

MFA Housing New Mexico MFA September Board of Directors Meeting September 18, 2024 9:30 am-12:30 pm Mountain Time

Chair Convenes Meeting

- ➤ Roll Call (Izzy Hernandez)
- ➤ Oath of Office Proxy, for Attorney General Raúl Torrez, Deputy Attorney General Julie Ann Meade (Chair Reyes)
- ➤ Approval of Agenda Board Action
- ➤ Approval of 8/21/24 Board Meeting Minutes Board Action
- ➤ Executive Director Updates

Board Action Items

(Action Required)

Finance Committee

- 1 FY 25 Production Stats (Jeff Payne & Donna Maestas- De Vires) NO
- 2 Annual Review of Compensation and Benefits (Compensation Committee) NO
- 3 FY 25 General Fund & New Mexico Housing Trust Fund Budget (Joseph McIntyre) YES
- 4 FY 25 New Mexico Affordable Housing Charitable Trust Budget (Joseph McIntyre) YES
- 5 FY 25 Housing Opportunity Fund Appropriation (Joseph McIntyre) YES

Contracted Services/Credit Committee

- 6 Northern Regional Housing Authority Update (Chris Herbert) NO
- 7 Recommendation to Approve Government Relations Request for Proposal (Robyn Powell) YES
- 8 Housing Innovation Award Recommendation Las Cruces (Daniela Freamon & Robyn Powell) YES
- 9 Housing Innovation Award Recommendation Village of Ruidoso (Daniela Freamon & Robyn Powell) YES
- 10 Housing Innovation Award Recommendation Forget Me Not Veteran's Park (Daniela Freamon & Robyn Powell) YES
- 11 Tierra Encantada Tax Credit Assistance Program (TCAP) Grant Request Josh Howe & George Maestas YES
- 12 Vado New Horizons Phase IB Primero Investment Fund Loan Request Josh Howe & George Maestas YES
- 13 64th Street NM Affordable Housing Tax Credit Allocation Request Justin Carmona & George Maestas YES

Other

- 14 2025-2029 Proposed Five Year Plan and 2025 Benchmarks (Robyn Powell) YES
- 15 Appointment and Approval of Board Contracted Services/Credit Committee (Chair Reyes) YES

Other Board Items

Information Only

- 16 (Staff is available for questions)
 - Staff Action Requiring Notice to Board

Monthly Reports

No Action Required

- 17 (Staff is available for questions)
 - Marketing & Communications Monthly Update
 - New Mexico Housing Trust Fund Update
 - 7/31/24 Financial Statements

Announcements and Adjournment Discussion Only

Confirmation of Upcoming Board Meetings

- ➤ September 26, 2024 Thursday- 3:00 p.m. Investment Committee Meeting (Board Members please RSVP if interested in attending)
- ➤ October 8, 2024 Tuesday, Contracted Services 10:00 a.m. Finance Committee 1:30 p.m.
- ➤ October 16, 2024 Wednesday- 9:30 a.m. (MFA Board of Directors Meeting)
- ➤ October 24, 2024 Thursday- 3:00 p.m. Investment Committee Meeting (Board Members please RSVP if interested in attending)
- ➤ November 12, 2024 Tuesday, Contracted Services 10:00 a.m. Finance Committee 1:30 p.m.
- ➤ November 20, 2024 Wednesday- 9:30 a.m. (MFA Board of Directors Meeting)
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- ➤ December 10, 2024 Tuesday, Contracted Services 10:00 a.m. Finance Committee 1:30 p.m.
- ➤ December 18, 2024 Wednesday 9:30 a.m. (MFA Board of Directors Meeting)

YES



NEW MEXICO MORTGAGE FINANCE AUTHORITY

Board Meeting

CNM Workforce Training Center- WTC 101 Room 5600 Eagle Rock Ave NE Albuquerque, NM 87113 Wednesday, September 18, 2024- 9:30 a.m.

Proposed Agenda

Chair Convenes Meeting

- ➤ Roll Call (Izzy Hernandez)
- > Oath of Office Proxy, for Attorney General Raúl Torrez, Deputy Attorney General Julie Ann Meade (Chair Reyes)
- > Approval of Agenda Board Action
- ➤ Approval of 8/21/24 Board Meeting Minutes Board Action
- > Executive Director Updates

Board Action Items Action Required Finance Committee FY 25 Production Stats (Jeff Payne & Donna Maestas- De Vires) NO Annual Review of Compensation and Benefits (Compensation Committee) NO FY 25 General Fund & New Mexico Housing Trust Fund Budget (Joseph McIntyre) YES FY 25 New Mexico Affordable Housing Charitable Trust Budget (Joseph McIntyre) YES 4 FY 25 Housing Opportunity Fund Appropriation (Joseph McIntyre) YES **Contracted Services/Credit Committee** Northern Regional Housing Authority Update (Chris Herbert) NO Recommendation to Approve Government Relations Request for Proposal (Robyn Powell) YES Housing Innovation Award Recommendation – Las Cruces (Daniela Freamon & Robyn Powell) YES Housing Innovation Award Recommendation – Village of Ruidoso (Daniela Freamon & Robyn Powell) YES 10 Housing Innovation Award Recommendation - Forget Me Not Veteran's Park (Daniela Freamon & Robyn Powell) YES 11 Tierra Encantada – Tax Credit Assistance Program (TCAP) Grant Request – Josh Howe & George Maestas YES 12 Vado New Horizons Phase IB - Primero Investment Fund Loan Request - Josh Howe & George Maestas YES 13 64th Street - NM Affordable Housing Tax Credit Allocation Request - Justin Carmona & George Maestas YES Other 14 2025-2029 Proposed Five Year Plan and 2025 Benchmarks (Robyn Powell) YES

Other Board Items Information Only

16 (Staff is available for questions)

Staff Action Requiring Notice to Board

Monthly Reports Non-Action Required

17 (Staff is available for questions)

Marketing & Communications Monthly Update

15 Appointment and Approval of Board Contracted Services/Credit Committee (Chair Reyes)

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- ➤ Roll Call (Izzy Hernandez)
- ➤ Oath of Office New Proxy Julie Ann Meade (Chair Reyes)
- > Approval of Agenda Board Action
- ➤ Approval of 8/21/24 Board Meeting Minutes Board Action
- > Executive Director Updates

Board Action Items Action Required

Finance Committee

- 1 FY 25 Production Stats (Joseph McIntyre, Jeff Payne & Donna Maestas- De Vires)
- 2 Annual Review of Compensation and Benefits (Compensation Committee) The Committee believes that MFA's compensation and benefit programs and the approach to the FY2024-25 compensation and benefits budget are reasonable and fair. In addition, the committee believes that MFA has comprehensive policies and procedures related to the compensation and benefit processes.
- FY 25 General Fund & New Mexico Housing Trust Fund Budget (Joseph McIntyre) MFA's General Fund proposed budget for Fiscal Year (FY) 2024-2025 is recommended for approval. Revenue is projected at \$36,716,460, an increase of \$37,294 or 0% over the prior year budget and a decrease of (\$2,247,819) or -6% under projected 9/30/24 actuals. The expense budget is projected at \$34,346,431, a decrease of (\$749,273) or -2% under the prior year budget and an increase of \$2,838,416 or 9% over 9/30/24 projected actuals. The FY 2024-2025 budgeted excess revenue over expenses is \$2,370,029. The Capital budget is \$5,016,744, a decrease of (\$4,310,501) or (47%) under prior year budget and a decrease of (\$3,886,264) or -44% under prior year's projected actual. Finally, the New Mexico Housing Trust Fund is expected to continue to have a significant impact on MFA's Consolidated Financial Statement with projected excess revenue over expense of \$19.5 million.
- **4 FY 25 New Mexico Affordable Housing Charitable Trust Budget (Joseph McIntyre) -** The NM Affordable Housing Charitable Trust Budget is recommended for approval. Revenue is projected at \$71,101, and the expense budget is projected at \$67,252, resulting in a FY 2024-2025 budgeted excess revenue over expenses of \$3,579.
- **FY 25 Housing Opportunity Fund Appropriation (Joseph McIntyre)** To meet anticipated demand, Staff recommends the following appropriations: 1. \$6,931,000 to Down Payment Assistance funded through a new appropriation of \$5million and transfer of \$1,931,000 from the Access Loan Program 2. \$2,229,000 to the Partners Loan Program funded by \$276,000 from the Primero Loan Program, \$8,000 from the Access Loan Program, and a new appropriation of \$1,945,000.

Contracted Services/Credit Committee

- 6 Northern Regional Housing Authority Update (Chris Herbert)
- Recommendation to Approve Government Relations Request for Proposal (Robyn Powell) In order to provide additional support for state level advocacy work, staff recommends approval of the Government Relations Request for Proposals. Staff intends to make award recommendations at the November Board of Directors meeting.



- 8 Housing Innovation Award Recommendation Las Cruces (Daniela Freamon & Robyn Powell)-
 - Recommendation to Award \$1,500,000 to the City of Las Cruces Application Under the Housing Innovation Notice of Funding Availability for Amador Housing Complex, a permanent supportive housing development.
- 9 Housing Innovation Award Recommendation Village of Ruidoso (Daniela Freamon & Robyn Powell) Housing New Mexico staff recommend awarding grant funding in the amount of \$1,000,000 to the Village of Ruidoso under the Housing Innovation NOFA for the purpose of infrastructure to support workforce housing development.
- 10 Housing Innovation Award Recommendation Forget Me Not Veteran's Park (Daniela Freamon & Robyn Powell) Housing New Mexico staff recommend awarding grant funding in the amount of \$375,000 to the Forget Me Not Veteran's Park under the Housing Innovation NOFA to address site infrastructure needs and add 5 homes to house homeless veterans.
- 11 Tierra Encantada Tax Credit Assistance Program (TCAP) Grant Request Josh Howe & George Maestas A \$100,000 Tax Credit Assistance Program (TCAP) grant request for Tierra Encantada, located in Anthony, New Mexico. Tierra Encantada is a proposed Acquisition/Rehab multifamily project that includes the rehabilitation of 24 two-, three, and four-bedroom homes for households earning 50% or less of Area Median Income (AMI).
- 12 Vado New Horizons Phase IB Primero Investment Fund Loan Request Josh Howe & George Maestas A \$3,500,000 Primero Investment Fund (PIF) infrastructure loan request for Vado New Horizons Phase IB, located in Vado, New Mexico. Vado New Horizons Phase IB is a proposed New Construction single-family development project that includes 56 lots on which homes will be constructed for households earning at or below 120% Area Median Income (AMI). Flexibility to utilize \$500,000 to \$1,000,000 in additional New Mexico Housing Trust Fund funding (pending NMHTF advisory committee approval) is also part of this request.
- 13 64th Street NM Affordable Housing Tax Credit Allocation Request Justin Carmona & George Maestas A \$1,000,000 NM Affordable Housing Tax Credit (State Tax Credit) allocation request for 64th Street, located in Albuquerque, New Mexico. 64th Street is a proposed New Construction single-family project that will create 6 two-, three-, and four-bedroom homes for households earning 60% or less of Area Median Income (AMI).

Other

- 14 2025-2029 Proposed Five Year Plan and 2025 Benchmarks (Robyn Powell) Over several months, staff worked to develop a comprehensive and informed five-year strategic plan that supports the current housing needs and conditions in New Mexico. Staff recommends approval of the proposed 2025-2029 Strategic Plan and the 2025 Benchmarks.
- 15 Appointment and Approval of Board Contracted Services/Credit Committee (Chair Reyes)

Other Board Items Information Only

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NEW MEXICO MORTGAGE FINANCE AUTHORITY

Board Meeting Minutes Hotel Albuquerque at Old Town Wednesday, August 21, 2024 – 9:30 a.m.

Chair Angel Reyes convened the meeting on August 21, 2024, at 9:40 a.m. Secretary Hernandez called the roll. Members attending in person: Chair Angel Reyes, Christine Anaya (designee for State Treasurer Laura M. Montoya), Derek Valdo, Martina C'de Baca (designee for Lieutenant Governor Howie Morales) and Rebecca Wurzburger. Virtual attendance: Gideon Elliot (designee for Attorney General Raúl Torrez) and Patricia Sullivan. 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 microphone sensitivity. He then provided voting protocol for those members participating virtually.

Approval of Agenda – Board Action. Motion to approve the August 21, 2024, Board agenda as presented: Wurzburger. Seconded by C'de Baca. Roll Call Vote: Angel Reyes- yes, Derek Valdo- yes, Gideon Elliot- yes, Proxy Martina C'de Baca- yes, Proxy Christine Anaya- yes, Rebecca Wurzburger- yes, Patricia Sullivan- yes. Vote: 7-0.

Approval of 7/17/24 Board Meeting Minutes – Board Action. Motion to approve the July 17, 2024, Board Meeting Minutes as presented: Wurzburger. Seconded by Valdo. Roll Call Vote: Angel Reyes- yes, Derek Valdo- yes, Gideon Elliot- yes, Proxy Martina C'de Baca- yes, Proxy Christine Anaya- yes, Rebecca Wurzburger- yes, Patricia Sullivan-yes. Vote: 7-0.

Approval of 7/26/24 Special Board Meeting Minutes – Board Action. Motion to approve the July 26, 2024, Board Meeting Minutes as presented: Wurzburger. Seconded by Valdo. Roll Call Vote: Angel Reyes- yes, Derek Valdo- yes, Gideon Elliot- yes, Proxy Martina C'de Baca- yes, Proxy Christine Anaya- yes, Rebecca Wurzburger- yes, Patricia Sullivan- yes. Vote: 7-0.

Hernandez provided his Executive Director updates: **Significant meetings/presentations**: 7/22: LOC #2 Mtg.- Needs and Rental Development Focus. 7/23: Housing Mtg. w/Governor & Staff. 7/30-31: Fannie Mae MORA Audit/Interview. 8/16: LOC #3 Meeting. 8/20: Presentation to LFC – Ruidoso. **Upcoming Meetings**: 8/28: Roswell Listening Session. 9/04: QAP Public Hearing. 9/05: Gallup Listening Session. Hernandez then provided production data state YTD expended is \$540M and NM Housing Trust Fund overview and update. He also mentioned tentative September Board meeting agenda items include Strategic Plan and FY 2025 Budget.

