiry. YTD: 8

Met I

Finance: 1) Developed a comprehensive checklist that captures all milestones for each bond issue and ensures that MFA meets all obligations. Researched, spoke with our advisors and other industry professionals, and implemented this quarter a term sheet-formatted cover sheet to the Official Statement; the change caters to investor preferences and could lead to oversubscription of MFA's bonds. 2) Streamlined the annual cash flow report from a 38-page report to a 5-page report and 1-page executive summary in order to highlight the most critical information. MFA also requested that its Financial Advisor complete the report's analysis rather than staff, and released its software licenses, leading to cost savings both in staff time and software. 3) Completed a thorough analysis of MFA's growing interest expense, which shed light on increasing Days Outstanding between the Pool and Purchase stages. 4)Developed a Process Map and Gantt Chart that showed potential process chokepoints in order to lower incurred expenses. 5) Improved the Monthly Financial Review (which MFA presents to the Board quarterly), which included a reorganization of existing information, development of new charts that better showcase MFA's financial progress, and tying year-over-year changes to a baseline materiality threshold. Also implemented a monthly Financial Dashboard, used by CEO to answer finance-related inquiries by the board in an efficient manner.

CDD: 1) Added annual Renewal Packet docs to Online Invoicing System to streamline provider renewal process; 2) WAP purchased tablets to aid in inspections, as opposed to using cell phones; 3) Added "total exits" to County Report tab in Online Invoicing System to stop providers from hand-counting each month; 4) Worked with IT on monitoring letter and QC development to more efficiently create, review, and respond to monitoring letters. Housing Development 1) Evaluated and recommended improvements to the Land Title Trust Fund program; and 2) Streamlined the Single Family Development Loan application process for non-federal funding programs. Implementation of Outreach Checklist for all outreach events. Environmental review improvements related to tracking of mitigation and monthly meetings with HD and CDD to ensure all timelines are met. NMHTF Program Income model was improved and updated internally. NMHTF Investment Income Model created YTD: 22

Goal 4 - Provide robust technological solutions



Benchmark: 26

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

MFA's internal and external penetration testing will be completed in Q2. MFA received a RiskSense Security Score (RS3) of 815 (low risk). Q1 RS3 represents MFA's cyber security posture, measuring risk posed by existing vulnerabilities and current potential threats. The rating range is from 300 (high risk) to 850 (very low risk).

On Target |

MFA's internal and external penetration testing was completed in Q2. MFA received a RiskSense Security Score (RS3) of 820 (low risk). RS3 represents MFA's cyber security posture, measuring risk posed by existing vulnerabilities and current potential threats. The rating range is from 300 (high risk) to 850 (very low risk).

Benchmark: Achieve a Recovery Point Objective (RPO) for infrastructure servers at or below ten minutes and a

Recovery Time Objective (RTO) at or below six hours.

On Target |

Q1 The current RPO for all critical infrastructure equipment is currently meeting the Service Level Agreement of less than 5 minutes and the tested failover Recovery Time Objective was just over two hours, which is below the goal of six.

On Target |

Q2 The current RPO for all critical infrastructure equipment is currently meeting the Service Level Agreement of less than 5 minutes and the tested failover Recovery Time Objective was just over two hours, which is below the goal of six.



Benchmark: 28

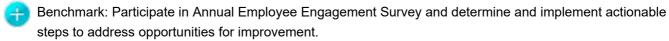
Benchmark: Implement new software solutions.

Met

- Completed the implementation of historical data from MITAS to PowerLender, add new funding sources to NM EnergySmart Online system, Veterans Rehab NMAHCT Match, Severance Tax Bond Disabled Veterans Rehab, and migrated Master Contact List to Hubspot. Implementation of Beanworks for Accounts Payable.
- Q2 Met | Started the implementation of Amplifund.

Goal 5 - Foster a healthy, dynamic and team-oriented work environment

Benchmark: 29



Q2 On Target | Engagement survey underway. Survey closes April 26, 2024 with outcome of results end of May 2024



Benchmark: 30

Benchmark: Plan move to 7425 Jefferson St. NE.

On Target |

Q1 Board Approval of the renovation budget received. Contracts for solar panel removal and re-roof executed in Q1. Planning meetings with all Departments. Secondary internet installed.

New |

Transition meetings continue. Furniture and appliances at the Jefferson location were moved to a storage area in the event they are needed in the future. As well, there were about 21 industrial size shelving units dismantled and stored. Re-roof complete, demolition and construction began, access door and security system was transferred to MFA.



Benchmark: 31

Benchmark: Complete compensation review.

Q2 On Target | Initial stages underway

Q2 2024 QUARTERLY MULTIFAMILY PIPELINE REPORT SUMMARY

Fifty-two (52) ACTIVE PROJECTS representing:

- ~\$58.2 million in annual tax credits
- ~\$194.3 million in MFA-issued bonds
- o ~\$79.1 million in MFA loans & grants
- o Totaling \$331,560,418 in combined funding
- Consisting of 4,489 apartment units
- Located in 27 municipalities in 18 counties across the state.

Five (5) project CLOSINGs in Q2 2024:

- Mountain View Apartments, a 46-unit 2021 USDA Preservation Revolving Loan Fund rehabilitation project to be located in Tucumcari.
- Encino Gardens, a 165-unit 2023 4% LIHTC preservation project to be located in Albuquerque.
- Felician Villa II Apartments, a 66-unit 2023 9% LIHTC new construction project to be located in Rio Rancho.
- La Serena Apartments, a 100-unit 2023 4% LIHTC new construction project to be located in Albuquerque.
- Pedrena Apartments, an 80-unit 2023 4% LIHTC new construction project to be located in Las Cruces.

Thirty-six (36) projects are currently UNDER CONSTRUCTION:

- Seven projects were added, and two projects were completed and removed, so there are now 36 projects currently under construction.
- Approximately 4 projects are expected to be completed by the end of the third quarter.
- Twelve projects have been completed and are pending final close-out documentation.
- An additional 6 projects are on track to receive approval to begin construction before the end of the third fiscal quarter.

Upcoming Ground Breakings/Ribbon-cuttings:

- Ceja Vista and Vista de Atrisco, adjacent new construction multifamily projects located in Albuquerque, will celebrate their grand openings on April 24th at 10:00 AM.
- La Serena apartments, a new construction multifamily project located in Albuquerque, will celebrate its groundbreaking (tentatively scheduled) on Monday, May 20 at 2:30 p.m.

Estimated Economic Impact of the 36 projects (2,875 units) currently under construction:

- Approximately \$336 million in local income
- Approximately 4,600 jobs

Eventual Economic Impact of all 52 projects (4,489 units) once under construction:

- Approximately \$525 million in local income
- Approximately 7,182 jobs

Multifamily Project Completion Pipeline Report

52

Quarter: 2nd	Total MFA-Issued Bond Amount:	\$ 194,276,778 Tota	al # of Apts:	4,489 Which will result in \$524,898,770 in local income and 7,182 jobs from the direct and indirect impact of contruction activity, as well as the induced effect of spending income and tax revenue from the eventual construction activity
Prepared: 4/10/2024	Total MFA Loan and Grant Amount:	\$ 79,128,876 #	# of Projects Under	36
	Overall Awards:		onstruction: tal # of Apts	2,875 Vhich will result in \$336,173,750 in local income and 4,600 jobs from the direct and indirect impact of contruction activity, as well as the induced effect of spending income and tax revenue from the eventual construction activity
	• • • • • • • • • • • • • • • • • • • •	Ţ 00-/000/ 1-0	Under	,,-,,,,,,,,,,,,

Construction: # of Municipalities

\$ 58,154,764 Total Projects:

27 Pueblo of Laguna, Albuquerque, Rio Rancho, Las Cruces, Socorro, Belen, Hobbs, Taos, Mescalero, Pubelo fo Acoma, Los Lunas, Sunland Park, Las Alamos, Santa Fe, Los Ranchos de Albuquerque, Grants, Hobbs, Columbus, Anthony, Ruid

of Counties Served:

18 Cibola, Bernalillo, Sandoval, Dona Ana, Socorro, Valencia, Lea, Taos, Otero, Los Alamos, Santa Fe, Eddy, Lea, Lincoln, Roosevelt, San Miguel, Quay, Grant

Total LIHTC Award:

Fiscal Year: 2024

		t February, May, August, and Nove																		Inan a	1		Lawa	Leeve II s	1	1	I	I	1		1
Project Name	Project Location	Project County	Developer	Application or Allocation Year	Total Development Cost (TDC)	Board Approval Date		sing Date I (A) or ited (P)	No of Apts	NC - New Construction or AR - Acquisition/Rehab	or N/A	Construction Start Approval Date Actual (A) or Projected (P)	33% Complete Date Actual (A) or Projected (P)		Construction Completion Date Actual (A) or Projected (P)	Certificate of Occupancy/Placed in Service Date Actual (A) or Projected (P)	LIHTC Award Amount	MFA PAB Bond Amount	MFA Loan and Grant Amounts												
¹ Tierra Encantada	Anthony	Dona Ana	Tierra del Sol Housing Corporation	2023	\$ 5,746,624	5/17/2023	(P)	5/15/2024	24	AR	Households with children	(A) 3/7/2024	(P) 9/30/2024	(P) 3/30/2025	(P) 9/30/2025	(P) 9/30/2025	\$ 388,782	N/A	\$ 400,000												
																			\$ 2,000,000 \$ 1,000,000	PRIMERO											
Route 66	Albuquerque	Bernalillo	Blueline Development Inc.	2023	\$ 16,060,144	5/17/2023	(P)	5/30/2024	47	NC NC	Special Needs (PSH)	(P) 4/30/2024	(P) 9/30/2024	(P) 3/30/2025	(P) 9/30/2025	(P) 9/30/2025	\$ 1,417,000	N/A	\$ 1,701,121		HOME ARP awarded 11/22/202										
³ Felician Villa II	Rio Rancho	Sandoval	Chelsea Investments & CC Housing	2023	\$ 20,254,528	5/17/2020	(A)	3/12/2024	65	NC	Seniors	(A) 3/12/2024	(P) 8/30/2024	(P) 2/28/2025	(P) 8/30/2025	(P) 8/30/2025	\$ 1,621,723	N/A	\$ 1,000,000	HOME-CHDO											
										1									\$ 400,000	NHTF											
⁴ Farolito Senior Community	Albuquerque	Bernalillo	Greater Albuquerque Housing Partnership	2023	\$ 24,250,000	5/17/2023	N/A	No MFA loans	82	NC NC	Seniors	(P) 4/30/2024	(P) 5/30/2024	(P) 7/17/2024	(P) 11/15/2025	(P) 11/15/2025	\$ 1,622,805	N/A	N/A	N/A											
5 Laguna #3	Pueblo of Laguna	Cibola	Laguna Housing Development and Management Enterprise	2022	\$ 8,515,420	5/18/2022	N/A	No MFA loans	20	NC	Households with Children	(A) 1/9/2023	(A) 9/20/2023	(P) 4/4/2024	(P) 11/15/2024	(P) 11/15/2024	\$ 928,988	N/A	N/A	N/A											
6 0 11 0	Albuquerque	Bernalillo	YES Housing	2022	\$ 18,948,536	5/18/2022	(A)	9/21/2023	61	NC	Households with	(A) 9/21/2023	(P) 5/30/2024	(p) 9/30/2024	(P) 11/15/2024	(P) 11/15/2024	\$ 1,078,540	N/A	\$ 915,000	HOME-CHDO											
⁶ Calle Cuarta	Albuquerque	Bernamio	TES Trousing	2023	\$ 10,540,330	3/16/2022	(A)	5/21/2023	01	NC	Children	(A) 5/21/2023	(F) 3/30/2024	(F) 9/30/2024	(F) 11/13/2024	(F) 11/13/2024	\$ 316,286		\$ 400,000	NHTF	Addt'l Tax Credits awarded approved 5/17/										
⁷ 120 La Plata	Albuquerque	Bernalillo	Albuquerque Housing Authority	2022	\$ 10,637,950	5/18/2022	(A)	12/27/2023	32	AR	Households with Children	(A) 3/27/2024	(P) 8/15/2024	(P) 2/15/2025	(P) 8/15/2025	(P) 8/15/2025	\$ 749,825	N/A	\$ 1,000,000												
8 9000 Veranda	Albuquerque	Bernalillo	Albuquerque Housing Authority	2022	\$ 12,211,462	5/18/2022	(A)	12/27/2023	35	AR	Households with Children	(A) 3/27/2024	(P) 8/15/2024	(P) 2/15/2025	(P) 8/15/2025	(P) 8/15/2025	\$ 765,840	N/A	\$ 1,000,000	Ventana											
9 Felician Villa	Rio Rancho	Sandoval	Chelsea Investment Corp. & Catholic	2022	\$ 16,322,792	5/18/2022	(A)	11/7/2023	65	NC	Seniors	(A) 11/20/2023	(P) 4/30/2024	(P) 6/15/2024	(P) 11/15/2024	(P) 11/15/2024	\$ 1,228,760	N/A	\$ 1,000,000	HOME-CHDO											
Apartments I			Charities																	NHTF ARPA-FRF	ARPA-FRF awarded 3										
The Three Sisters Apartments	Las Cruces	Dona Ana	Chelsea Investment Corp. & Catholic Charities	2022	\$ 17,423,330	5/18/2022	(A)	11/9/2023	69	NC	Households with Children	(A) 11/20/2023	(P) 4/30/2024	(P) 6/15/2024	(P) 11/15/2024	(P) 11/15/2024	\$ 1,341,912	N/A	\$ 1,000,000	HOME-CHDO											
																			\$ 400,000 \$ 3,500,000												
11	C	C	11.00	2024	6 42 245 222	05/10/24	(0)	42/20/2022	22	NG	Canadal Novel	(4)	(n) (20/202	(0) 42/24/2021	(D) 44/45/2005	(D) 44 (47 (2027)	¢700 507	N/2		(NMHTF)											
Vista de Socorro	Socorro	Socorro	JL Gray	2021	\$ 13,345,390	05/19/21	(A)	12/28/2023	32	NC NC	Special Needs (PSH)	(A) 2/29/2024	(F) 6/30/2024	(r) 12/31/2024	(r) 11/15/2025	(P) 11/15/2025	\$768,507	N/A	\$400,000 \$400,000 \$2,000,000	HOME NHTF NMHTF											
																			\$1,000,000	TCAP											
12 Belen Vista	Belen	Valencia	Chelsea Investment Corp.	2021	\$ 12,026,396	05/19/21	(P)	5/30/2024	57	AR	Households with Children	(A) 9/29/2023	(P) 6/30/2024	(P) 9/30/2024	(P) 11/15/2024	(P) 11/15/2024	\$787,639	N/A	\$1,000,000	HOME-CHDO											
																			\$400,000	NHTF											