Finance Committee

- Financial Review Q3 (Arundhati Bose) Bose began her presentation stating that Housing New Mexico/MFA has closed three bonds issued as of the beginning of the fiscal year, for a combined total of \$370 million. With extremely strong production, bolstered in part by the FirstDown Plus program, MFA has exceeded its overall single-family production forecast by ~80%. Average earning assets is higher than it was at this point last year and effectively inline with what MFA forecasted for the month. MFA's TBA-funded programs, which halted last year due to poor rate offerings, have provided welcome profitability since the beginning of the fiscal year. At 1.71%, MFA's current profitability is much stronger than both its FY24 goal (0.5%) and its profitability margin from June of last year (0.81%). MFA continues to monitor delinquencies and defaults on its loan portfolio to identify reduction strategies and refer borrowers to available loss mitigation programs. MFA's annualized default rate is 0.85%, which is noticeably higher than last June, but also well below its target rate of 1.30%. Motion to approve the Financial Review Q3 as presented: C'de Baca. Seconded by Valdo. Roll Call Vote: Angel Reyes- yes, Derek Valdo- yes, Gideon Elliot- yes, Proxy Martina C'de Baca- yes, Proxy Christine Anaya- yes, Rebecca Wurzburger- yes, Patricia Sullivan-absent. Vote: 6-0.
- 2 \$50M Investment Local Government Investment Pool (LGIP)/ State Investment Council (SIC) (Arundhati Bose) Bose began her presentation recommending approval of the Joint Powers Agreement (JPA) between Housing New Mexico/MFA, the NM State Investment Council (SIC) and the office of the State Treasurer under which MFA is authorized to invest \$50 million of New Mexico Housing Trust Fund funds in the LGIP (Local Government

Investment Pool) short term fund pursuant to the terms of the JPA and approval of a Resolution authorizing MFA to enter into the JPA and take such other actions as outlined in the Resolution and JPA. Board counsel requested Board approve JPA and Resolution and allow for staff/counsel to accept technical, non-substantive, changes to the JPA that may be required by the Department of Finance and Administration prior to execution. Motion to approve the JPA and adoption of the resolution as presented: Wurzburger. Seconded by C'de Baca. Roll Call Vote: Angel Reyesyes, Derek Valdo- yes, Gideon Elliot- yes, Proxy Martina C'de Baca- yes, Proxy Christine Anaya- yes, Rebecca Wurzburger- yes, Patricia Sullivan- absent. Vote: 6-0.

- Annual bond Resolution (Arundhati Bose & Alex Lundy) Lundy began his presentation recommending approval of the Fiscal Year 2024/2025 Single Family Bond Resolution in an amount not to exceed \$600 million. The resolution's terms would cover October 1, 2024, through October 31, 2025. The resolution is anticipated to provide funds for \$600 million of new single family first-time homebuyer mortgage loans. The Fiscal Year 2024/2025 Resolution provides MFA staff with the ability to fund one strong year's worth of mortgage production. Staff will provide notice of the intention to issue bonds as an informational item and will continue to provide post-issuance reporting. The timing and sizing of each issuance has not been determined and will depend on actual reservation activity and bond market conditions. Discussion ensued regarding current market interest rates. Motion to approve the Annual Bond Resolution as presented: Valdo. Seconded by C'de Baca. Roll Call Vote: Angel Reyesyes, Derek Valdo- yes, Gideon Elliot- yes, Proxy Martina C'de Baca- yes, Proxy Christine Anaya- yes, Rebecca Wurzburger- yes, Patricia Sullivan- absent. Vote: 6-0
- Approval for 2024 National Housing Trust Fund (NHTF) & HOME Allocations (Donna Maestas-De Vries) Maestas- De Vries began her presentation requesting approval to allocate the National Housing Trust Fund (NHTF) in the amount of \$3,144,833 for programs and administration, and to allocate \$20,104,107 of HOME funds to the activities detailed in the memo in Tab 4 of the Board packet. In May, HUD provided MFA with the 2024 NHTF allocation amount of \$3,144,833. The NHTF is funded through contributions from Fannie Mae and Freddie Mac rather than through appropriations. Each year, Fannie Mae and Freddie Mac are required to set aside 42 cents for every \$1,000 of the unpaid principal balance of mortgages they purchase. Of that amount, 65% is provided to HUD for the NHTF. Staff recommends approval to allocate \$3,014,833 to program funds and \$130,000 for program administration. HUD also provided MFA with the 2024 HOME allocation in the amount of \$5,009,839. This was a decrease of \$957,637 from the previous year's allocation of \$5,967,476. HUD allocates a share of HOME funds to jurisdictions and states with a mathematical formula that measures the relative need for affordable housing. Demographic factors, which are derived primarily from the most recent decennial census, represent the relative need. MFA is carrying forward \$10,831,653 from the previous year in addition to \$4,262,615 of program income. The combined total available allocation is \$20,104,107. Discussion ensued regarding carryover, outreach, pro-active plan, and timeline for expenditures. Motion to approve the 2024 NHTF & HOME Allocations as presented: Wurzburger. Seconded by C'de Baca. Roll Call Vote: Angel Reyes- yes, Derek Valdo- yes, Gideon Elliot- yes, Proxy Martina C'de Baca- yes, Proxy Christine Anaya- yes, Rebecca Wurzburger- yes, Patricia Sullivan- absent. Vote: 6-0
- 5 Land Title Trust Fund (LTTF) Notice of Funding Availability (NOFA) Revisions (Tim Martinez & George Maestas) Martinez began the presentation recommending approval of changes to the Land Title Trust Fund (LTTF) Notice of Funding Availability (NOFA) that would remove limitations on funding request amounts. Currently, no applicant may request more than 30% of available funds. This limitation renders the program virtually unusable as the available funds balance drops. Additionally, due to the rate at which funds accrue from monthly remitted interest, it takes considerable time to build up a program balance that permits effective utilization. Although not specifically precluded in the NOFA, staff also recommend approval to explicitly include predevelopment as an eligible activity. Few funding sources have the statutory flexibility to finance predevelopment, and the LTTF Act's broad applicability makes the program well suited for this needed use. Motion to approve the Land Title Trust Fund NOFA Revisions as presented: Valdo. Seconded by Wurzburger. Roll Call Vote: Angel Reyes- yes, Derek Valdoyes, Gideon Elliot- absent, Proxy Martina C'de Baca- yes, Proxy Christine Anaya- yes, Rebecca Wurzburger- yes, Patricia Sullivan- absent. Vote: 5-0

Contracted Services/Credit Committee

- 6 Sandoval Flats New Mexico Housing Trust Fund Loan Request (Tim Martinez & George Maestas) Martinez began his presentation recommending a \$3,000,000 NMHTF loan request for Sandoval Flats, located in Rio Rancho, New Mexico. Sandoval Flats is a proposed New Construction multifamily project that will consist of 12 one-bedroom units, 108 two-bedroom units, 60 three-bedroom units, and 36 four-bedroom units. The project (100% of units) will target households with children. All 216 units will be income restricted to households earning 60% or less of Area Median Income (AMI). The proposed project presents a favorable risk profile and is recommended for approval. Discussion ensued with Tanner Nygren, Development and Acquisitions Analyst, Dominium and Kristine Donaldson, Project Analyst, Chelsea Investment Corporation, regarding timeline and permitting process. Motion to approve Sandoval New Mexico Housing Trust Fund Loan Request as presented: Wurzburger. Seconded by Valdo. Roll Call Vote: Angel Reyes- yes, Derek Valdo- yes, Gideon Elliot- yes, Proxy Martina C'de Baca- yes, Proxy Christine Anaya- yes, Rebecca Wurzburger- yes, Patricia Sullivan- yes. Vote: 7-0.
- Mariposa Apartments New Mexico Housing Trust Fund Loan Request (Justin Carmona & George Maestas) Carmona began his presentation recommending a \$2,000,000 NMHTF loan request for Mariposa Apartments, located in Taos, New Mexico. Mariposa Apartments is a proposed Acquisition/Rehabilitation and New Construction multifamily project that will create 57 one-, two-, and three-bedroom units for households with children. 22 units will be income restricted to households earning 60% or less of Area Median Income (AMI). 30 units will be income restricted to households earning 50% or less of AMI. Five units will be income restricted to households earning 30% or less of AMI. A representative from Chelsea spoke of the scope of work for improvement that will be conducted. Motion to approve Mariposa New Mexico Housing Trust Fund Loan Request as presented: Wurzburger. Seconded by Valdo. Roll Call Vote: Angel Reyes- yes, Derek Valdo- yes, Gideon Elliot- yes, Proxy Martina C'de Baca- yes, Proxy Christine Anaya- yes, Rebecca Wurzburger- yes, Patricia Sullivan- yes. Vote: 7-0.

Other

- 8 Quarterly Marketing Summary Report (Kristie Garcia) Garcia presented the quarterly marketing summary, and a communications presentation consisting of the strategic marketing overview of MFA's recent activities related to press releases, advertising, media coverage, social media posts and outreach efforts. Discussion ensued regarding more testimonials from homeowners and developers, as well as employee stories. Non-Action Item.
- 9 Quarterly Multifamily Project Completion Report (George Maestas) Maestas provided an overview of the quarter one report on the construction progress for multifamily projects and presented information on any upcoming loan closings and ribbon cuttings. Discussion ensued regarding capacity building and construction trades staffing resources. Non-Action Item.
- 10 Employee Transaction Disclosure: Employee Transaction (Eleanor Werenko) Werenko provided an updated employee transaction disclosure. MFA has requested permission to have a meal at a restaurant that is owned by the sister and brother-in-law of one of MFA Employees. Prior to engaging in the transaction, the employee came forward and submitted an updated employee discloser. The internal approval process that is required was followed. The final step in the policy and procedures is to notify the Board. Non-Action Item.

Other Board Items Information Only

- 11 (There were no questions asked of staff)
 - Staff Action Requiring Notice to Board
 - Quarterly Strategic Plan Benchmarks Update Q3

Quarterly Reports Non- Action Required

- 12 (There were no questions asked of staff)
 - Quarterly Investment Review

Monthly Reports Non-Action Required

13 (There were no questions asked of staff)

New Mexico Housing Trust Fund Update

Announcements and Adjournment- Confirmation of upcoming Board Meetings. Member Patricia Sullivan notified the Board that she has submitted her resignation from the Board which will be effective tomorrow, August 22nd. She then thanked the Board for the time she served on the Board. Chair Reyes then thanked Member Sullivan for time on the Board. He also introduced incoming Board Member, Randy Traynor to the Board. Hernandez ended with a reminder that the Board Retreat will follow right after the Board meeting concludes.

Chair, Angel Reyes	Secretary, Isidoro Hernandez
Approved:	
There being no further business the meeting was a	adjourned at 11.27 a.m.



Housing New Mexico/ MFA

Finance/Operations Committee Meeting

Tuesday, September 10, 2024 at 1:30 p.m.

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

	Agenda Item	COMMITTEE RECOMMENDED	BOARD ACTION REQUIRED
<u>Aş</u>	renda FY 24-25 General Fund Budget & New Mexico Housing Trust	2-0 Move to Board	YES
	Fund Budget – Joseph McIntyre	Without Committee	TES
		Recommendation	
2	FY 24-25 New Mexico Affordable Housing Charitable Trust	2-0	YES
	Budget – Joseph McIntyre	Move to Board	
		Without Committee	
		Recommendation	
3	FY 24-25 Housing Opportunity Fund - Joseph McIntyre	2-0	YES
		Move to Board	
		Without Committee	
		Recommendation	
4	Production Statistics - Arundhati Bose, Jeff Payne & Donna	2-0	YES
	Maestas-De Vires	Move to Board	
		Without Committee	
		Recommendation	
<u>In</u>	<u>formation items</u>		
5	July 2024 Wire Transfers		NO
6	July 2024 Check Register		NO

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

Sidono Homanoles

New Mexico Mortgage Finance Authority

Production Statistics Actual 10/1/19 - 6/30/24 And Projected 9/30/24 and 9/30/25

Arundhati Bose, Jeff Payne, & Donna Maestas DeVries





Production & Financial Highlights

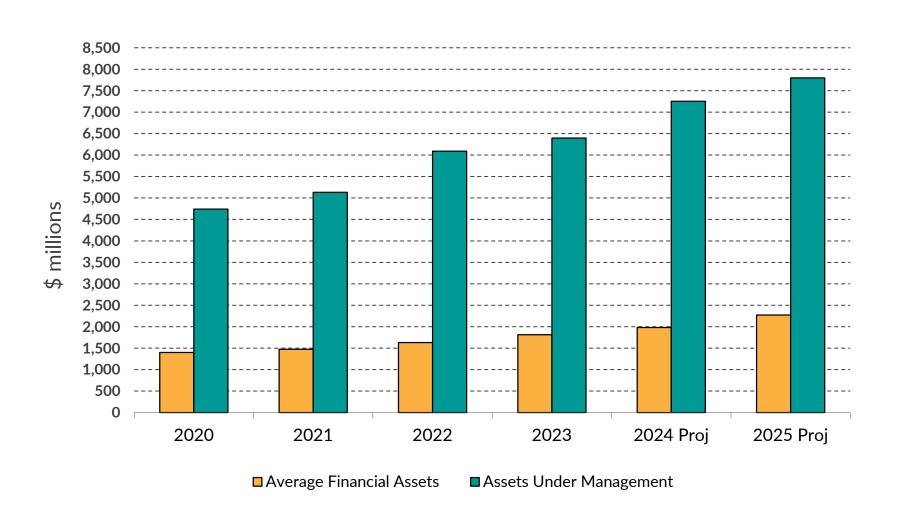
Year	2020	2021	2022	2023	2024
Core Focus	Change Management & Business Continuity	COVID Response, Team Expansion, & Reorganization	Adapting to Changing Market <u>Conditions</u>	Expanding Capacity & Impact	Innovation & Flexibility
Highlights	 COVID-19: Market volatility, servicing liquidity and delinquency management, CARES Act Awards (~\$24 mm), decreased rehabilitation, and property monitoring Revenue, Expenses, Assets Managed, Liquidity Fourth record year of Single Family Mortgage Production Revenue, Production/Assets Managed Technology solutions including telecommuting support Expenses Maintained Moody's issuer credit rating Best Places to Work nomination (-2023) 	 Recovering from record mortgage delinquencies due to COVID-19 Assisted New Mexicans with COVID-19 funds (CRF, CDBG-CV, HAF, ESG-CV, HOPWA-CV) Revenue, Expenses, Assets Managed, Liquidity High construction costs threaten new affordable housing projects (-2022) Building renovation completed Expenses Fifth record year of Single Family Mortgage Production Revenue, Production/Assets Managed HAF Program (-2024) 	 Strongly favored Bond vs. TBA funding Revenue, Expenses, Assets Managed Revised/increased DPA amounts Revenue, Assets Managed Secured recurring NMHTF monies Revenue, Expenses, Assets Managed Administering ARPA programs (\$103 mm) Revenue, Expenses Decreased Single Family Mortgage Production Revenue, Production/Assets Managed Awarded additional LIHTC and GAP funding to MF developments Revenue, Assets Managed Received DOE BIL funding for WAP/5 years (\$22 mm) Revenue, Expenses 	 Expedited NMHTF funding and approved allocations to activities Revenue, Expenses, Assets Managed Implemented DPA Grant for Low Income homebuyers Revenue, Production Expanded Income Limits for non-Federal programs Revenue, Production Created new Direct Services, ROC, Emergency Fund, TBA Mortgage programs Revenue, Expenses, Production Acquired a new building for MFA Expenses, Assets Managed Experienced highest interest rates in almost 23 years Revenue, Expenses, Assets Managed Subserviced portfolio exceeded \$2 billion Revenue, Expenses, Assets Managed Received Congressional funding grant Revenue, Expenses, Assets Managed 	 Received One-Time Allocation from the State to the NMHTF. Revenue, Expenses, Assets Managed Implemented new DPA 0% interest "third" mortgage to offset higher housing costs Revenue, Production New record Single Family Mortgage Production and market share, as well as record bond issuance sizes Revenue, Expenses, Production/Assets Managed Interest rates high throughout the year Revenue, Expenses, Liquidity Renovated and moved into new building, and sold existing building Expenses, Revenue Rebranded MFA to Housing New Mexico

IMPACT LEGEND:

Red: Negative Impact Green: Positive Impact



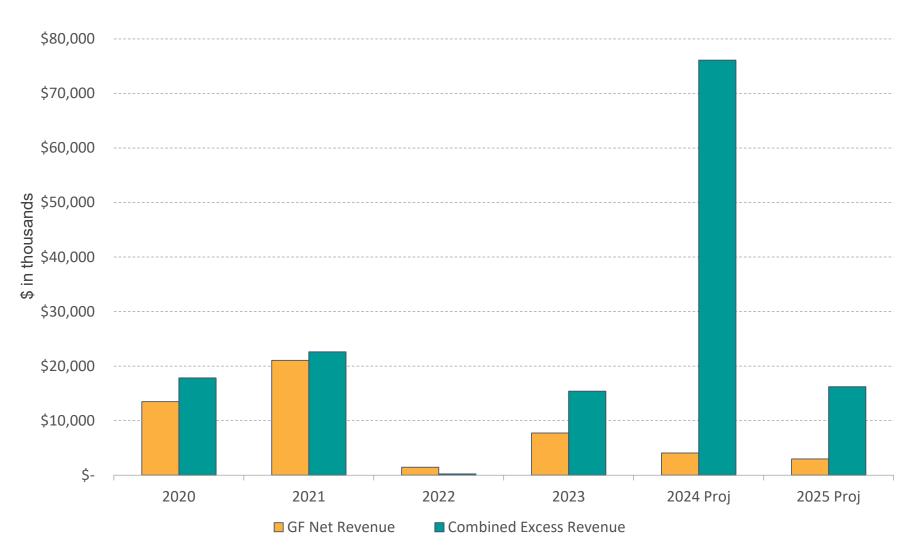
Assets Managed: Average Financial Assets vs. Assets Under Management FY 2020-2025







General Fund Excess Revenue Over Expenses vs. Combined Excess Revenue Over Expenses FY 2020-2025

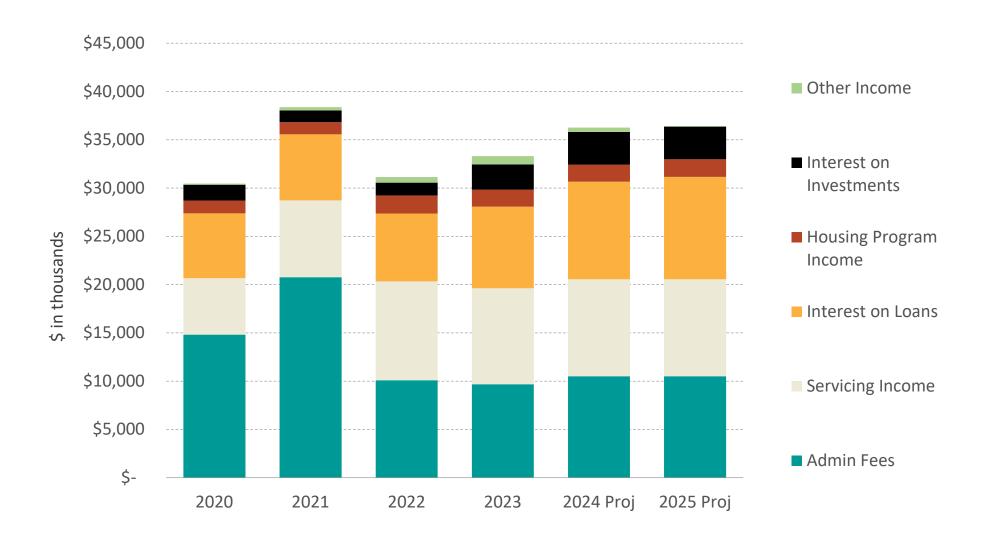




Note: The 2024 projected appears as an outlier due to the one-time allocation of \$50 million into the New Mexico Housing Trust Fund.

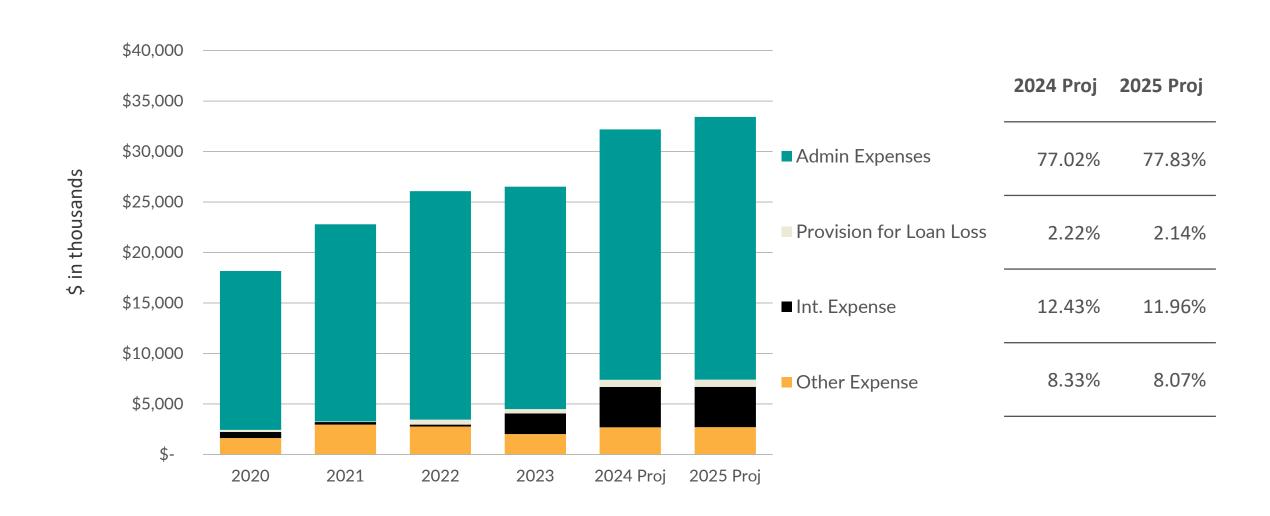


Financial Data: General Fund Revenue Analysis FY 2020 - FY 2025 Projected



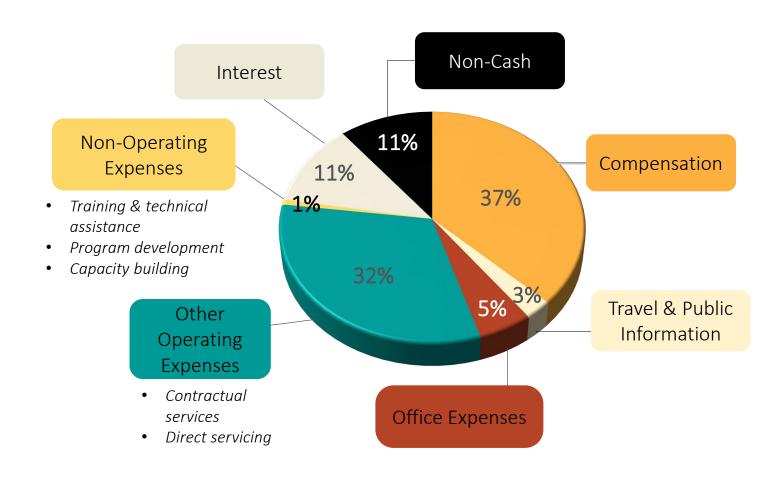


Financial Data: General Fund Expenditure Summary 2020-2025 Projected



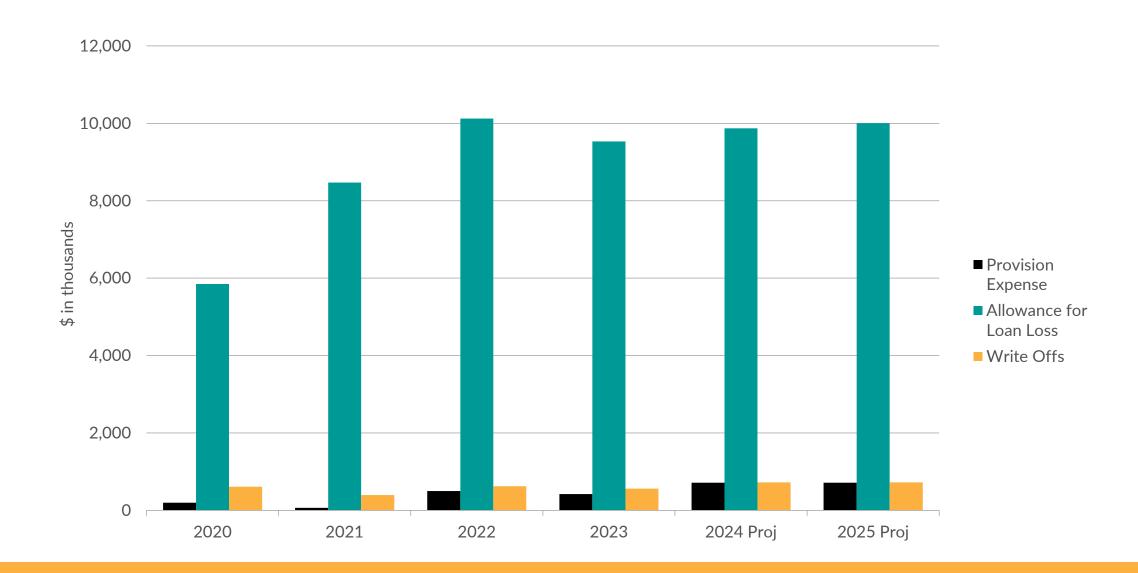


MFA Detailed Administrative Expense Breakout MFA General Fund: FY 2025 Budget



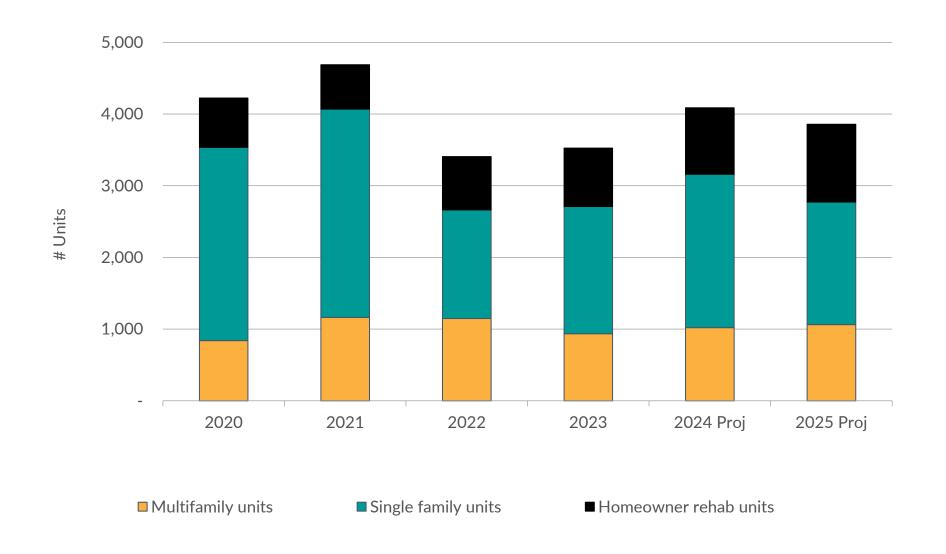


Financial Data: Loan Loss Provision Allowance vs Annual Expense and Annual Write-offs FY2020-2025 Projected



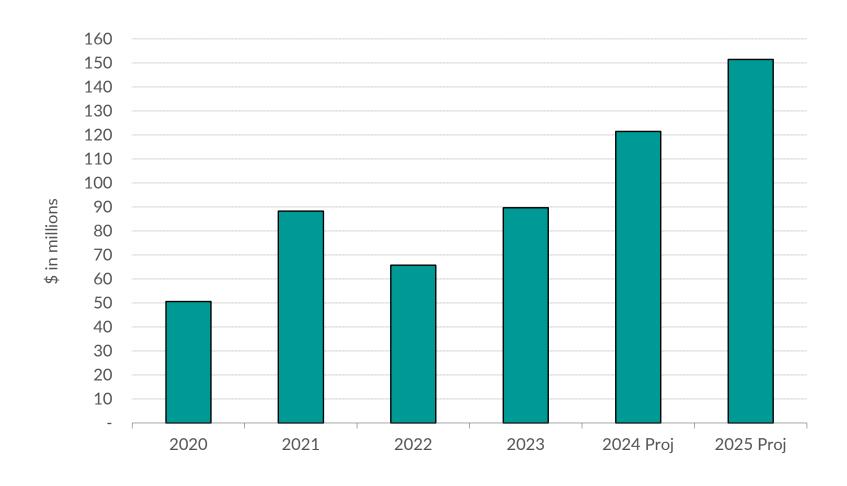


Production Data: Number of Multifamily, Single Family 1st Mortgage and Single Family Homeowner Rehab Units FY2020-2025 Projected