Vain Funding Source	Project Name	Project Location	Project County	Developer	Application or Allocation Year	Total Development Cost (TDC)	Board Approval Date		sing Date I (A) or cted (P)	No of Apts	NC - New Construction or AR Acquisition/Rehab	- Housing Priority or N/A	Construction Start Approval Date Actual (A) or Projected (P)	33% Complete Date Actual (A) or Projected (P)	•	Construction Completion Date Actual (A) or Projected (P)	Certificate of Occupancy/Placed in Service Date Actual (A) or Projected (P)	LIHTC Award Amount	MFA PAB Bond Amount	MFA Loan and Grant Amounts		Any Known Issues or Comments
	13 West Berry	Hobbs	Lea	YES Housing	2021	\$ 17,245,527	05/19/21	(A)	8/25/2022	56	NC NC	Seniors	(A) 11/30/2022	(A) 12/15/2023	(A) 11/6/2023	(P) 4/30/2024	(P) 4/6/2024	\$1,090,143	N/A	\$840,000 \$1,000,000 \$2,000,000 \$370,589 \$627,026	HOME-CHDO NMHTF ALTSD CDBG-CV CSLFRF	
	14 Mariposa	Taos	Taos	Chelsea Investment Corp.	2021	\$ 14,308,030	05/19/21	(P)	6/15/2024	58	AR/NC	Households with Children	(A) 9/29/2023	(P) 6/30/2024	(P) 5/15/2024	(P) 11/15/2024	(P) 11/15/2024	\$1,069,704	N/A	\$1,000,000 \$400,000	HOME-CHDO	
	16 A'diidi ni'kuwaa	Mescalero	Otero	Mescalero Apache Housing Authority	2021	\$ 12,453,378	06/17/20	(A)	9/21/2022	40	NC NC	Special Needs (PSH)	(A) 2/10/2023	(A) 5/5/2023	(P) 6/15/2024	(P) 11/15/2024	(P) 11/15/2024	\$626,772	N/A	\$292,500	номе	
	17 PAHA Homes #2	Pueblo of Acoma	Cibola	Pueblo of Acoma Housing Authority	2020	\$ 7,559,179	06/17/20	N/A	No MFA loans	30	NC	Special Needs (PSH)	(A) 12/28/2020	(A) 11/4/2021	(A) 4/22/2022	(P) 11/15/2024	(P) 11/15/2024	\$671,000	N/A	\$400,000 N/A	NHTF N/A	
	18 6100 Harper	Albuquerque	Bernalillo	Albuquerque Housing Authority	2020	\$ 12,118,590	06/17/20	(A)	8/12/2021	59	AR	Households with Children	(A) 2/23/2021	(A) 9/21/2022	(A) 2/23/2023	(A) 1/3/2024	(A) 12/12/2023	\$912,789	N/A	\$400,000	NHTF	8609's pending
	19 Copper Terrace	Albuquerque	Bernalillo	YES Housing	2020	\$ 17,864,244	06/17/20	(A)	11/22/2022	96	AR	Households with Children	(A) 12/30/2020	(A) 8/19/2021	(A) 2/28/2022	(A) 2/14/2024	(P) 11/15/2024	\$1,232,333	N/A	\$1,000,000	HOME-CHDO NMHTF	
	20 Broadway/McKnight	Albuquerque	Bernalillo	Albuquerque Housing Authority	2020	\$ 14,073,432	05/31/22	(A)	8/5/2021	54	NC NC	Households with Children	(A) 9/13/2021	(A) 5/16/2022	(A) 9/12/2022	(A) 1/3/2024	(A) 5/18/2023	\$954,720	N/A	\$1,800,000	FRF NHTF	FRF 11/22/2022 awarded 8609's packet pending
																				\$600,000	TCAP	
	The Bluffs	Los Alamos	Los Alamos	Bethel Development & SW Regional	2019	\$ 12,871,284	06/17/19	N/A	No MFA loans	64	NC NC	Seniors	(A) 7/29/2021	(A) 7/28/2022	(A) 9/7/2023	(P) 4/30/2024	(A) 12/30/2023	\$1,028,671	N/A	N/A	N/A	Pending 8609 Request and Final Inspection
	22 Siler Yard: Arts + Creativity Center	Santa Fe	Santa Fe	New Mexico Inter- Faith Commmunity Housing Development Corp.	2019	\$ 17,412,768	06/17/19	N/A	No MFA loans	65	NC	Households with Children	(A) 06/23/20	(A) 4/15/2021	(A) 8/16/2021	(A) 10/12/2022	(A) 10/12/2022	\$1,040,000	N/A	N/A	N/A	Pending 8609 Request
4%	1 Peachtree Canyon II	Las Cruces	Dona Ana	Thomas Devlopment and NMHCDC (Tom Andrews and Steven Rice)	2023 (2024 QAP)	\$39,238,094.00	04/17/24	(P)	6/15/2024	144	NC	Households with Children	(P) 07/15/24	(P) 10/15/2024	(P) 3/15/2025	(P) 8/15/2025	(P) 8/15/2025	\$1,926,635	\$20,000,000	\$800,000 1,500,000 2,000,000	HOME NHTF NMHTF	
	² Turquoise Trail	Santa Fe	Santa Fe	Dominium - Santa Fe Leased Housing Development	2023	\$131,189,030.00	N/A - no MFA loans or bonds	N/A	No MFA loans	312	NC	Households with Children	(P) 06/30/24	(P) 1/31/2025	(P) 6/30/2025	(P) 2/28/2026	(P) 2/28/2026	\$6,115,499	County-issued bonds			70 Million in PAB
	3 Encino Gardens	Albuquerque	Bernalillo	Encino Development and Management, Inc.	2023	\$32,894,496	11/15/23	(P)	2/28/2024	165	AR	Households with Children	(A) 03/28/24	(P) 8/30/2024	(P) 1/31/2025	(P) 06/31/2025	(P) 06/31/2025	\$1,502,840	County-issued bonds	\$800,000 \$2,000,000 \$1,000,000	HOME NMHTF CSLFRF	
	4 La Serena	Albuquerque	Bernalillo	Thomas Development and Supportive Housing Coalition	2023	\$ 31,043,417	10/18/23	(A)	2/28/2024	100	NC	Seniors	(A) 08/23/23	(P) 8/10/2024	(P) 11/1/2024	(P) 6/30/2025	(P) 6/30/2025	\$1,488,169	County-issued bonds	\$800,000 \$1,500,000 \$1,000,000	HOME NHTF NMHTF	
	5 JLG NM ABQ 2023	Albuquerque	Bernalillo	Community Preservation Partners	2023	\$ 52,960,324	05/17/23		No MFA Loans	241	AR	Households with children	(P) 04/30/24	(A) 3/27/2024	(P) 5/31/2024	(P) 6/30/2025	(P) 6/30/2025	\$2,458,653	\$37,500,000	N/A	N/A	Mountain View II & III Apartments. Developer started construction without permission
	⁶ JLG NM SAF 2023	Santa Fe	Santa Fe	Community Preservation Partners	2023	\$ 81,286,062	05/17/23		No MFA Loans	228	AR	Households with children	(P) 04/30/24	(P) 4/30/2024	(P) 5/31/2024	(P) 6/30/2025	(P) 6/30/2025	\$3,361,695	\$60,500,000	N/A		Santa Fe Apartments & Sangre De Cristo Apartments. Developer started construction without permission

Main Funding Source	Project Name	Project Location	Project County	Developer	Application or Allocation Year	Total Development Cost (TDC)	Board Approval Date	Loan Clos Actual Project		No of Apts	NC - New Construction or AR Acquisition/Rehab	- Housing Priority or N/A	Construction Start Approval Date Actual (A) or Projected (P)	33% Complete Date Actual (A) or Projected (P)		Construction Completion Date Actual (A) or Projected (P)	Certificate of Occupancy/Placed in Service Date Actual (A) or Projected (P)	LIHTC Award Amount	MFA PAB Bond Amount	MFA Loan and Grant Amounts		
	7 Peachtree Canyon	Las Cruces	Dona Ana	Thomas Devlopment and NMHCDC (Tom Andrews and Steven Rice)	2023	\$ 37,120,317	04/17/24	(P)	6/15/2024	144	NC	Households with Children	(P) 07/15/24	(P) 12/15/2024	(P) 6/15/2025	(P) 12/15/2025	(P) 8/15/2025	\$1,809,597	\$20,000,000	\$800,000	НОМЕ	
																				\$1,500,000	NHTF	
																				\$1,000,000 \$1,250,000	NMHTF CSLFRF	
	8 Pedrena Senior	Las Cruces	Dona Ana	Thomas Devlopment Co	2023	\$ 25,406,492	09/30/23	(A)	3/7/2024	80	NC	Seniors	(A) 3/15/2024	(P) 10/15/2024	(P) 3/15/2025	(P) 8/15/2025	(P) 8/15/2025	\$1,211,411	County-issued	800000	HOME	
				and Northwest Integrity Housing Co															bonds			
																				\$1,500,000	NHTF	
																				\$1,000,000 \$2,000,000	NMHTF CSLFRF	
	⁹ San Roque	Albuquerque	Bernalillo	Thomas Development and Supportive Housing	2022	\$ 48,423,556	1/20/2021	(A)	5/10/2023	137	NC	Households with Children	(A) 06/08/23	(A) 2/27/2024	(P) 6/30/2024	(P) 12/31/2024	(P) 12/31/2024	\$2,291,773	County-issued bonds	\$800,000	НОМЕ	
				Coalition																		
																				\$2,622,031 \$1,325,000	NMHTF NHTF	
	10 Sandoval Flats	Rio Rancho	Sandoval	Dominium - Rio Rancho Leased Housing Development	2022	\$ 74,302,735	N/A - no MFA loans or bonds	N/A	No MFA loans	216	NC	Households with Children	(P) 04/30/24	(P) 08/30/24	(P) 02/28/25	(P) 06/30/25	(P) 06/30/25	\$3,590,256	County-issued bonds		NMHTF	Cancelled \$2MM NMHTF Sept 2023
				Development																		
	11 Trailhead at Chamizal	Los Ranchos de Albuquerque	Bernalillo	Palindrome Properties Group	2022	\$ 54,948,042	N/A - no MFA loans or bonds	N/A	No MFA loans	204	NC	Households with Children	(A) 02/15/23	(A) 09/08/23	(A) 03/29/24	(P) 07/01/24	(P) 11/15/24	\$2,087,905	County-issued bonds	N/A	N/A	
	12 Vista Mesa Villa	Grants	Cibola	Community Preservation Partners	2022	\$ 17,959,252	N/A - no MFA loans or bonds	N/A	No MFA loans	100	AR	Households with Children	(A) 11/30/22	(A) 02/23/23	(A) 06/21/23	(A) 01/12/24	(P) 05/31/24	\$773,209	\$12,276,778	N/A	N/A	
	13 EMLI at Wells of Artesia	Artesia	Eddy	Liberty Multifamily	2021	\$ 39,469,339	01/19/22	(A)	7/28/2022	192	NC	Households with Children	(A) 08/10/22	(A) 3/12/2023	(A) 07/26/23	(P) 4/30/2024	(P) 05/31/24	\$1,734,183	\$33,000,000	\$800,000	НОМЕ	
																				\$500,000 \$500,000	NHTF NMHTF	
	14 Casa de Encantada	Rio Rancho	Sandoval	DBG Properties LLC	2021	\$ 33,439,628	07/21/21	(A)	10/21/2021	152	NC	Seniors	(A) 10/13/21	(A) 2/20/2023	(A) 12/08/23	(P) 9/15/2024	(P) 9/15/2024	\$1,508,725	County-issued bonds	\$2,000,000	NMHTF	
	15 The Commons at Martineztown	Albuquerque	Bernalillo	Albuquerque Housing Authority	2020	\$ 19,015,270	N/A - no MFA loans or bonds	N/A	No MFA loans	96	AR	Special Needs (PSH)	(A) 02/02/21	(A) 10/25/2021	(A) 9/12/2022	(A) 1/3/2024	(A) 9/19/2023	\$688,679	County-issued bonds	N/A	N/A	8609s are pending
	16 550 Paseo	Rio Rancho	Sandoval	DBG Properties LLC	2020	\$ 46,009,961	Loans-1/20/2021	(A)	3/23/2021	240	NC	Households with Children	(A) 3/9/2021	(A) 5/3/2022	(A) 3/2/2023	(P) 4/30/2024	(P) 4/30/2024	\$1,719,114	County-issued bonds	\$750,000 \$2,000,000	HOME NMHTF	
	18 Sandia Vista and Plaza David Chavez	Albuquerque	Bernalillo	Cesar Chavez Foundation	2019	\$ 39,558,374	N/A - no MFA loans or bonds	N/A	No MFA loans	213	AR	Households with Children	(A) 04/14/20	(A) 2/12/2021 (SV) (A) 5/14/2022 (DC)			(A) 9/29/2021 (SV)* (P) 5/31/2024 (DC)	\$1,340,250	County-issued bonds	N/A	N/A	Project complete pending final inspection
	19 JLG Central	Ruidoso Downs	Lincoln	JL Gray/CPP	2019	\$ 19,218,451	Bonds - 7/17/2019	N/A	No MFA loans	214	AR	Households with Children & Seniors	(A) 5/2/2022	(A) 9/30/2022	(A) 3/31/2022	(A) 12/15/2023	(A) 12/15/2023	\$903,432	\$11,000,000	N/A	N/A	8609s are pending
	Number of Brojectes 6	Belen	Valencia				,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,					and a seriors										
	Number of Projects: 6 North Star, San Miguel, Ruth	Portales	Roosevelt																			
	Visage, Penasco, Westside, Inspiration Heights																					
		Las Vegas Artesia	San Miguel Eddy																			
	¹ Mountain View	Tucumcari	Quay	JL Gray	2021	\$ 995,044	4/21/2021	(A)	2/7/2024	45	N/A	N/A	(P) TBD*	(P) TBD*	(P) TBD*	(P) TBD*	(P) TBD*	N/A	N/A	\$995,044	PRLF	closing done
	² Las Rosas I	Tularosa	Otero	JL Gray	2019	\$ 682,555	7/15/2020	(P)	5/15/2024	28	AR	N/A	(P) TBD*	(P) TBD*	(P) TBD*	(P) TBD*	(P) TBD*	N/A	N/A	\$682,555	PRLF	*pending USDA RD approval to proceed with
ONLY	200 1.0000 1																					closing