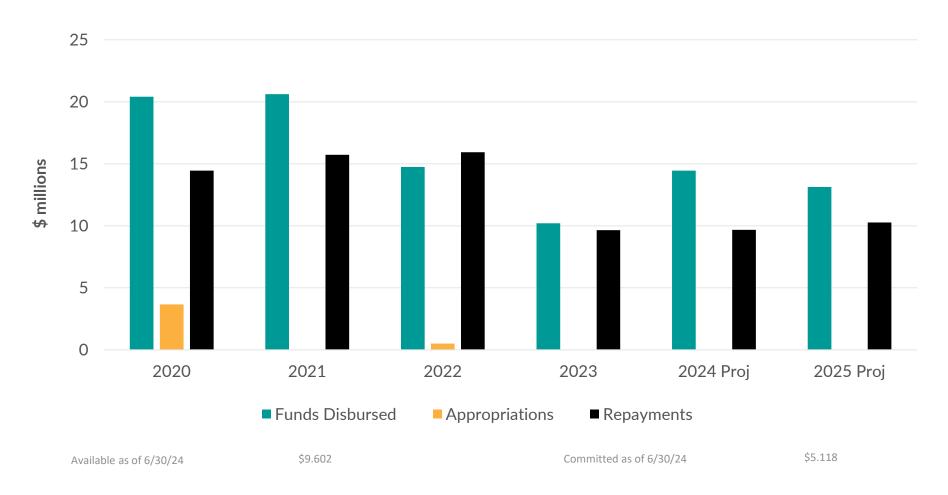


Production Data: Funds Disbursed - Federal & State Programs FY2020-2025 Projected





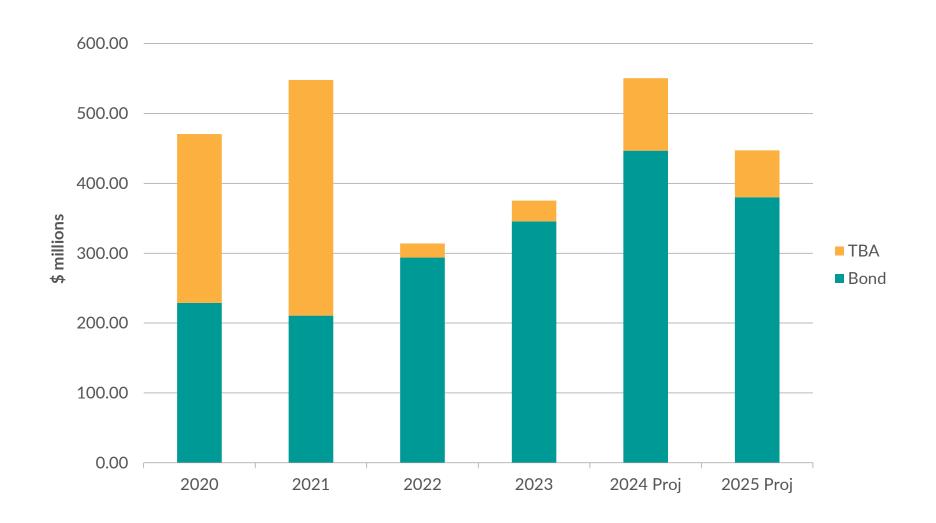
Housing Opportunity Fund FY2020-2025 Projected



Note: Repayments appear proportionally lower in 2023 and forward; however, this is due to a settling of slow prepayment speeds, which were inflated during 2020, 2021, and 2022 with lower interest rates.

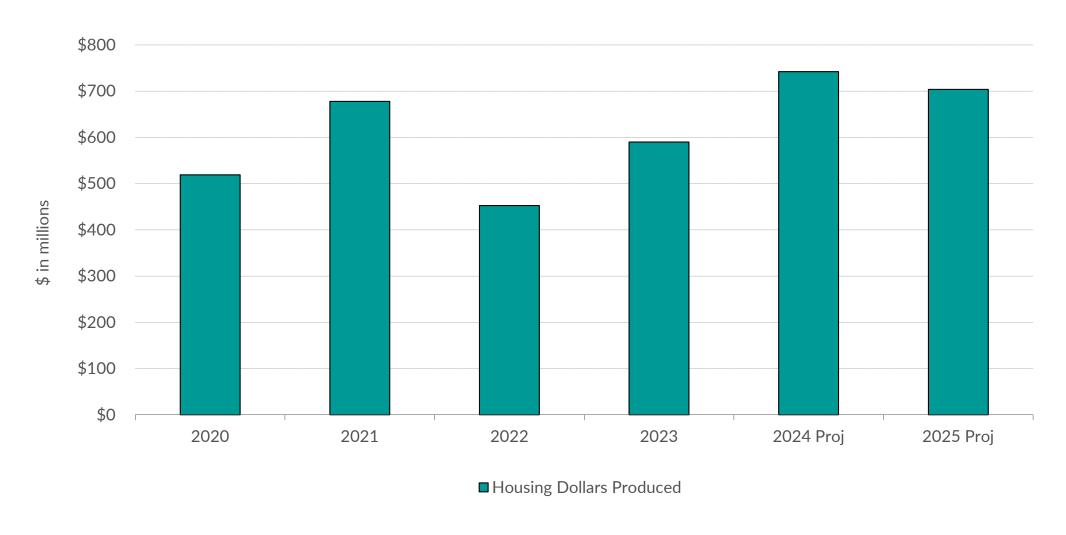


Production Data: TBA vs Bond Production (Purchased Loans Only) FY2020-2025 Projected





MFA Total Housing Dollars Produced FY2020-2025 Projected



Includes: GF Non-Operating funds disbursed; Single family loans purchased; Multifamily loans/subsidies; federal & state programs disbursed; and Housing Opportunity Fund disbursed

Questions?

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We Are Housing New Mexico



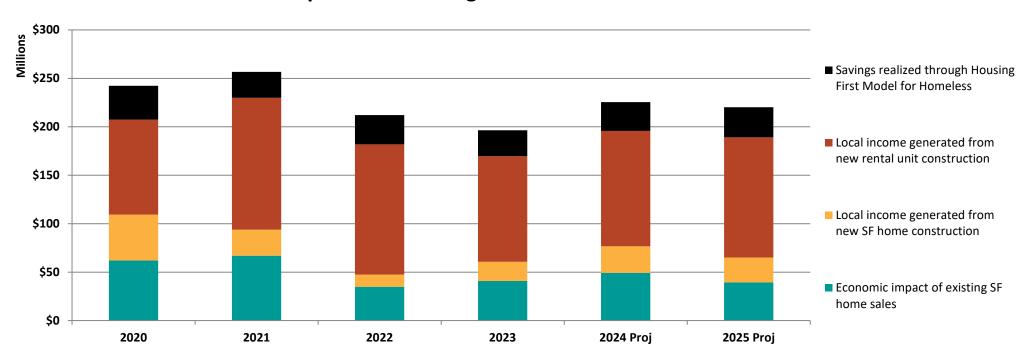
HOUSING NEW MEXICO MFA

Appendix Slides



Economic Impact of MFA Programs FY2020 - 2025 Projected

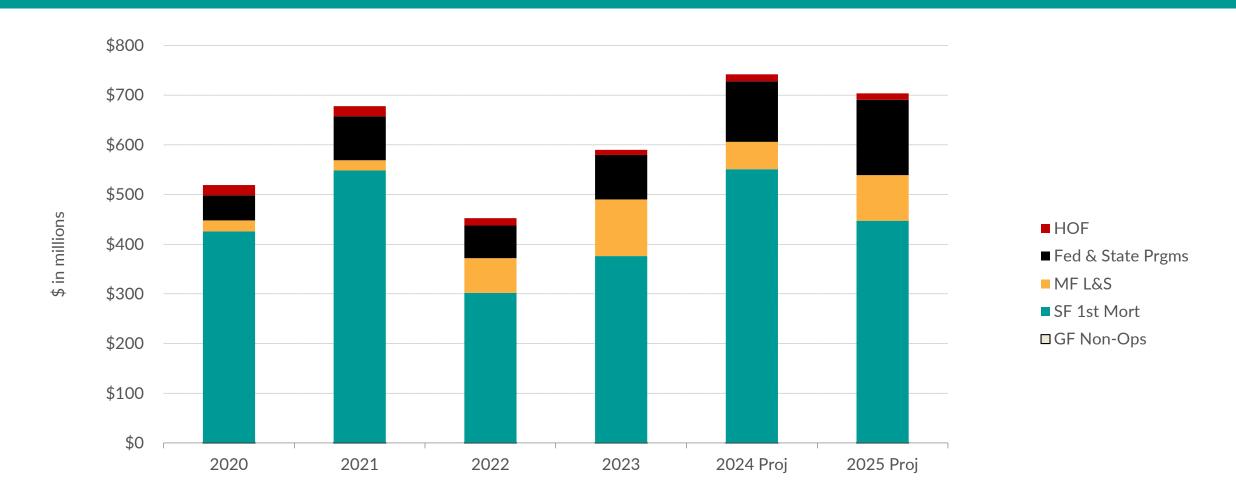
Economic Impact of MFA Programs



MFA Fiscal Year, 9/30 to 10/01, FY 2024 and 2025 are projected Sources: Realtors Association of New Mexico, NAHB Economic Model, City of Albuquerque Heading Home Cost Study



MFA Total Housing Dollars Produced - Detail FY2020-2025 Projected



Includes: GF Non-Operating funds disbursed; Single family loans purchased; Multifamily loans/subsidies; federal & state programs disbursed; and Housing Opportunity Fund disbursed



MEMO

TO: Housing New Mexico Board of Directors

Through: Compensation Committee

FROM: Housing NM Board Compensation Committee

DATE: August 12, 2024

SUBJECT: Annual Review of Compensation and Benefits

BACKGROUND:

In October of 2012, the MFA Board established the MFA Board Compensation Committee. The purpose of the committee is to provide the appropriate oversight and transparency over MFA compensation and benefits. The Compensation Committee was asked to meet at least annually and to report the results of its assessment back to the full Board in conjunction with the annual General Fund budget approval. Members are as follows:

- Angel Reyes, Committee Chair, MFA Board Chair
- Patricia Sullivan, MFA Board Member
- Rebecca Wurzburger, MFA Board Member

ITEMS FOR DISCUSSION:

The committee met August 12, 2024, and reviewed the following:

- Benefits
 - Healthcare Update
- Compensation Survey Update
- 2024-2025 Budget Outlook

The Compensation Committee discussed the General Fund compensation and benefits budget outlook for FY2024-25. The committee also discussed

medical/dental/vision strategy and changes to premiums, update on compensation study.

RECOMMENDATION:

The Committee believes that MFA's compensation and benefit programs and the approach to the FY2024-25 compensation and benefits budget are reasonable and fair. In addition, the committee believes that MFA has comprehensive policies and procedures related to the compensation and benefit processes.



TO: MFA Board of Directors

Through: Finance Committee – 9/10/2024

Through: Policy Committee – 9/3/2024

FROM: Joseph McIntyre, Controller

DATE: 9/18/2024

SUBJECT: Fiscal Year 2024-2025 General Fund Budget

Recommendation:

Staff recommend approval of the budget as reflected on the attached schedules.

Background:

MFA's fiscal year ends September 30. A budget is presented for approval prior to the beginning of the new fiscal year which begins October 1, 2024.

Discussion:

Attached is MFA's General Fund proposed budget for Fiscal Year (FY) 2024-2025. Revenue is projected at \$36,716,460, an increase of \$37,294 or 0% over the prior year budget and a decrease of (\$2,247,819) or -6% under projected 9/30/24 actuals. The expense budget is projected at \$34,436,431, a decrease of \$749,273 or -2% under the prior year budget and an increase of \$2,838,416 or 9% over 9/30/24 projected actuals. The FY 2024-2025 budgeted excess revenue over expenses is \$2,370,029. The capital budget is \$5,016,744, a decrease of (\$4,310,501) or (47%) under the previous year budget and a decrease of (\$3,886,264) or (44%) under projected actual.

The changes are primarily a result of a decrease in FTE count as the HAF program closed, a modest reduction in single family loan production, and the savings from no longer having operating costs at two locations.

Analysis of Significant Increases (Decreases) in Proposed Budget to Prior Year (PY) Budget and Projected Actual

OPERATING REVENUE: Increase over PY Budget \$97,429 0%; Decrease under PY Actual (\$537,641) -1%

<u>Interest Income</u>: Decrease under PY Budget (\$220,428) -2%; Decrease under PY Actuals (\$147,787 -1%

The decrease from prior year budget is primarily due to a decrease in the expected Mortgage Loan Warehouse and Access Loan portfolios interest income which is offset by increases in the anticipated interest income generated by the DPA Loan portfolios.

Interest on Investments and Securities: Increase over PY Budget of \$348,106 or 10%; Increase over PY Actuals of \$348,115 or 10%

The increase from prior year budget and prior year actuals is primarily due to an increase in predicted investment returns because of higher investment balances earning slightly lower rates than in the current year.

Administrative Fee Income: Decrease under PY Budget (\$736,091) -7%; Decrease under PY Actuals \$873,663 -8%

The decrease under prior year is primarily due to decreases in revenue generated via Bond Administration.

<u>Housing Program Income:</u> Increase over PY Budget 657,868 37%; Increase over PY actual 152,679

Increases are primarily related to Low Income Housing Tax Credit program.

<u>Loan Servicing Income</u>: Decrease under PY Budget (\$180,534) -2%; Decrease under PY Actuals (\$217,423) -2%

The decrease in Loan Servicing Income from the prior year is related to slight increase in Loan payoffs.

OPERATING EXPENSES: Decrease under PY Budget (\$749,273) -2%; Increase over PY Actual \$2,838,416 or 9%

Salaries: Decrease under PY Budget (\$486,458) -6%; Increase over PY Actual \$684,637 10% - See Attached Organization Chart

Regular merit increases are budgeted at 4%. In addition, the decrease compared to prior year budget includes the reduction of 14 FTE positions no longer in the budget. The Compensation Committee met in August and merit increases were reviewed.

<u>Payroll Taxes, Employee Benefits:</u> Decrease under PY Budget \$133,562 -3%; Increase over PY Actual \$822,209 24%

The increase in taxes and benefits over actual and budget is primarily due to salary increases. In addition, the increase includes an overall increase in medical insurance premiums of approximately 16.5%. A 1% increase in medical insurance results in approximately \$15,000 of additional cost to MFA or an overall increase of \$247,000. As discussed with the Compensation Committee, final benefit rates for calendar 2025 will not be known until November renewal.

<u>Public Information:</u> Increase over PY Budget \$117,480 32%; Increase over PY Actual \$190.574 66%

Housing Summit, Open House, and MFA 50 year anniversary will occur in FY 2025.

Repairs, Maintenance & Leases: Decrease under PY Budget \$303,096 -18%; Increase over PY Actual \$86,458 7%

The decrease under prior budget is due to decreased costs related to software and hardware subscription costs now be classified as right of use amortization cost.

<u>Direct Servicing Expenses:</u> Decrease under PY Budget \$98,500 -1%; Increase over PY Actual \$126,747 2%

Repurchased Loan expense, sub-servicing expense, and GNMA commitment fees are expected to be slightly lower than prior year budget. Repurchased Loan expense is the main area of increase when compared to the prior year's actuals.

Non-Cash Expenses: Increase over PY Budget \$276,856 8%; 13% Increase over PY Actual \$421,271

The increase over prior year budget and actual is due to an increase in amortization of mortgage servicing rights, increase in computer subscription right of use amortization and increased depreciation for Jefferson building that will be placed into service in September 2024.

CAPITAL BUDGET: Decrease under PY Budget (\$4,310,501) (47%); Decrease under PY Actual (\$3,886,189)

<u>Purchased Servicing Rights:</u> Decrease under PY Budget (\$364,812) (8%); Decrease under PY Actual (\$80,075) -2%

The decrease under prior year budget is due to the decreased production levels. Production is estimated to be at \$485mm rather than \$550mm.

<u>Furniture and Equipment 10yr:</u> Decrease under PY Budget and Actual (778,500) -100% The Jefferson Building will be complete in FY 2024.

<u>Computer Hardware</u>: Increase of \$200,000 over Prior Year Budget. Includes \$150,000 toward AV needs of Community Room, and \$50,000 toward Conference Rooms. The Jefferson Building has 15 conference rooms and a training room. Existing equipment that will be used from its current location will equip 5 conference rooms. This equipment is 5 to 8 years old.

Building: Decrease from PY Budget and PY Actual (\$3,367,189) -97%

Vehicle: Increase over PY Budget and PY Actual 54,500 100%

<u>Computer Software:</u> Increase over prior year budget and actual \$85,000 100% Software is for Jefferson bldg. HVAC system.

NEW MEXICO HOUSING TRUST FUND (NMHTF) BUDGET: The NMHTF budget is presented for MFA board review for the first time. FY 2024 was the first year that a budget was prepared for the NMHTF. The FY 2024 budget projected excess revenue over expense in the amount of \$1,058,590. Actual projected excess revenue for FY 2024 is \$63.2 million when given the realization of the \$50 million State General fund

appropriation that has been received. Excess revenue of \$19.5 million is projected for FY 2024-2025. The impact of the NMHTF on MFA's Consolidated Financial Statements is significant. Of note, is that approximately \$422,000 in salaries are projected for the NMHTF based on time sheet allocations for FY 2025. In FY 2024, \$156,000 was budgeted for salaries, and actual time sheet allocations have resulted in over \$400,000 of actual projected salary allocations to the NMHTF. NMHTF single family and multifamily loans have more than doubled this fiscal year.

Summary:

MFA's General Fund proposed budget for Fiscal Year (FY) 2024-2025 is recommended for approval. Revenue is projected at \$36,716,460, an increase of \$37,294 or 0% over the prior year budget and a decrease of (\$2,247,819) or -6% under projected 9/30/24 actuals. The expense budget is projected at \$34,346,431, a decrease of (\$749,273) or -2% under the prior year budget and an increase of \$2,838,416 or 9% over 9/30/24 projected actuals. The FY 2024-2025 budgeted excess revenue over expenses is \$2,370,029. The Capital budget is \$5,016,744, a decrease of (\$4,310,501) or (47%) under prior year budget and a decrease of (\$3,886,264) or -44% under prior year's projected actual. Finally, the New Mexico Housing Trust Fund is expected to continue to have a significant impact on MFA's Consolidated Financial Statement with projected excess revenue over expense of \$19.5 million.

TAB A

NEW MEXICO MORTGAGE FINANCE AUTHORITY GENERAL FUND Fiscal Year 2024-2025 Budget

	Proposed Budget FY2024-25	Budget FY2023-24 Amendment #2	6/30/2024 Actuals Annualized	Variance: CY Budget PY Budget	Variance %: CY Budget - PY Budget	PY Actuals	Variance %: CY Budget - PY Actuals
	2025	2024	2024	2025	2025	2025	2025
Interest Income	9,897,930	10,118,418	10,045,717	(220,488)	-2%	(147,787)	-1%
Interest on Investments & Securities	3,925,900	3,577,794	3,577,785	348,106	10%	348,115	10%
Loan & Commitment Fees	449,400	418,542	435,587	30,858	7%	13,813	3%
Administrative Fee Income (Exp)	9,816,267	10,552,358	10,689,930	(736,091)	-7%	(873,663)	-8%
Risk Sharing/Guaranty/RTC fees	248,048	50,338	61,423	197,710	393%	186,624	304%
Housing Program Income	2,422,045	1,764,177	2,269,366	657,868	37%	152,679	7%
Loan Servicing Income	9,956,770	10,137,304	10,174,193	(180,534)	-2%	(217,423)	-2%
Other Operating Income		-		-		-	
Operating Revenues	36,716,360	36,618,931	37,254,002	97,429	0%	(537,641)	-1%
Gain (Loss) Asset Sale/Debt Ex	-	-	1,574,906	-		(1,574,906)	-100%
Other Non-operating Income	100	60,235	135,372	(60,135)	-100%	(135,272)	-100%
Non-Operating Revenues	100	60,235	1,710,278	(60,135)	-100%	(1,710,178)	-100%
Revenue	36,716,460	36,679,166	38,964,279	37,294	0%	(2,247,819)	-6%
Salaries	7,837,121	8,323,579	7,152,484	(486,458)	-6%	684,637	10%
Overtime	24,269	31,885	45,470	(7,616)	-24%	(21,200)	-47%
Incentives	680,175	714,768	712,202	(34,594)	-5%	(32,027)	-4%
Payroll taxes, Employee Benefits	4,247,507	4,381,069	3,425,298	(133,562)	-3%	822,209	24%
Compensation	12,789,072	13,451,302	11,335,454	(662,229)	-5%	1,453,619	13%
Business Meals Expense	13,570	13,900	2,557	(330)	-2%	11,013	431%
Public Information	479,389	361,909	288,815	117,480	32%	190,574	66%
In-State Travel	173,331	141,581	89,019	31,750	22%	84,313	95%
Out-of-State Travel	252,523	314,070	144,408	(61,547)	-20%	108,115	75%
Travel & Public Information	918,813	831,460	524,800	87,353	11%	394,014	75%
Utilities/Property Taxes	124,800	210,562	171,843	(85,762)	-41%	(47,043)	-27%
Leasehold Expense							
Insurance, Property & Liability	260,694	245,510	281,335	15,184	6%	(20,641)	-7%
Repairs, Maintenance & Leases	1,406,238	1,709,334	1,319,780	(303,096)	-18%	86,458	7%
Supplies	33,996	34,700	30,930	(704)	-2%	3,066	10%
Postage/Express mail	38,112	45,600	53,689	(7,488)	-16%	(15,577)	-29%
Telephone	28,864	29,501	16,231	(637)	-2%	12,633	78%
Janitorial	44,600	89,139	43,244	(44,539)	-50%	1,356	3%
Indirect Costs	(82,059)	(38,776)	(72,481)	(43,282)	112%	(9,577)	13%
Office Expenses	1,855,245	2,325,571	1,844,572	(470,325)	-20%	10,673	1%
Dues & Periodicals	80,560	80,097	76,047	463	1%	4,513	6%
Education & Training	162,492	173,193	86,628	(10,701)	-6%	75,864	88%
Contractual Services	1,565,575	1,458,632	1,021,613	106,943	7%	543,961	53%
Professional Services-Program	102,400	115,900	146,371	(13,500)	-12%	(43,971)	-30%
Direct Servicing Expenses	8,460,347	8,558,847	8,333,600	(98,500)	-1%	126,747	2%
Program Expense-Other	324,365	277,824	374,042	46,541	17%	(49,677)	-13%
Rebate Analysis Fees	1,590	1,590		-	0%	1,590	
Miscellaneous			44,000			(44,000)	-100%
Other Operating Expense	10,697,329	10,666,083	10,082,302	31,246	0%	615,027	6%

NEW MEXICO MORTGAGE FINANCE AUTHORITY **GENERAL FUND** Fiscal Year 2024-2025 Budget

	Proposed		6/30/2024				
	Budget FY2024-25	Budget FY2023-24 Amendment #2	Actuals Annualized	Variance: CY Budget - PY Budget	Variance %: CY Budget - PY Budget	Variance: CY Budget - PY Actuals	Variance %: CY Budget - PY Actuals
	2025	2024	2024	2025	2025	2025	2025
Interest Expense	3,984,372	4,011,679	3,896,414	(27,307)	-1%	87,958	2%
Non-Cash Expenses	3,673,574	3,396,718	3,252,303	276,856	8%	421,271	13%
Expensed Assets	174,250	173,350	198,817	900	1%	(24,567)	-12%
Operating Expenses	34,092,656	34,856,162	31,134,661	(763,506)	-2%	2,957,995	10%
Program Training & Tech Asst	117,417	103,242	198,524	14,175	14%	(81,107)	-41%
Program Development	136,358	136,300	174,830	58	0%	(38,472)	-22%
Capacity Building Costs	253,775	239,542	373,354	14,233	6%	(119,579)	-32%
Non-Operating Expenses	253,775	239,542	373,354	14,233	6%	(119,579)	-32%
Expenses	34,346,431	35,095,704	31,508,015	(749,273)	-2%	2,838,416	9%
Excess Revenue over Expenses	2,370,029	1,583,462	7,456,264	786,567	50%	(5,086,235)	-68%

NEW MEXICO MORTGAGE FINANCE AUTHORITY GENERAL FUND Fiscal Year 2024-2025 Budget

	Proposed Budget FY2024-25	Budget FY2023-24 Amendment #2	6/30/2024 Actuals Annualized	Variance: CY Budget - PY Budget	Variance %: CY Budget - PY Budget	Variance: CY Budget - PY Actuals	Variance %: CY Budget - PY Actuals
2690 PURCHASED SERVICING RIGHTS	4,496,920	4,861,732	4,576,995	(364,812)	-8%	(80,075)	-2%
2920 FURN & EQUIP, 10 YR	-	778,500	778,500	(<mark>778,500</mark>)	0%	(778,500)	0%
2950 COMPUTER HARDWARE	305,324	105,324	105,324	200,000	190%	200,000	0%
2860 BUILDING	75,000	3,442,189	3,442,189	(3,367,189)	0%	(3,367,189)	-98%
2937 Vehicle	54,500	-		54,500	100%	<mark>54,500</mark>	100%
2960 COMPUTER SOFTWARE	85,000	-	-	85,000	0%	85,000	0%
Capital Budget	5,016,744	9,187,745	8,903,008	(4,310,501)	-47%	(3,886,264)	-44%

NEW MEXICO HOUSING TRUST FUND Fiscal Year 2024-2025 Budget

Proposed 6/30/2024

	Proposed		6/30/2024				
	Budget FY2024-25	Budget FY2023-24 Amendment #2	Actuals Annualized	Variance: CY Budget - PY Budget	Variance %: CY Budget - PY Budget	Variance: CY Budget - PY Actuals	Variance %: CY Budget - PY Actuals
	2025	2024	2024	2025	2025	2025	2025
Interest Income	1,303,891	844,798	701,635	459,093	54%	602,256	86%
Interest on Investments & Securities	1,576,143	212,442	427,323	1,363,701	642%	1,148,820	269%
Administrative Fee Income (Exp)	19,211	290,355	69,511	(271,144)	-93%	(50,300)	-72%
Risk Sharing/Guaranty/RTC fees	2,000	1,350	1,667	650	48%	333	20%
Operating Revenues	2,901,245	1,348,945	1,200,136	1,552,300	115%	1,701,109	142%
Gain (Loss) Asset Sale/Debt Ex			117,021	-	0%	(117,021)	-100%
Grant Award Income	28,388,400	37,530,000	80,641,582	(9,141,600)	-24%	(52,253,182)	-65%
Non-Operating Revenues	28,388,400	37,530,000	80,758,603	(9,141,600)	-24%	(52,370,203)	-65%
Revenue	31,289,645	38,878,945	81,958,738	(7,589,300)	-20%	(50,669,094)	-62%
Salaries	422,469	155,918	400,807	266,551	171%	21,662	5%
Overtime	704	506		197	39%	704	
Incentives	36,073	13,325		22,748	171%	36,073	
Payroll taxes, Employee Benefits	210,807	79,580	186,908	131,227	165%	23,899	13%
Compensation	670,052	249,329	587,714	420,723	169%	82,338	14%
Travel & Public Information	23,510	12,678	8,136	10,832	85%	15,374	189%
Repairs, Maintenance & Leases			15,422			(15,422)	-100%
Indirect Costs	73,388	26,348	67,275	47,040	179%	6,112	9%
Office Expenses	73,388	26,348	82,698	47,040	179%	(9,310)	-11%
Education & Training	-	2,000		(2,000)	-100%	-	
Contractual Services	-		22,581	-		(22,581)	-100%
Program Expense-Other			14,142	-		(14,142)	-100%
Other Operating Expense		2,000	36,723	(2,000)	-100%	(36,723)	-100%
Non-Cash Expenses	<u>-</u>		7,110,178	-	0%	(7,110,178)	-100%
Operating Expenses	766,950	290,355	7,825,450	476,595	0%	(7,058,500)	-90%
Capacity Building Costs	1,000			1,000		1,000	
Grant Expense	11,036,585	37,530,000	10,888,582	(26,493,415)	-71%	148,004	1%
Non-Operating Expenses	11,037,585	37,530,000	10,888,582	(26,492,415)	-71%	149,004	1%
Expenses	11,804,535	37,820,355	18,714,031	(26,015,819)	-69%	(6,909,496)	-37%
Excess Revenue over Expenses	19,485,109	1,058,590	63,244,707	18,426,519	1741%	(43,759,598)	-69%