<i>∞</i>	Project Name	Project Location	Project County	Developer	Application or Allocation	Total Development	Board Approval Date	Loan Closing Date	No of Apt	NC - New Construction or AR	- Housing Priority	Construction Start Approval Date	33% Complete Date	66% Complete Date	Construction	Certificate of	LIHTC Award Amount	MFA PAB Bond	MFA Loan and	MFA Loan or	Any Known Issues or Comments
Main Fundin Source					Year	Cost (TDC)		Actual (A) or Projected (P)		Acquisition/Rehab	or N/A	Actual (A) or Projected (P)	Actual (A) or Projected (P)	Actual (A) or Projected (P)	Completion Date Actual (A) or Projected (P)	Occupancy/Placed in Service Date Actual (A) or Projected (P)		Amount	Grant Amounts	Grant Programs	
LOANS	3 Las Rosas II	Tularosa	Otero	JL Gray	2019	\$ 925,710	7/15/2020	(P) 5/15	5/2024 29	AR	N/A	(P) TBD*	(P) TBD*	(P) TBD*	(P) TBD*	(P) TBD*	N/A	N/A	\$925,710	PRLF	*pending USDA RD approval to proceed with closing
	4 Sacramento Apts	Cloudcroft	Otero	JL Gray	2019	\$ 510,726	7/15/2020	(P) 5/15	5/2024 20	AR	N/A	(P) TBD*	(P) TBD*	(P) TBD*	(P) TBD*	(P) TBD*	N/A	N/A	\$510,726	PRLF	*pending USDA RD approval to proceed with closing
Only	1 Lamplighter Inn	Santa Fe	Santa Fe	JL Gray	2021	\$ 8,737,339	11/17/21	(P) 5/15	5/2024 58	AR	Special Needs (PSH)	(P) 06/15/24	(P) 7/15/2024	(P) 11/15/2024	(P) 5/15/2025	(P) 5/15/2025	N/A	N/A	\$4,200,000	DFA CDBG-CV	
Grant	5 Cornerstone	Silver City*	Grant**	BlueLine Development Inc.	2022	\$ 8,863,574	11/16/2022	(P) 5/15	5/2024 20	AR	Homelessness	(P) 06/15/24	(P) 07/15/24	(P) 11/15/24	(P) 05/15/25	(P) 05/15/25	N/A	N/A	\$8,721,574	HOME ARP Grant	

QUARTERLY INVESTMENT REPORT 3/31/2024 – EXECUTIVE SUMMARY

- 1. MFA made no liquidations from the State Investment Council (SIC) portfolio in the second quarter of FY 2024. As of June 27th, 2023, MFA securitized approximately \$13.2 million in whole modified loans, that had interest rates too low to sell competitively in the market. These were spread across intermediate and long-term investments to serve MFA until maturity or to be sold at a future date. MFA has continued to work closely with its investment advisor, Ulrich Investment Consultants, to resolve this issue.
- 2. The bond ladder has underperformed its benchmark; staff expect to re-invest at higher rates over the next few quarters. Since the beginning of FY 2024, two bonds in MFA's bond ladder have matured. Staff reinvested funds by purchasing two new securities as follows:

Purchase Date	Amount	YTM
12/19/2023	\$1,000,000	4.342%
3/18/2024	\$1,000,000	4.630%

- 3. In July 2023, the FOMC (Federal Open Market Committee) raised its effective federal funds rate to 5.33%, where it has continued to stay.
- 4. The SIC (State Investment Council) portfolio has slightly unperformed relative to its benchmarks in the second quarter of FY 2024. As of March 31, 2024, it is yielding 11.02% fiscal year to date. The leading performer in this quarter was the US large cap index equity fund, returning 21.02%, followed by the US small/mid cap fund (19.82%).
- 5. The Housing Trust Fund State Investment Council portfolio, which is 100% invested in a core bond fund (Credit Plus Pool), has experienced a rate of return of 6.71%.
- 6. As of the second quarter of FY2024, interest income is 63% of the total annual budgeted interest income, driven by macroeconomic tail winds.
- 7. As of March 31, 2024, MFA's General Fund and Housing Trust Fund balances are as follows:

General Fund:

Asset Class	3/31/24 Balance	Yield/Rate of Return	Benchmark Rate of Return
Cash Held for Operations/Warehoused MBS	\$7,626,924	Various	n/a
Local Government Investment Pool	\$12,449,346	5.33%	n/a
Bond Ladder	\$14,966,418	3.12%	4.33%
MFA's Mortgage-Backed Securities-Intermediate Term	\$11,048,927	4.65%	n/a
MFA's Mortgage-Backed Securities-Long Term	\$12,474,857	2.91%	n/a
Credit Plus Pool (SIC)	\$13,516,763	6.77%	5.99%
Large Cap Index Equity Fund (SIC)	\$5,460,166	21.02%	23.48%
Small/Mid Cap Fund (SIC)	\$629,063	19.82%	21.19%
Non-US Developed Markets Fund (SIC)	\$741,423	13.95%	16.99%
Non-US Emerging Markets Fund (SIC)	\$1,036,567	10.15%	10.52%

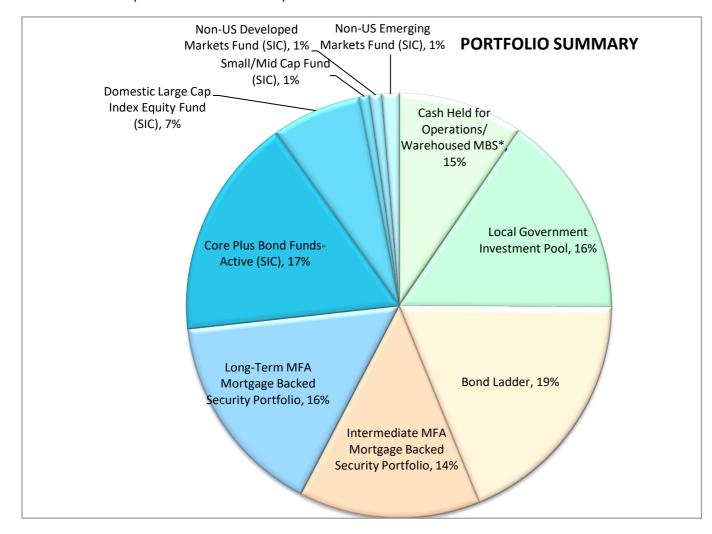
Housing Trust Fund:

Asset Class	3/31/24	Yield/Rate of	Benchmark
Asset Class	Balance	Return	Rate of Return
Core Plus Bond Fund-Active (SIC)	\$8,305,139	6.71%	5.99%

SEMIANNUAL GENERAL FUND INVESTMENT COMPLIANCE REPORT (AS OF MARCH 31, 2024)

MFA Housing New Mexico ASSET CLASS	Policy Requirement Target	Policy Requirement Range	 Current Portfolio Carrying Value	Portfolio Weighting by Investment Horizon	Portfolio Weighting by Asset Class	Within Limit Range	Quarter Summary
Short-Term Investments (Less than 1 year)	20%	15%-25%	\$ 20,076,270	25%		Yes	Year over year, MFA's investments are yielding a
Cash Held for Operations/Warehoused MBS*	14%	9%-19%	\$ 7,626,924		10%	Yes	generally higher return than they did as of the
Local Government Investment Pool	6%	1%-11%	\$ 12,449,346		16%	No	second quarter of FY 23.
Intermediate-Term Investments (1 to 10 years)	40%	35%-45%	\$ 26,015,345	33%		No	MFA continued to work on rebalancing the
Bond Ladder	27%	22%-32%	\$ 14,966,418		19%	No	investment portfolio to meet policy requirement
Intermediate MFA Mortgage Backed Security Portfolio	13%	8%-18%	\$ 11,048,927		14%	Yes	targets; while progress was made, some targets still lag and MFA is actively working with our
Long-Term Investments (More than 10 years)	40%	35%-45%	\$ 33,858,839	42%		Yes	investment advisor to resolve this.
Long-Term MFA Mortgage Backed Security Portfolio	4%	0%-9%	\$ 12,474,857		16%	No	
Core Plus Bond Funds-Active (SIC)	12%	7%-17%	\$ 13,516,763		17%	Yes	One bond was purchased into the Intermediate-
Domestic Large Cap Index Equity Fund (SIC)	11%	6%-16%	\$ 5,460,166		7%	Yes	Term Bond Ladder, on March 18th.
Small/Mid Cap Fund (SIC)	5%	0%-10%	\$ 629,063		1%	Yes	
Non-US Developed Markets Fund (SIC)	6%	1%-11%	\$ 741,423		1%	Yes	
Non-US Emerging Markets Fund (SIC)	2%	0%-7%	\$ 1,036,567		1%	Yes	
			\$ 79,950,454		100.00%		

^{*}Does not include capital borrowed for loan operations or restricted funds.



SIC FUND ALLOCATION

	Policy	Actual
SIC Core Plus Bond-Active	33%	63%
SIC Large Cap Index Equity	31%	26%
Small/Mid Cap Index	14%	3%
Non-US Developed Markets	17%	3%
Non-US Emerging Markets	6%	5%
0 0		

BOARD ACTIONS

August 2005 - approved General Fund Investment
February 2008 - approved new Large Cap Index ETF Pool
January 2009 - approved Revision to Investment Policy
October 2010 - Approved Revision to Investment Policy
May 2011 - Approved revision to Investment Policy
April 2012 - Approved revision to Investment Policy
April 2013 - Approved revision to Investment Policy
April 2016 - Approved revision to Investment Policy
October 2017 - Approved revision to Investment Policy
December 2020-Board affirmed current Investment Policy
January 2023-Approved revision to Investment Policy

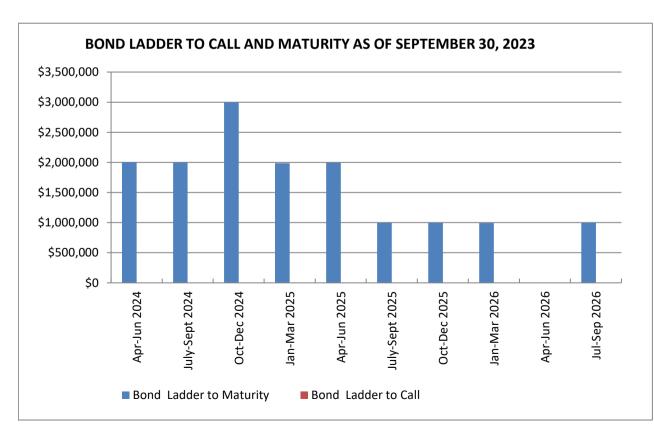
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PORTFOLIO SUMMARY - Short & Intermediate Investments

Housing New Mexico General Fund	YT	Book Value D/Quarter 2 of 3/31/2024	ΥT	Book Value D/Quarter 2 of 3/31/2023	YT	Jnrealized Gain/Loss D/Quarter 2 3/31/2024	Yield to Maturity YTD/Quarter 2 as of 3/31/2024	Yield to Matuity YTD/Quarter 2 as of 3/31/2023
Short-Term								
Cash Held for Operations/Warehoused MBS*	\$	7,626,924	\$	7,452,618		N/A	Various	Various
Local Government Investment Pool	\$	12,449,346	\$	12,907,516		N/A	5.33%	4.56%
Intermediate-Term								
Bond Ladder	\$	14,966,418	\$	13,999,761	\$	(130,719)	3.12%	0.99%
MFA Mortgage Backed Security Portfolio	\$	11,048,927	\$	9,701,801	\$	(363,978)	4.65%	5.22%
Yield to Maturity for Intermediate-Term Investments							3.77%	2.72%
Total Short & Intermediate-Term	\$	46,091,615	\$	44,061,696	\$	(494,697)		

^{*}Does not include capital borrowed for loan operations or restricted funds.

^{**}Weighted average maturity.



BOND LADDER SECTOR ALLOCATION

	 Book Value	% of Total Dollars
Fannie Mae	\$ -	0%
Federal Farm Credit Bank	\$ 4,993,698	33%
Federal Home Loan Bank	\$ -	0%
Freddie Mac	\$ 1,002,792	7%
US Treasury	\$ 8,969,928	60%
Total	\$ 14,966,418	100%

INVESTMENTS PURCHASED IN THE FIRST QUARTER OF FY 2024

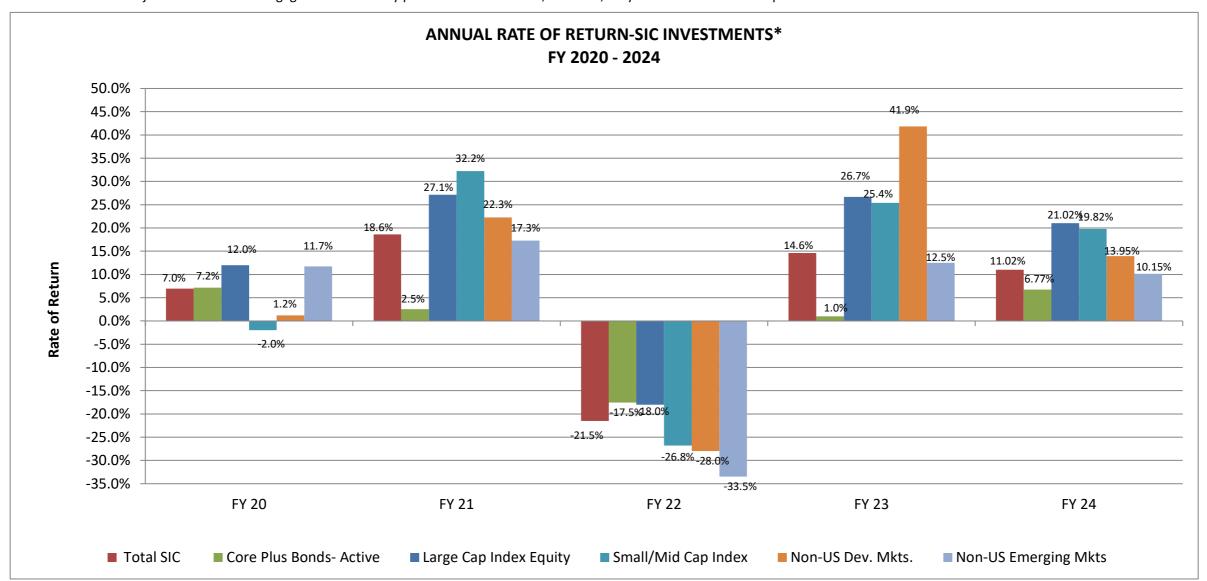
		Interest			
Date Purchased	Security	Rate	YTM	Do	ollar Amount
3/18/2024	US Treasury Note	4.500%	4 630%	\$	1 000 000