TAB B

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2.0 for Interns 122.4 FTEs .5 for Veronica 122.5 FTEs Izzy Hernandez **Executive Director** .10 for Martha 122.4 FTEs **Dominique Zuni Executive Assistant** Jeff Payne Robyn Powell Arundhati Bose **Dolores Wood** Donna Maestas-De **Director of Policy** Chief Lending **Chief Financial Human Resources** Vries and Planning Officer Officer Director **Chief Housing Officer** Karla Alvarez Mary Martinez Vacant Human Resources **Stephanie Gonzales** Administrative Trainee Coordinator Joseph Navarrete Rene Acuna Teri Baca Research & **George Maestas Eunice Duran** Teresa Assistant II Olivia Martinez Alex Lundy Joseph McIntyre James Schneider Sr. Director Director of Homeownership Director of Housing Homeownership Laredo-Garcia Director of Finance Trainee Controller Finance Manager Homeownership Information Representative II Representative III Development **Director of Servicing Secondary Marketing** Technology Jazmin Marrufo **Human Resources** Kristie Garcia Julie Halbig Kellie Tillerson Patrick Ortiz Sonja Unrau Assistant **Director of** Director of Director of **Director of Asset** SR Reseach & Anita Rehm **Domenica Duran** Communications & Blanca Vasquez Compliance & Community Management Cindy Arellano Jacobo Martinez Dana Gohr Development Manager **Assistant Director** Assistant Director of Arias Assistant Director Marketing Initiatives * **Development** Secondary Market Database of Homeownership **Assistant Controller** of Servicing Supervisor **Housing Development** Programmer Patrice Antonio Receptionist II **Amanda Mottershead Sharlynn Rosales** John Garcia Susana Sandra Marez **Aragon Assistant** Research & **Dominic Baca** Barbara Tashkandy **Assistant Director of** Ramirez-Salinas Community Misty McGlothlin Director of Asset **Development Manager** Amber Erni Database **Laura Thompson** Jeanne Redondo Lending **Digital Content** Community **Relations Manager** Management Investor **Document Custodian** Programmer II Accountant III Tax Credit Coordinator Manager Development Mike Dines **Accounting Analyst** Specialist II Manager **Facilities Manager** Samantha Vigil **Heather Stone** Daniela Freamon **Tomas Rodriguez** Housing Program Manager Compliance Angel Candelaria Valerie Carriaga IT Security Analyst Yvonne Reed Christi Wheelock **Jackie Homet Judy Horsman** Supervisor Reporting Specialist **Lending Specialist** Mortgage Servicing V Tax Credit Accountant II **Program Manager** Document Specialist III Program Analyst II **Custodian Specialist** Michelle Werley **Chris James** Veronica Soto Regulatory Suzette Chavez Abran Arellano Database Miguel Rivera Julie Rudner **Housing Program** Janet Armijo Compliance Specialist Kelly Patterson Programmer Architectural Mortgage Servicing Accountant II Analyst Secondary Market **Program Manager** Representative III Services Rep Processor II **Reginald Stamps** Cynthia Marquez Vacant Support Teresa Chiarolanza Ada Mendez Brenda Esparza Compliance Vacant Jessica Hilton Tax Credit Digital Content Technician Mortgage Servicing Accountant Specialist **Quality Control** Program Manager Vacant Representative II Manager Processor II Specialist Lucas Wylie Lisa Romero Brenda Morga Frankie Salcido Matthew Smokov Support Compliance **Housing Program** Tim Martinez Leann McDonald Mortgage Servicing
Supervisor Vacant Technician Senior Accountant Specialist Housing Development \ Analyst Program Manager Loan Processor Supervisor **Angelina Martinez** Vacant Jeannette Marquez Martha Armijo Compliance Senior Accountant 🗸 **Housing Program** Vacant Program Renita Nolan Specialist Analyst II **Document Custodian** Mortgage Servicing Specialist II Maribel Trujillo Coordinator Specialist II Loan Processor Shawn Rasmussen Chris Gerwin Carmela Arellano Programs Gina Bell Community Lending Specialist Senior Accountant Leticia Aguilar Coordinator II Development Vacant Collections Supervisor Representative II Loan Processor II Carol Salazar Roberta Begay Melissa Cabrera Programs Senior Accountant Lending Specialist Melissa Duran Specialist II **Sherry Stephens Brittany Coats** Collections Preservation **Program Manager** Representative II Program Manager **Dominic Chavez** Jackie Nutima Danny Araujo Accounting Program Analyst Joleen Stevens Josh Howe Supervisor **Ethan Howe** Sub-Servicing **Development Loan** Program Manager Oversight Specialist II Manager II Arely Contreras Lorenda Hanway Program Analyst **Damian Wheeler Justin Carmona** Steve Hagins Accounting Home Project Development Loan **Customer Service** Specialist II Manager Manager Supervisor Vacant PT PT Paula Martinez-Soto Shannon Tilseth Accounting Community Vacant Specialist II Development Mortgage Servicing Supervisor Representative Veronica Pena-Rivera Administrative PT PT Monica Ponce-Sedillo Jennifer Tyler Mortgage Service Program Manager Representative II Brandon Tsosie
Temps ary
Admir suntive
Assistan Michael Fuller X **Program Manager** Troy Cucchiara Vacant Green Initiatives Manager III Administrative Assistant II Dimitri Florez **Green Initiatives** Manager **David Gutierrez Program Manager** Vacant PT Intern Vacant Program Manager

Organization Chart 08/31/2024

125 people

TAB C

GENERAL FUND DETAILED Fiscal Year 2023-2024 Budget

		Fiscal	I Year 2023-2024 Bud	get			
	Proposed Budget FY2024-25	Budget FY2023-24 Amendment #2	6/30/2024 Actuals Annualized	Variance: CY Budget PY Budget	Variance %: CY Budget - PY Budget	Variance: CY Budget - PY Actuals	Variance %: CY E
	2025	2024	2024	2025	2025	2025	2025
Interest Income	9,897,930	10,118,418	10,045,717	(220,488)	-2%	(147,787)	-1%
Interest on Investments & Securities	3,925,900	3,577,794	3,577,785	348,106	10%	348,115	10%
Loan & Commitment Fees	449,400	418,542	435,587	30,858	7%	13,813	3%
5130 OPERATING INCOME	4,635,000	4,315,076	4,375,147	319,924	7%	259,853	6%
5135 TBA TRANSACTION FEES	1,540,000	2,059,083	2,087,344	(519,083)	-25%	(547,344)	-26%
5290 MF ADMINISTRATIVE FEES	318,912	250,796	290,437	68,116	27%	28,475	10%
5500 ADMINISTRATIVE FEE INCOME	3,322,356	3,927,403	3,937,004	(605,048)	-15%	(614,648)	-16%
Administrative Fee Income (Exp)	9,816,267	10,552,358	10,689,930	(736,091)	-7%	(873,663)	-8%
Risk Sharing/Guaranty/RTC fees	248,048	50,338	61,423	197,710	393%	186,624	304%
Housing Program Income	2,422,045	1,764,177	2,269,366	657,868	37%	152,679	7%
Loan Servicing Income	9,956,770	10,137,304	10,174,193	(180,534)	-2%	(217,423)	-2%
Other Operating Income	-	-		-	<u> </u>	-	
Operating Revenues	36,716,360	36,618,931	37,254,002	97,429	0%	(537,641)	-1%
Gain (Loss) Asset Sale/Debt Ex	-	-	1,574,906	-		(1,574,906)	-100%
Other Non-operating Income	100	60,235	135,372	(60,135)	-100%	(135,272)	-100%
Non-Operating Revenues	100	60,235	1,710,278	(60,135)	-100%	(1,710,178)	-100%
evenue	36,716,460	36,679,166	38,964,279	37,294	0%	(2,247,819)	-6%
Salaries =	7,837,121	8,323,579	7,152,484	(486,458)	-6%	684,637	10%
Overtime	24,269	31,885	45,470	(7,616)	-24%	(21,200)	-47%
Incentives	680,175	714,768	712,202	(34,594)	-5%	(32,027)	-4%
Payroll taxes, Employee Benefits	4,247,507	4,381,069	3,425,298	(133,562)	-3%	822,209	24%
Compensation	12,789,072	13,451,302	11,335,454	(662,229)	-5%	1,453,619	13%
Business Meals Expense	13,570	13,900	2,557	(330)	-2%	11,013	431%
6150 PUBLIC INFORMATION	279,321	209,021	152,898	70,300	34%	126,423	83%
6151 PUBLIC INFO-LUNCHEONS	16,065	12,385	6,992	3,680	30%	9,073	130%
6152 PUBLIC INFO-ANNUAL REPORT	· -	-	•	-		· -	
6153 PUBLIC INFO-NEWSLETTER	5,000	5,000		-	0%	5,000	
6166 PUBLIC INFO-PROMOTIONAL G	52,500	21,000	17,853	31,500	150%	34,647	194%
6167 PUBLIC INFO-CO-SPONSOR EVE		32,000	43,855	12,000	37%	145	0%
6168 PUBLIC INFO-ADVERTISING	82,503	82,503	67,217	-	0%	15,286	23%
Public Information	479,389	361,909	288,815	117,480	32%	190,574	66%
In-State Travel	173,331	141,581	89,019	31,750	22%	84,313	95%
6175 OUT OF STATE TRAVEL-NCSHA	64,000	120,879	84,275	(56,879)	-47%	(20,275)	-24%
6176 OUT OF STATE TRAVEL-OTHER	188,523	193,191	60,133	(4,668)	-2%	128,390	214%
Out-of-State Travel	252,523	314,070	144,408	(61,547)	-20%	108,115	75%
Travel & Public Information	918,813	831,460	524,800	87,353	11%	394,014	75%
Utilities/Property Taxes	124,800	210,562	171,843	(85,762)	-41%	(47,043)	-27%
Leasehold Expense							
Insurance, Property & Liability	260,694	245,510	281,335	15,184	6%	(20,641)	-7%
Repairs, Maintenance & Leases	1,406,238	1,709,334	1,319,780	(303,096)	-18%	86,458	7%
Supplies	33,996	34,700	30,930	(704)	-2%	3,066	10%
Postage/Express mail	38,112	45,600	53,689	(7,488)	-16%	(15,577)	-29%
Telephone	28,864	29,501	16,231	(637)	-2%	12,633	78%
Janitorial	44,600	89,139	43,244	(44,539)	-50%	1,356	3%
	,	,	•	, ,,		,	12

GENERAL FUND DETAILED Fiscal Year 2023-2024 Budget

Proposed 6/30/2024 Budget FY2024-25 Budget FY2023-24 Actuals Annualized Variance: CY Budget Variance %: CY Variance: CY Budget -Variance %: CY Detail Amendment #2 **PY Budget Budget - PY Budget PY Actuals Budget - PY Actuals** 2025 2024 2024 2025 2025 2025 2025 Indirect Costs (82.059) (38,776)(72.481)(43.282)112% (9.577)13% 1% 1,855,245 2,325,571 1,844,572 (470, 325)-20% Office Expenses 10,673 6% 1% **Dues & Periodicals** 80,560 80,097 76,047 463 4,513 22,097 164 1% 122% 6390 EDUCATION, CONT. EDUCATIO 22,261 10,029 12,232 -30% 6405 EDUCATION, NCSHA 25,750 36,660 32,067 (10,910)(6,317)-20% 84.941 44.532 45 0% 40.454 91% 6410 EDUCATION. STAFF SEMINARS 84,986 0% 6395 EDUCATION, COMPUTER TRAIN 29,495 29,495 29,495 **Education & Training** 162,492 173,193 86,628 (10,701)-6% 75,864 88% 1,458,632 106,943 7% 53% Contractual Services 1,565,575 1,021,613 543,961 -30% Professional Services-Program 102,400 115,900 146,371 (13,500)-12% (43,971)6455 LENDER COMPENSATION 4.000.000 3.986.346 0% 0% 4.000.000 13.654 6521 DIRECT SERVICING EXPENSES 86,097 86,097 77,055 0% 9,042 12% 6522 SUB-SERVICING EXPENSES 3,840,000 3,890,650 3,830,222 (50,650)-1% 9,778 0% 500,000 528,387 405,717 -5% 23% 6523 Repurchased Loan Expenses (28,387)94,283 6945 GNMA COMMITMENT FEE 34,250 53,713 34,261 -36% 0% (19,463)(11)8.460.347 8,558,847 8.333.600 -1% 2% **Direct Servicing Expenses** (98,500)126.747 374,042 Program Expense-Other 324,365 277,824 46,541 17% (49,677)-13% Rebate Analysis Fees 1,590 1,590 0% 1,590 Miscellaneous 44,000 (44,000)-100% 10,697,329 10,666,083 10,082,302 31,246 0% 615,027 6% Other Operating Expense 2% 3.984.372 4.011.679 3.896.414 (27.307)-1% 87.958 Interest Expense 700,000 715,000 558,208 -2% 25% Provision for Loan Losses (15,000)141,792 Amort Serv Rights & Depreciation 2,973,574 2.681.718 2.694.095 291,856 11% 279,479 10% 3,673,574 3,396,718 3,252,303 276,856 8% 421,271 13% Non-Cash Expenses 1% -12% **Expensed Assets** 174,250 173,350 198,817 900 (24,567)**Operating Expenses** 34,092,656 34.856.162 31.134.661 (763,506)-2% 2,957,995 10% **Program Training & Tech Asst** 117,417 103,242 198,524 14,175 14% (81,107)-41% **Program Development** 136,358 136,300 174,830 0% (38,472)-22% 58 6% **Capacity Building Costs** 253,775 239.542 373,354 14,233 (119,579)-32% **Non-Operating Expenses** 253,775 239,542 373,354 14,233 6% (119,579)-32% 31,508,015 (749,273)-2% 9% Expenses 34,346,431 35,095,704 2,838,416 2,370,029 1,583,462 7,456,264 786,567 50% (5,086,235) -68% **Excess Revenue over Expenses**