PORTFOLIO SUMMARY - Long Term Investments Including State Investment Council Investments

MFA Housing New Mexico General Fund Long Term	Book/Market Value YTD/Quarter 2 as of 3/31/2024		Book/Market Value YTD/Quarter 2 as of 3/31/2023		Unrealized/Realized** Gain/Loss YTD/Quarter 2 as of 3/31/2024		Unrealized/Realized** Gain/Loss YTD/Quarter 2 as of 3/31/2023		Rate of Return YTD/Quarter 2 as of 3/31/2024	Rate of Return YTD/Quarter 2 as of 3/31/2023
MFA's Mortgage Backed Securities Portfolio	\$	12,474,857	\$	3,084,740	\$	(1,765,835)	\$	(349,998)	2.91%	3.00%
State Investment Council (SIC):										
Credit Plus Pool	\$	13,516,763	\$	6,326,228	\$	532,382	\$	208,118	6.77%	5.47%
Domestic Large Cap Index Equity Fund	\$	5,460,166	\$	6,810,930	\$	1,000,056	\$	845,616	21.02%	14.20%
Small/Mid Cap Fund	\$	629,063	\$	3,026,897	\$	110,202	\$	293,235	19.82%	10.81%
Non-US Developed Markets Fund	\$	741,423	\$	3,655,467	\$	89,267	\$	649,113	13.95%	20.88%
Non-US Emerging Markets Fund	\$	1,036,567	\$	949,895	\$	79,948	\$	111,349	10.15%	13.93%
Total State Investment Counsel	\$	21,383,982	\$	20,769,417	\$	1,811,854	\$	2,107,430	11.02%	12.08%
Total Long-Term Investments	\$	33,858,839	\$	23,854,157	\$	46,019	\$	(5,342,488)		

^{*}SIC rate of returns are year to date, not annualized.

^{**}Fair Market Value adjustments on the mortgage backed security portfolio are unrealized, however, they are realized on the SIC portfolio.



^{*}FY 24 represents those returns from 10/1/2023 - 3/31/2024 and are thus subject to change.

PORTFOLIO SUMMARY - New Mexico Housing Trust Fund

MFA Housing New Mexico	YTI	Market Value D/Quarter 2	Market Value D/Quarter 2	G	Realized ain/Loss /Quarter 2	G	Realized ain/Loss /Quarter 2	Rate of Return YTD/Quarter 2	Rate of Return YTD/Quarter 2
Housing Trust Fund		of 3/31/2024	of 3/31/2023		3/31/2024		3/31/2023	as of 3/31/2024	as of 3/31/2023
State Invesment Council (SIC):									
Core Plus Bond Fund-Active	\$	8,305,139	\$ 9,717,933	\$	344,517	\$	453,969	6.71%	6.19%

9,717,933

344,517

453,969

6.71%

6.19%

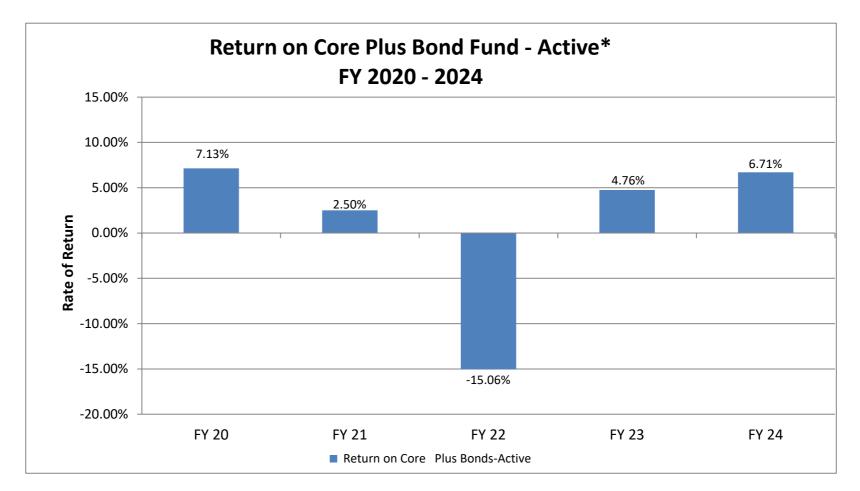
8,305,139

SIC FUND ALLOCATION

SIC Core Plus Bond-Active

Total State Investment Council

100% 100%



^{*}FY 24 represents those returns from 10/1/2023 - 3/31/2024 and are thus subject to change.

GENERAL FUND INVESTMENT PORTFOLIO - METRICS

Budget

Actual

Interest

1	
MFA	Housing New Mexico

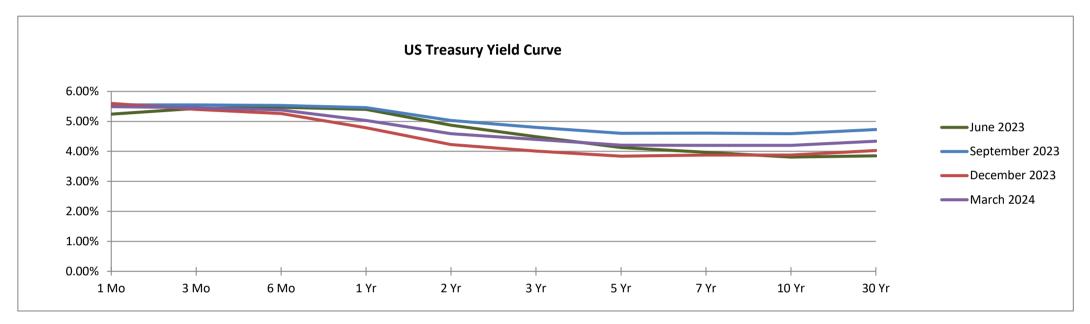
MFA Housing New Mexico	S&P	Moody's		Annual Interest Income	-	Annual Interest Income D/Quarter 2)	Income Earned of Total Budget (YTD/Quarter 2)
Asset Class	Rating	Rating	-	FY2024		3/31/2024	3/31/2024
Cash Held for Operations/Warehoused MBS			\$	778,086	\$	385,874	50%
Local Government Investment Pool	AAAm		\$	261,066	\$	185,839	71%
Bond Ladder			\$	99,100	\$	120,399	121%
Fannie Mae		Aaa/Stable					
Federal Farm Credit Bank		Aaa/Stable					
Federal Home Loan Bank		Aaa/Stable					
Freddie Mac		Aaa/Stable					
MFA Mortgage Backed Security Portfolio		Aa3/Stable	\$	893,975	\$	383,351	43%
Intermediate Term	AA+	Aa3/Stable					
Long-Term	AA+	Aa3/Stable					
State Investment Council			\$	353,452	\$	416,564	118%
Core Plus Bond Fund-Active							
Large Cap Index Equity Fund							
Small/Mid Cap Fund							
Non-US Developed Markets Fund							
Non-US Emerging Markets Fund							·
			\$	2,385,679	\$	1,492,026	63%

Asset Class Benchmarks	Yield to Maturity/ Rate of Return (YTD/Quarter 2) 3/31/2024	Benchmark Yield/Rate of Return	
			_
State Investment Council			
Credit Plus Pool	6.77%	5.99%	Bloomberg US Aggregate Statistics Index
Large Cap Index Equity Fund	21.02%	23.48%	Russell 1000 Index
Small/Mid Cap Fund	19.82%	21.19%	Russel 2500 Index
Non-US Developed Markets Fund	13.95%	16.99%	MSCI EAFE (net)
Non-US Emerging Markets Fund	10.15%	10.52%	MSCI Emerging Markets Index (net)
Cash Held for Operations/Warehoused MBS	Various	N/A	
Local Government Investment Pool	5.33%	N/A	
Bond Ladder	3.12%	4.33%	ICE BofA 1-3 Year US Agency Index (Daily avg. 2-year
			return)
MFA Mortgage Backed Security Portfolio			•
Intermediate Term	4.65%	N/A	
Long-Term	2.91%	N/A	
Housing Trust Fund			
Core Plus Bond Fund-Active	6.71%	5.99%	

1% or more under benchmark In line with Benchmark 1% or more above benchmark

Economic Indicators

	2	/29/2024	2,	/28/2023		3/3	31/2024	3/31/2023	
US Median Home Price	\$	388,700	\$	368,100	Federal Funds Rate		5.33%	4.83%	
NM Median Home Price	\$	329,000	\$	300,000	Consumer Price Index (yoy)		3.50%	5.00%	
US Median Family Income	\$	100,876	\$	91,152	Unemployment Rate		3.80%	3.50%	
Real GDP (yoy)*		2.70%		1.70%	DJIA**		2.21%	1.89%	
					Average US Gas Price	\$	3.54	\$ 3.54	
					WTI Oil Spot Price	\$	83.17	\$ 75.67	



	1 Mo	3 Mo	6 Mo	1 Yr	2 Yr	3 Yr	5 Yr	7 Yr	10 Yr	30 Yr
										_
June 2023	5.24%	5.43%	5.47%	5.40%	4.87%	4.49%	4.13%	3.97%	3.81%	3.85%
September 2023	5.55%	5.55%	5.53%	5.46%	5.03%	4.80%	4.60%	4.61%	4.59%	4.73%
December 2023	5.60%	5.40%	5.26%	4.79%	4.23%	4.01%	3.84%	3.88%	3.88%	4.03%
March 2024	5.49%	5.46%	5.38%	5.03%	4.59%	4.40%	4.21%	4.20%	4.20%	4.34%

Source: U.S. Department of the Treasury

^{*}Real GDP (yoy) value has only been updated through January 2024. As such, we have reported this most recent value above.

^{**}Cumulative return for the FY period 10/1 through 9/30 which is four quarters of each respective fiscal year.

As of: 4/30/2024

			New Mex	cico Housing Tru	ıst Fund Dashboa	rd				
Certified Uses	Certified Use Allocation	Certified Use Procurement Totals	Certified Use Award Totals	Certified Use Expenditures thru 4/30/24	Activity		Activity Allocation	Activity Procurement	Activity Award Totals	Activity Expenditures thru 4/30/24
Down payment assistance (DPA)	\$ 11,625,000.00	\$ 11,625,000.00	\$ 11,625,000.00	\$ 6,231,019.47	HomeForward DPA	\$	2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00	\$ 906,019.47
					FirstDown Plus	\$	9,625,000.00	\$ 9,625,000.00	\$ 9,625,000.00	\$ 5,325,000.00
Single family emergency repairs,					Housing Improvement Program (HIP)	\$	1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 271,262.79
accessibility, energy efficiency improvements and rehabilitation	\$ 1,775,000.00	\$ 1,775,000.00	\$ 1,775,000.00	\$ 771,262.79	Weatherization	\$	775,000.00	\$ 775,000.00	\$ 775,000.00	\$ 500,000.00
Single family acquisition and rehabilitation	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00	\$ -	Restoring Our Communities (ROC)	\$	2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00	\$ -
					Gap Financing Loans	\$	12,500,000.00	\$ 12,500,000.00	\$ 12,500,000.00	\$ 2,500,000.00
					Preservation Loans Primero Loans	\$	1,630,000.00	\$ 1,630,000.00 \$ -	\$ -	\$ -
Rental and single-family development	\$ 22,130,000.00	\$ 22,130,000.00	\$ 15,212,498.00	\$ 2,500,000.00	Single Family Development Pilot Program	\$	3,000,000.00	\$ 3,000,000.00	\$ 500,000.00	\$
					Housing Innovation	\$	5,000,000.00	\$ 5,000,000.00	\$ 2,212,498.00	\$
Total State Fiscal Year 2024 Funds	\$ 37,530,000.00		\$ 30,612,498.00	\$ 9,502,282.26		\$	37,530,000.00	\$ 37,530,000.00	\$ 30,612,498.00	\$ 9,502,282.26

Summarv

The certified uses above were approved by MFA Board of Directors and State Board of Finance. Within the certified uses, the MFA activities are decided at the policy committee level.

37,530,000.00 is the total State Fiscal Year (SFY) 2024 NMHTF Severance Tax Bond earmark allocation.

100% of the total SFY24 allocation has been procured.

82% of the total SFY24 allocation has been awarded.

25% of awarded funds has been expended.

The Gap Financing Team will be presenting an award recommendation for Elk Meadows Apartment for \$2,000,000. See Page 6 for award recommendation details.

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Down Payment Assistance

Certified Use	Certified Use Amount	Activity Allocation	Activity Allocation Amount	Procurement (NOFAS, RFPS, Program Guidelines) Previously Approved by Board	Procurement Amount	Procurement Approval Date	Accounting Unique Identifer	Grantee	Date of Approval	Level of Approval	Award Amount	Running Activity Award Total	Running Activity Unawarded Balance	Award Expenditures	Total Expenditures	Leverage (First Mortgages)
Down payment	11 C2F 000	HomeForward DPA	\$ 2,000,000.00	HomeForward DPA Program Guidelines	2,000,000.00	1/18/2023	SFY-1005	HomeForward DPA	9/14/23	PC	\$ 2,000,000.00	\$ 2,000,000.00	\$ 9,625,000.00	\$ 906,019.47	ć C 221 010 47	
assistance	5 11,625,000	FirstDown Plus	\$ 9,625,000.00	First <i>Down</i> Plus Program Guidelines	9,625,000.00	11/15/2023	SFY-1008	FirstDown Plus	2/6/24	PC	\$ 9,625,000.00	\$ 11,625,000.00	\$ -	\$ 5,325,000.00	\$ 6,231,019.47	
										Total	\$ 11,625,000.00		\$ -			

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Housing Improvement Program

Certified Use	Certified Use Amount	Activity Allocation	Activity Allocation Amount	Procurement (NOFAS, RFPS, Program Guidelines) Previously Approved by Board	Amount	Procurement Approval Date	Accounting Unique Identife	Grantee	Date of Approval	Level of Approval	Award Amount	Running Activity Award Total	Running Activity Unawarded Balance	Awarn	Total Expenditures
Cincolo formila.							SFY-1002	SWRHCDC	8/15/2023	PC	\$ 134,655.19 \$	134,655.19	\$ 865,344.81	\$ 134,655.19	
Single family emergency repairs, accessibility, energy		Housing Improvement	\$ 1,000,000.0	Single Family Repair and Rehab	\$ 1,000,000.00	5/17/2023	SFY-1003	SWRHCDC	8/29/2023	PC	\$ 98,999.86 \$	233,655.05	\$ 766,344.95	\$ 98,999.86	\$ 271,262.79
efficiency improvements and rehabilitation		Program (HIP)		Guidelines	,		SFY-1011	San Felipe Pueblo	9/19/2023	PC	\$ 37,607.74 \$	271,262.79	\$ 728,737.21	\$ 37,607.74	,
							SFY-1016	HIP activity draw down allocation	\perp 1/18//()/ Δ \perp	PC	\$ 728,737.21 \$	1,000,000.00	\$ -		
										Total	\$ 1,000,000.00		\$ -		

Weatherization

Certified Use	Certified Use Amount	Activity Allocation	Activity Allocation Amount	Procurement (NOFAS, RFPS, Program Guidelines) Previously Approved by Board	Procurement Amount	Procurement Approval Date	Accounting Unique Identifier	Grantee	Date of Approva	I Level of Approval	Award Amour	Running Act Award To	tal U	nning Activity Jnawarded Balance	Award Expenditures	Total Expenditures
Single family emergency							SFY-1009	Central New Mexico Housing Corporation	11/15/2023	Board of Directors	\$ 475,000.	00 \$ 475,00	0.00 \$	300,000.00	\$ 350,000.00	
repairs, accessibility, \$ energy efficiency improvements and rehabilitation	1,775,000.00	Weatherization	\$ 775,000.00	Weatherization	\$ 775,000.00	8/16/2023	SFY-1010	Southwest Regional Housing and Community Development		Board of Directors	\$ 300,000.	00 \$ 775,00	0.00 \$	-	\$ 150,000.00	\$ 500,000.00
										Total	\$ 775,000.	00	\$	-		

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Restoring Our Communities

Certified Use	Certified Use Amount	Activity Allocation	Activity Allocation Amount	Procurement (NOFAS, RFPS, Program Guidelines) Previously Approved by Board	Procurement Amount	Procurement Approval Date	Accounting Unique Identifier	Grantee	Date of Approval	Level of Approval	Award Amou		unning Activity Award Total	Running Activity Unawarded Balance	Award Expenditures	Total Expenditures
				NOFA		4/19/2023	De	th Central NM Economic evelopment Divison	Dec-23	Board of Directors	\$	- \$	-			
Single family acquisition and rehabilitation	\$ 2,000,000.00	ROC	\$ 2,000,000.00		\$ 2,000,000.00		Hor	mewise Inc.	Dec-23	Board of Directors	\$	- \$	-	\$ 2,000,000.00		\$ -
				Updated Guidelines to NOFA		12/13/2023	Sav	wmill Trust	Dec-23	Board of Directors	\$	- \$	_			
								Activity Draw vn allocation		PC	\$ 2,000,00	0.00 \$	2,000,000.00	\$ -		
										Total	\$ 2,000,00	0.00		\$ -		