TAB D

Building Insurance/General Liability		9/30/2025 Budget	9/30/2024 Budget	9/30/2024 Projected
Executive D&O/Network/Employment Liability	Insurance, Property, and Liability		Duuget	Flojecteu
Executive D&O/Network/Employment Liability	Ruilding Insurance/General Liability	\$30,208	\$33.461	
Executive D&O/Network/Employment Liability 169,688 165,269 Umbrella 10,436 10,436 10,436 Fin Inst (Fidelity Bond)/Mort Protection 35,394 34,321	•		•	
Umbrella 10,436 10,436 34,321	- 10.00			
Fin Inst (Fidelity Bond)/Mort Protection 35,394 34,321 Total Proposed Insurance Budget \$260,694 \$245,510 \$281,335 Proposed Insurance Budget \$260,694 \$245,510 \$281,335 Proposed Insurance Budget \$260,694 \$245,510 \$281,335 Proposed Repairs & Maintenance \$30 \$4,848 \$4,848 \$4,848 \$4,848 \$4,849 \$			•	
Poposed Repairs & Maintenance Poposed Repairs and Maintenance Poposed Repairs Annual Inspection of fire equipment Poposed Repairs and Maintenance		·	•	
Poposed Repairs & Maintenance Poposed Repairs and Maintenance Poposed Repairs Annual Inspection of fire equipment Poposed Repairs and Maintenance	Total Bronocod Incurance Budget	\$260.604	\$245 510	\$204 22E
Repairs & Maintenance Repairs & Repa	Total Proposed Insurance Budget	\$200,694	\$245,510	
344 4th Street Building Landscape \$0 \$4,848				
Elevator maintenance \$0 \$4,848	Repairs & Maintenance			
Elevator maintenance 0 3,080 Plant Care Supplies 0 300 Heating & Cooling 0 7,380 Exterminator 0 465 Security System 0 1,717 Miscellaneous Maintenance/Plumbing/Electrical 0 3,200 Jefferson Building		A .c.	***	
Plant Care Supplies 0 300 Heating & Cooling 0 7,380 Exterminator 0 465 Security System 0 1,717 Miscellaneous Maintenance/Plumbing/Electrical 0 3,200 Jefferson Building	•	•	•	
Heating & Cooling 0			•	
Exterminator 0	· ·			
Security System			•	
Miscellaneous Maintenance/Plumbing/Electrical 0 3,200 Jefferson Building 11,300 Elevator maintenance 7,152 11,300 Elevator maintenance 12,146 3,000 Heating & Cooling 71,560 20,400 Snow Removal 700 0 Tree Removal 2,000 0 Plant Care/Design 5,940 0 Pothole Repair 250 0 Window cleaning 2,400 0 Exterminator 1,800 3,300 Office Park 0 8,000 Electrical Repairs 0 3,384 Fire Inspections 0 5,000 Parking Lot 0 3,000 Miscellaneous Maintenance 3,000 21,690 Proposed Repairs & Maintenance \$106,948 \$100,064 Equipment \$2,040 \$6,300 Purchased Vehicle Maintenance 3,000 0 Annual inspection of fire equipment 840 2,580 Copier repairs and maint				
Jefferson Building 7,152 11,300 Elevator maintenance 12,146 3,000 Heating & Cooling 71,560 20,400 Snow Removal 700 0 Tree Removal 2,000 0 Plant Care/Design 5,940 0 Pothole Repair 250 0 Window cleaning 2,400 0 Exterminator 1,800 3,300 Office Park 0 8,000 Electrical Repairs 0 3,384 Fire Inspections 0 5,000 Parking Lot 0 3,000 Miscellaneous Maintenance 3,000 21,690 Proposed Repairs & Maintenance \$106,948 \$100,064 Equipment 9 \$6,300 Purchased Vehicle Maintenance 3,000 0 Annual inspection of fire equipment 840 2,580 Copier repairs and maintenance 0 36,300 Computer hardware & software 1,293,410 1,564,090 Proposed Repairs	* *		•	
Landscape 7,152 11,300 Elevator maintenance 12,146 3,000 Heating & Cooling 71,560 20,400 Snow Removal 700 0 Tree Removal 2,000 0 Plant Care/Design 5,940 0 Pothole Repair 250 0 Window cleaning 2,400 0 Exterminator 1,800 3,300 Exterminator 1,800 3,300 Office Park 0 8,000 Electrical Repairs 0 3,384 Fire Inspections 0 5,000 Parking Lot 0 3,000 Miscellaneous Maintenance 3,000 21,690 Proposed Repairs & Maintenance \$106,948 \$100,064 Equipment Postage Meter \$2,040 \$6,300 Purchased Vehicle Maintenance 3,000 0 Annual inspection of fire equipment 840 2,580 Copier repairs and maintenance 0 36,300 Computer hardware & software 1,293,410 1,564,090 Proposed Repairs and Maintenance, Equipment, Budget \$1,299,290 \$1,609,270		0	3,200	
Elevator maintenance		7.152	11.300	
Heating & Cooling 71,560 20,400 Snow Removal 700 0 0 1 1 1 1 1 1 1	•		•	
Snow Removal 700 0 Tree Removal 2,000 0 Plant Care/Design 5,940 0 Pothole Repair 250 0 Window cleaning 2,400 0 Exterminator 1,800 3,300 Office Park 0 8,000 Electrical Repairs 0 3,384 Fire Inspections 0 5,000 Parking Lot 0 3,000 Miscellaneous Maintenance 3,000 21,690 Proposed Repairs & Maintenance \$106,948 \$100,064 Equipment \$2,040 \$6,300 Purchased Vehicle Maintenance 3,000 0 Annual inspection of fire equipment 840 2,580 Copier repairs and maintenance 0 36,300 Computer hardware & software 1,293,410 1,564,090 Proposed Repairs and Maintenance, Equipment, Budget \$1,299,290 \$1,609,270			•	
Tree Removal 2,000 0 Plant Care/Design 5,940 0 Pothole Repair 250 0 Window cleaning 2,400 0 Exterminator 1,800 3,300 Office Park 0 8,000 Electrical Repairs 0 3,384 Fire Inspections 0 5,000 Parking Lot 0 3,000 Miscellaneous Maintenance 3,000 21,690 Proposed Repairs & Maintenance \$106,948 \$100,064 Equipment Postage Meter \$2,040 \$6,300 Purchased Vehicle Maintenance 3,000 0 Annual inspection of fire equipment 840 2,580 Copier repairs and maintenance 0 36,300 Computer hardware & software 1,293,410 1,564,090 Proposed Repairs and Maintenance, Equipment, Budget \$1,299,290 \$1,609,270		•		
Plant Care/Design 5,940 0 Pothole Repair 250 0 Window cleaning 2,400 0 Exterminator 1,800 3,300 Office Park 0 8,000 Electrical Repairs 0 3,384 Fire Inspections 0 5,000 Parking Lot 0 3,000 Miscellaneous Maintenance 3,000 21,690 Proposed Repairs & Maintenance \$106,948 \$100,064 Equipment Postage Meter \$2,040 \$6,300 Purchased Vehicle Maintenance 3,000 0 0 Annual inspection of fire equipment 840 2,580 Copier repairs and maintenance 0 36,300 Computer hardware & software 1,293,410 1,564,090 Proposed Repairs and Maintenance, Equipment, Budget \$1,299,290 \$1,609,270		2.000		
Pothole Repair 250 0 Window cleaning 2,400 0 Exterminator 1,800 3,300 Office Park 0 8,000 Electrical Repairs 0 3,384 Fire Inspections 0 5,000 Parking Lot 0 3,000 Miscellaneous Maintenance 3,000 21,690 Proposed Repairs & Maintenance \$106,948 \$100,064 Equipment Postage Meter \$2,040 \$6,300 Purchased Vehicle Maintenance 3,000 0 Annual inspection of fire equipment 840 2,580 Copier repairs and maintenance 0 36,300 Computer hardware & software 1,293,410 1,564,090 Proposed Repairs and Maintenance, Equipment, Budget \$1,299,290 \$1,609,270				
Window cleaning 2,400 0 Exterminator 1,800 3,300 Office Park 0 8,000 Electrical Repairs 0 3,384 Fire Inspections 0 5,000 Parking Lot 0 3,000 Miscellaneous Maintenance 3,000 21,690 Proposed Repairs & Maintenance \$106,948 \$100,064 Equipment 90 \$6,300 Purchased Vehicle Maintenance 3,000 0 Annual inspection of fire equipment 840 2,580 Copier repairs and maintenance 0 36,300 Computer hardware & software 1,293,410 1,564,090 Proposed Repairs and Maintenance, Equipment, Budget \$1,299,290 \$1,609,270		•		
Exterminator 1,800 3,300 Office Park 0 8,000 Electrical Repairs 0 3,384 Fire Inspections 0 5,000 Parking Lot 0 3,000 Miscellaneous Maintenance 3,000 21,690 Proposed Repairs & Maintenance \$106,948 \$100,064 Equipment Postage Meter \$2,040 \$6,300 Purchased Vehicle Maintenance 3,000 0 Annual inspection of fire equipment 840 2,580 Copier repairs and maintenance 0 36,300 Computer hardware & software 1,293,410 1,564,090 Proposed Repairs and Maintenance, Equipment, Budget \$1,299,290 \$1,609,270	•			
Office Park 0 8,000 Electrical Repairs 0 3,384 Fire Inspections 0 5,000 Parking Lot 0 3,000 Miscellaneous Maintenance 3,000 21,690 Proposed Repairs & Maintenance \$106,948 \$100,064 Equipment Postage Meter \$2,040 \$6,300 Purchased Vehicle Maintenance 3,000 0 0 Annual inspection of fire equipment 840 2,580 Copier repairs and maintenance 0 36,300 Computer hardware & software 1,293,410 1,564,090 Proposed Repairs and Maintenance, Equipment, Budget \$1,299,290 \$1,609,270	_		*	
Electrical Repairs 0 3,384 Fire Inspections 0 5,000 Parking Lot 0 3,000 Miscellaneous Maintenance 3,000 21,690 Proposed Repairs & Maintenance \$106,948 \$100,064 Equipment \$2,040 \$6,300 Purchased Wehicle Maintenance 3,000 0 Annual inspection of fire equipment 840 2,580 Copier repairs and maintenance 0 36,300 Computer hardware & software 1,293,410 1,564,090 Proposed Repairs and Maintenance, Equipment, Budget \$1,299,290 \$1,609,270		•	•	
Fire Inspections 0 5,000 Parking Lot 0 3,000 Miscellaneous Maintenance 3,000 21,690 Proposed Repairs & Maintenance \$106,948 \$100,064 Equipment Postage Meter \$2,040 \$6,300 Purchased Vehicle Maintenance 3,000 0 Annual inspection of fire equipment 840 2,580 Copier repairs and maintenance 0 36,300 Computer hardware & software 1,293,410 1,564,090 Proposed Repairs and Maintenance, Equipment, Budget \$1,299,290 \$1,609,270			•	
Parking Lot 0 3,000 Miscellaneous Maintenance 3,000 21,690 Proposed Repairs & Maintenance \$106,948 \$100,064 Equipment \$2,040 \$6,300 Postage Meter \$2,040 \$6,300 Purchased Vehicle Maintenance 3,000 0 Annual inspection of fire equipment 840 2,580 Copier repairs and maintenance 0 36,300 Computer hardware & software 1,293,410 1,564,090 Proposed Repairs and Maintenance, Equipment, Budget \$1,299,290 \$1,609,270	•			
Miscellaneous Maintenance 3,000 21,690 Proposed Repairs & Maintenance \$106,948 \$100,064 Equipment \$2,040 \$6,300 Purchased Vehicle Maintenance 3,000 0 Annual inspection of fire equipment 840 2,580 Copier repairs and maintenance 0 36,300 Computer hardware & software 1,293,410 1,564,090 Proposed Repairs and Maintenance, Equipment, Budget \$1,299,290 \$1,609,270				
Equipment Postage Meter Postage Meter Purchased Vehicle Maintenance Annual inspection of fire equipment Copier repairs and maintenance Computer hardware & software Proposed Repairs and Maintenance, Equipment, Budget \$2,040 \$6,300 0 0 3,000 0 0 36,300 1,293,410 1,564,090 \$1,609,270		3,000	•	
Postage Meter \$2,040 \$6,300 Purchased Vehicle Maintenance 3,000 0 Annual inspection of fire equipment 840 2,580 Copier repairs and maintenance 0 36,300 Computer hardware & software 1,293,410 1,564,090 Proposed Repairs and Maintenance, Equipment, Budget \$1,299,290 \$1,609,270	Proposed Repairs & Maintenance	\$106,948	\$100,064	
Postage Meter \$2,040 \$6,300 Purchased Vehicle Maintenance 3,000 0 Annual inspection of fire equipment 840 2,580 Copier repairs and maintenance 0 36,300 Computer hardware & software 1,293,410 1,564,090 Proposed Repairs and Maintenance, Equipment, Budget \$1,299,290 \$1,609,270	Equipment			
Purchased Vehicle Maintenance 3,000 0 Annual inspection of fire equipment 840 2,580 Copier repairs and maintenance 0 36,300 Computer hardware & software 1,293,410 1,564,090 Proposed Repairs and Maintenance, Equipment, Budget \$1,299,290 \$1,609,270		\$2.040	\$6.300	
Annual inspection of fire equipment 840 2,580 Copier repairs and maintenance 0 36,300 Computer hardware & software 1,293,410 1,564,090 Proposed Repairs and Maintenance, Equipment, Budget \$1,299,290 \$1,609,270				
Copier repairs and maintenance 0 36,300 Computer hardware & software 1,293,410 1,564,090 Proposed Repairs and Maintenance, Equipment, Budget \$1,299,290 \$1,609,270			2,580	
Computer hardware & software 1,293,410 1,564,090 Proposed Repairs and Maintenance, Equipment, Budget \$1,299,290 \$1,609,270			•	
		1,293,410	•	
Total Proposed Repairs & Maintenance Budget \$1,406,238 \$1,709,334 \$1,319,780	Proposed Repairs and Maintenance, Equipment, Budget	\$1,299,290	\$1,609,270	
	Total Proposed Repairs & Maintenance Budget	\$1,406,238	\$1,709,334	\$1,319,780