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Gap Financing

Certified Use	Certified Use Amount	Activity Allocation	Activity Allocation Amount	Procurement (NOFAS, RFPS, Program Guidelines) Previously Approved by Board	Procurement Amount	Procurement Approval Date	Accounting Unique Identifer	Grantee	Date of Approval	Level of Approval	Award Amount	Running Activity Award Total	Running Activity Unawarded Balance	Award Expenditures	Total Expenditures
							SFY-1001	Three Sisters	6/21/2023	Board of Directors	\$ 3,500,000.00 \$	3,500,000.00	\$ 9,000,000.00	\$ 500,000.00	
							SFY-1004	La Serena Apartments	9/20/2023	Board of Directors	\$ 1,000,000.00 \$	4,500,000.00	\$ 8,000,000.00		
Rental and single- family development	\$ 22,130,000.00	Gap financing loan	\$ 12,500,000.00	Gap Finanacing NOFA	\$ 12,500,000.00	5/17/2023	SFY-1006	Pedrena Apartments	10/18/2023	Board of Directors	\$ 1,000,000.00 \$	5,500,000.00	\$ 7,000,000.00		
							SFY-1007	Encino Senior Gardens	11/15/2023	Board of Directors	\$ 2,000,000.00 \$	7,500,000.00	\$ 5,000,000.00	\$ 2,000,000.00	\$ 2,500,000.00
							SFY-1023	Peachtree Canyon	4/17/2024	Board of Directors	\$ 3,000,000.00 \$	10,500,000.00	\$ 2,000,000.00		
								Elk Meadows Apartments	5/15/2024	Board of Directors	\$ 2,000,000.00 \$	12,500,000.00	\$		
										Total	\$ 12,500,000.00		\$		

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Preservation Loan Program

Certified Use	Certified Use Amount	Activity Allocation	Activity Allocation Amount	Procurement (NOFAS, RFPS, Program Guidelines) Previously Approved by Board	Procurement Amount	Procurement Approval Date	Accounting Unique Identifer	Grantee	Date of Approval	Level of Approval	Award Amount	Kiinning Activity	Running Activity Unawarded Balance	Award Expenditures	Total Expenditures
Rental and single-family development	\$ 22,130,000.00	Preservation Loan	\$ 1,630,000.00	NOFA	\$ 1,630,000.00	3/1/2023						\$ -	\$ 1,630,000.00		\$ -
										Total	\$ -		\$ 1,630,000.00		

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SF Primero

Certified Use	Certified Use Amount	Activity Allocation	Activity Allocation Amount	(NC)	ocurement DFAS, RFPS, Program uidelines) reviously proved by Board	Procuren		Procurement Approval Date	Grantee	Date of Approval	Level of Approval	Award Amount	Running Activity Award Total	ning Activity arded Balance	Award Expenditures	Total Expenditures
Rental and single-family development	\$ 22,130,000.00	Primero loan (SF)	\$ -		NOFA	\$	-	9/20/2023				\$ -	\$ -	\$ _		
											Total	\$ -		\$		

1 age 10-10

Single Family Development Pilot Program

Ce	rtified Use	Certified Use Amount	Activity Allocation	Activity Allocation Amount	Procurement (NOFAS, RFPS, Program Guidelines) Previously Approved by Board Procurement	Amount Procurement Approval Date	Accounting Unique Identifer	Date of Approval	Level of Approval	Award Amount Running Activity Award Total Running Activity Unawarded Balance Award Expenditures Total Expenditures
	al and single- family \$ velopment	22,130,000	Single Family Development Grant Pilot Program	\$ 3,000,000.00	Single Family Development Grant \$ 3,00 Pilot Program NOFA	00,000.00 10/18/2023	Homewise (Sombra del Oeste)	3/20/2024	Board of Directors	\$ 500,000.00 \$ 500,000.00 \$ - \$ -
									Total	\$ 500,000.00 \$ 2,500,000.00

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Housing Innovation

Certified Us	e Certified Use Amount Activity Allocation	Activity Allocation Amount	Procurement (NOFAS, RFPS, Program Guidelines) Previously Approved by Board	Procurement Amount	Procurement Approval Date	Accounting Unique Identifier		Date of Approval	Level of Approval	Av	ward Amount	Running Activity Award Total	Running Activity Unawarded Balance	Award Expenditure	Total Expenditures
						SFY-1013	Town of Silver City	12/13/2023	Board of Directors	\$	500,000.00	\$ 500,000.00	\$ 4,500,000.00		
				\$ 5,000,000.00		SFY-1014	NM Ramp Project	12/13/2023	Board of Directors	\$	500,000.00	\$ 1,000,000.00	\$ 4,000,000.00		
Rental and sin family developmen	\$ 22,130,000.00 Housing Innovation	\$ 5,000,000.00	NOFA		0 9/20/2023	SFY-1019	Sawmill CLT	2/21/2024	Board of Directors	\$	262,498.00	\$ 1,262,498.00	\$ 3,737,502.00		\$ -
acveropine						SFY-1021	HagermanFor ward Inc.	4/17/2024	Board of Directors	\$	500,000.00	\$ 1,762,498.00	\$ 3,237,502.00		
						SFY-1022	San Felipe Pueblo	4/17/2024	Board of Directors	\$	450,000.00	\$ 2,212,498.00	\$ 2,787,502.00		
									Total	\$	2,212,498.00		\$ 2,787,502.00		



Quarterly Report to the MFA Board of Directors Q2 FY2024

Production Statistics	Current Quarter	Same Quarter Last Year	Fiscal Year to Date
Homeownership			
Number of loans reserved	842	557	1,478
Amount of loans reserved	\$191,480,037	\$103,551,551	\$336,628,542
Number of loans purchased	598	361	1,178
Amount of loans purchased	\$138,066,457	\$69,371,239	\$270,956,282
Number of homebuyers counseled	746	294	1,502
Number of lenders/REALTORS contacted	1,792	1,948	2,886
Housing Development			
Amount of MF loans/grants/bonds	\$13,395,044	\$1,800,000	\$27,095,044
Amount of SF loans/grants	\$0	\$0	\$0
Amount of TC: LIHTC (MF) & State (MF & SF)	\$2,310,758	\$10,420	\$9,141,142
Number of MF units	320	180	835
Number of SF units	0	0	6
Housing Rehab & Weatherization			
Amount of rehab expenditures	\$245,635	\$818,444	\$684,369
Number of units rehabilitated	6	17	17
Amount of NM Energy\$mart expenditures	\$2,807,346	\$2,595,249	\$6,959,846
Number of units weatherized	165	228	536
Shelter & Supportive Housing Prog	grams		
Amount of shelter supportive service	\$304,431	\$969,416	\$853,945
Number of persons served 1	1,245	1,193	2,286
Amount of rental assistance 2	\$1,820,181	\$1,613,147	\$3,757,670
Number of persons assisted	586	834	1,068

- 1 Coc & EHAP
- 2 HOPWA, Linkages, , RAP & YHDP



The need for housing rehabilitation and weatherization:

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

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



The Need for Assistance Programs:

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

The pandemic has increased the number of people experiencing homelessness.

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



The need for MFA mortgage products:

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

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



The need for housing development:

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

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

Solutions:

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

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

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



Quarterly Report to the MFA Board of Directors Q2 FY2024

Servicing	Current Quarter	Same Quarter Last Year	Target Rate
First Mortgage Direct Servicing Delinquency Rate	4.35	0.00	
Partners Program delinquency rate	15.96	12.96	
DPA loan delinquency rate	6.81	7.53	
Multifamily loan delinquency rate	0.00	1.19	
Combined delinquency rate - Current Month	6.82	7.51	
Combined average delinquency rate-FY	8.23	8.50	9.50
Default rate (writeoffs/foreclosure losses)	0.47	0.26	1.30
Master Servicing MBS delinquency rate	8.51	7.73	
REO Inventory - # of loans	0	0	
REO Inventory - Exposure	\$0	\$0	



MFA's Servicing Department:

Provides direct servicing for over 16,400 loans with a principal balance over \$354 million. Direct Servicing first mortgage delinquency is 4.35 percent. Many of the loans MFA services are for internal programs that target higher risk borrowers.

MFA's Mortgage-Backed Securities (MBS) portfolio is serviced by our sub-servicer with delinquency of 10.10 percent.

Delinquency rates in this portfolio can be benchmarked to Mortgage Banker Association averages 4.17 percent for all loans in New Mexico and 9.35 percent for FHA in New Mexico as of 12/31/2023.

As of 2/2024, the FHA Delinquency on new purchases was 13.15 percent.

			Fiscal Year
D. F '4 . '	Current	Year to	Monitoring
Monitoring	Quarter	Date	Required
Asset Management			
Number of properties monitored	20	97	172
Number of units inspected	194	870	N/A
Number of files reviewed	209	864	N/A
Number of PBCA activities	296	591	N/A
Community Development			
Number of required monitorings ³	19	42	53

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



MFA's Asset Management Department:

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



MFA's Community
Development
Department:

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