Budget Detail Reports.xlsx 8/23/2024

	9/30/2025 Budget	9/30/2024 Budget	9/30/2024 Projected
Contractual Services			
Legislative Counsel	\$110,000	\$55,000	
Bank Charges & Payroll Processing	76,905	67,006	
Classified Ads & Moving Expense	12,381	52,600	
Office Operations - Misc Contracted Services	8,317	32,837	
External Audit	258,923	246,640	
Internal Audit & Quality Control Audit	159,950	159,950	
Supervisor Training	4,000	6,500	
Harassment Training	800	1,800	
Drug and Alcohol Training	0	1,800	
Diversity Training	800	0	
Mortgage Servicing Rights Valuation	71,610	24,000	
Investment Advisor	40,000	40,000	
CSG	25,000	0	
Informations Systems Technical Support (Advanced Network Mgmt)	96,900	96,900	
Information Systems Ardham Technologies	5,000	5,000	
Penetration Testing (Ivanti)	22,000	22,000	
Information Systems Managed Services	43,920	43,920	
Advanced Network Management (T&A)	5,000	5,000	
GoSecure	32,641	32,641	
Mitas	10,000	02,041	
Marketing Videography Contract	65,000	0	
Servicing Expansion Consultant	30,000	30,000	
CAPER Consultant	50,000	50,000	
REDW Homeownership training consultant	8,740	8,740	
MFA Rebrand Campaign	10,000	10,000	
PBCA Procurement Consultant	40,000	40,000	
Housing Development Consultant/Preservation Specialist	10,000	10,000	
Multifamily Financial Advisor	15,000	10,000	
Program(s) Review Consultant Training/Tribal	0	5,000	
Low Income Housing Tax Credit Consulting	10,000	10,000	
MSR Valuation and Pricing Grid	24,000	0	
MOR Valuation and Frieing Orid	24,000	Ū	
Legal Counsel - General Fund/Bond	318,688	318,688	
Total Proposed Contractual Services Budget	\$1,565,575	\$1,458,632	\$1,021,613
	9/30/2025	9/30/2024	9/30/2024
	Budget	Budget	Projected
Program Professional Services			
Metasource	\$40,500	\$40,500	
Environmental Review/HUD Training	25,000	0	
Davis Bacon Compliance	0	25,000	
Market Update	3,000	3,000	
Statewide Housing Strategy Consultant	25,000	25,000	
Rent Comparability Studies	3,500	17,000	
Property Inspections (REAC)	5,400	5,400	
Total Proposed Program Professional Services Budget	\$102,400	\$115,900	\$146,371

Budget Detail Reports.xlsx 8/23/2024

	9/30/2025 Budget	9/30/2024 Budget	9/30/2024 Projected
Training & Technical Assistance	<u> </u>	Duuget	Projected
Energy\$mart/WAP Program Training	\$43,517	\$43,517	
EHAP Training	2,000	2,000	
RAP Training	2,000	2,000	
HOME RFP Training/Focus Groups	1,000	1,000	
HOPWA Training	2,000	2,000	
BHC RFP Training/Focus Groups (Linkages)	2,000	2,000	
Continuum of Care Technical Assistance	2,000	2,000	
Youth Demonstrative Program Technical Assistance	2,000	2,000	
Landlord Mitigation Training	1,000	1,825	
Public Meetings	1,500	1,500	
T&TA Initiatives	20,000	20,000	
Realtor & Lender Training	5,800	5,800	
QAP Training	3,000	2,000	
Public Hearings	400	400	
Developers Forum	600	600	
Tribal Training	0	1,000	
Development Training	2,000	2,000	
Focus group meetings	600	600	
Fair Housing	20,000	5,000	
Ross Business Development (Section 8)	5,000	5,000	
Zeffert & Associates (LIHTC)	1,000	1,000	
Proposed Training & Technical Assistance Budget	\$117,417	\$103,242	\$198,525
	9/30/2025 Budget	9/30/2024 Budget	9/30/2024 Projected
Capacity Building & Program Development			
Resource Development	\$10,058	\$10,000	
Tribal Housing Initiatives	0	3,000	
Emerging Developer Initiative	3,000	0,000	
NCNMEDD/THP/Other Contracts	60,000	60,000	
NM Coalition to End Homelessness	40,000	40,000	
SWCOG	12,000	12,000	
HOME Match Contribution	11,300	11,300	
Proposed Program Development Budget	\$136,358	\$136,300	174,830
Total Proposed Capacity Building Budget	\$253,775	\$239,542	\$373,354

Budget Detail Reports.xlsx 8/23/2024

	9/30/2025 Budget	9/30/2024 Budget	9/30/2024 Projected
CAPITALIZED ASSETS:			
Mortgage Servicing			
Mortgage Servicing Rights	\$4,496,920	\$4,861,732	
Proposed Mortgage Servicing Rights Budget	\$4,496,920	\$4,861,732	\$4,576,995
Fixed Assets			
Document Vault	\$0	\$65,000	
Conference Room Setup	150,000	40,324	
Jefferson Building Furnishings	75,000	778,500	
Conference Rooms	155,000	0	
CDD Vehicle Purchase	54,500	0	
Jefferson HVAC Software License	85,000	0	
Equipment	519,500	883,824	19,829
Jefferson Building	0	3,442,189	2,617,388
Proposed Capitalized Fixed Assets	\$519,500	\$4,326,013	\$2,637,217
Total Proposed Capital Budget	\$5,016,420	\$9,187,745	\$7,214,212
EXPENSED ASSETS:			
Computer Hardware			
Thin Clients/Laptop/Tablets/PC's	\$100,000	\$100,000	
Desktop Headsets	14,750	14,750	
Desktop Docking Stations	5,200	5,200	
Monitors	11,700	11,700	
Cables & Adaptors	9,500	9,500	
PC Repairs	10,000	10,000	
Mouse/Keyboards/Batteries/Misc.	6,500	6,500	
Proposed Computer Hardware Budget	\$157,650	\$157,650	
Computer Software and Licenses			
MITAS Modifications	\$5,200	\$8,200	
Windows Server License	10,500	7,500	
Proposed Computer Software Budget	\$15,700	\$15,700	
Furniture and Equipment			
Vari Desks @450x2	\$900	\$0	
Proposed Furniture and Equipment Budget	\$900	\$0	
Proposed Expensed Assets:	\$174,250	\$173,350	\$198,817

Budget Detail Reports.xlsx 9/4/2024

New Mexico

AFFORDABLE HOUSING CHARITABLE TRUST

TO: MFA Board of Directors

Through: Finance Committee – September 10, 2024

Through: Policy Committee – September 3, 2024

FROM: Joseph McIntyre, Controller

DATE: September 18, 2024

SUBJECT: FY 2024-2025 NM Affordable Housing Charitable Trust Budget

Recommendation:

Staff recommends approval of the budget as reflected on the attached schedule.

Background:

The New Mexico Affordable Housing Charitable Trust is a legally separate trust for which the MFA Board provides oversight.

Discussion:

Attached is the proposed budget for the New Mexico Affordable Housing Charitable Trust for FY 2024-2025. Revenue is projected at \$71,101, and the expense budget is projected at \$67,522, resulting in a FY 2024-2025 budgeted excess revenue over expenses of 3,579.

Reduction in expenses is primarily in compensation for employees administering the program.

Summary:

The NM Affordable Housing Charitable Trust Budget is recommended for approval. Revenue is projected at \$71,101, and the expense budget is projected at \$67,252, resulting in a FY 2024-2025 budgeted excess revenue over expenses of \$3,579.

NEW MEXICO AFFORDABLE HOUSING CHARITABLE TRUST Fiscal Year 2024-2025 Budget

	Proposed		6/30/2024				
	Budget FY2024-25	Budget FY2023-24 Amendment #2	Actuals Annualized	Variance: CY Budget - PY Budget	Variance %: CY Budget - PY Budget	Variance: CY Budget - PY Actuals	Variance %: CY Budget - PY Actuals
	2025	2024	2024	2025	2025	2025	2025
Interest on Investments & Securities	670	10	669	660	6600%	1	0%
Administrative Fee Income (Exp)	25,000	25,000		-	0%	25,000	
Operating Revenues	25,670	25,010	669	660	3%	25,001	3739%
Grant Award Income	45,431	82,000	254,338	(36,569)	-45%	(208,907)	-82%
Non-Operating Revenues	45,431	82,000	254,338	(36,569)	-45%	(208,907)	-82%
Revenue	71,101	107,010	255,007	(35,909)	-34%	(183,906)	-72%
Salaries	36,367	70,036	32,899	(33,669)	-48%	3,468	11%
Overtime	1	0		0	83%	1	
Incentives	3,126	5,958		(2,832)	-48%	3,126	
Payroll taxes, Employee Benefits	16,894	40,290	15,589	(23,396)	-58%	1,305	8%
Compensation	56,388	116,285	48,488	(59,897)	-52%	7,901	16%
Travel & Public Information	1,463	-	640	1,463		823	129%
Leasehold Expense Insurance, Property & Liability Repairs, Maintenance & Leases Supplies Postage/Express mail Telephone							
Janitorial							
Indirect Costs	8,671	12,429	4,920	(3,758)	-30%		76%
Office Expenses	8,671	12,429	4,920	(3,758)	-30%		769
Contractual Services	-	5,000	520	(5,000)	-100%	(520)	-100%
Program Expense-Other		2,000		(2,000)	-100%	(500)	1000
Other Operating Expense		7,000	520	(7,000)	-100%	(520)	-100%
Non-Cash Expenses				/			
Operating Expenses	66,522	135,714	54,567	(69,191)	-51%	11,955	22%
Capacity Building Costs	1,000	1,000		-	0%	1,000	
Grant Expense	-	-	406,389	-		(406,389)	-100%
Non-Operating Expenses	1,000	1,000	406,389	-	0%	(405,389)	-100%
Expenses	67,522	136,714	460,956	(69,191)	-51%	(393,434)	-85%
Excess Revenue over Expenses	3,579	(29,704)	(205,949)	33,282	-112%	209,528	-102%



TO: MFA Board of Directors

Through: Finance Committee – 9/10/2024

Through: Policy Committee – 9/3/2024

FROM: Joseph McIntyre, Controller

DATE: 9/18/2024

SUBJECT: Housing Opportunity Fund Appropriations

Recommendation:

As specified on the attached Resolution, staff recommends \$1,931,000 be appropriated to Down Payment Assistance via transfer from Access Loan Program and an appropriation of new funds in the amount of \$5,000,000 be allocated to the DPA program to meet FY 2025 anticipated need of \$13,860,000. Staff also recommends that excess funds of \$276,000 in the Primero Loan program and the remaining \$8,000 from the Access Loan Program be transferred to the Partners Loan program. A new appropriation of \$1,945,000 would also be required to meet FY 2025 projected need of \$2.5 million.

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 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 has not allocated new appropriations to the HOF since FYE 2020.

The DPA loan program has exhausted all available appropriations due to ongoing demand in the program resulting in a need for funds of \$6,931,000 through 9/30/25 to support anticipated demand. MFA currently has \$81.4 million in the DPA portfolio loans on its Statement of Net Position, earning approximately 5.5%. This program supports MFA's mission by providing statewide DPA to borrowers that have limited financial resources.

The Partners Loan program is also anticipated to exhaust all available appropriations due to anticipated needs of \$2.5 million in FY 2025. While these loans are generally amortizing with no interest, the Partners Loan program provides housing opportunities to some of the most vulnerable New Mexicans across the State.

The Primero Loan program has funding available via the NM Small Business Investment Corporation which can meet the anticipated need of \$3.5 million in FY 2025.

Discussion:

The attached schedule summarizes the appropriations, uses, and projections for each program in the General Fund HOF as of 6/30/2024. Staff has estimated the availability of "Funds Required to meet Demand" for each of the programs that comprise the General Fund HOF. Staff also estimated the "Anticipated Need" for the programs through 9/30/2025 as well as the "Estimated Repayments" through 9/30/2025. Based on these estimates, funds will be necessary to support demand in the DPA Loan program and the Partners Loan Program; however, there are excess funds available in the Access Loan program, the Primero Loan program.

As of 7/31/2024, MFA has \$48.6 million in General Fund reserves which have been designated for use in the Single Family and Multifamily housing programs.

Summary:

To meet anticipated demand, Staff recommends the following appropriations:

- 1. \$6,931,000 to Down Payment Assistance funded through a new appropriation of \$5 million and transfer of \$1,931,000 from the Access Loan Program
- 2. \$2,229,000 to the Partners Loan Program funded by \$276,000 from the Primero Loan Program, \$8,000 from the Access Loan Program, and a new appropriation of \$1,945,000.

New Mexico Mortgage Finance Authority Housing Opportunity Fund

REQUEST

7/31/2024

Description	Primero Loans	Primero Loans	Partners Loans	DPA	HERO	Access	Emergency	Total
		PRLF			1st Mortgages	Loans	Housing Needs	
Original Appropriation:	514,041	1,399,000	2,929,000	68,411,684	1,013,056	23,417,000	500,000	98,183,781
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		3,125,000						3,125,000
NM Small Business Investment Corp.	3,500,000							3,500,000
Used for:								
Funded Loans	(19,052,318)	(2,232,932)	(13,953,415)	(172,316,764)	(9,258,705)	(31,522,224)	0	(248,371,358)
Repayments	18,911,422	442,752	11,568,493	90,963,228	8,245,649	9,493,974	0	139,660,518
Funded Grants							(53,390)	(53,390)
Totals	4,736,145	2,733,821	544,078	(1,484,439)	(0)	1,388,750	446,610	8,364,965
Total Unused Appropriations:		-	;	-		-		8,364,965
Commitments:	1,000,000	2,817,068	629,436	827,444	0	0	125,000	5,398,948
Available:	3,736,145	(83,248)	(85,358)	(2,311,883)	(0)	1,388,750	321,610	2,966,017
PROJECTIONS FOR FISCAL YEAR 2024-:	2025:							
Anticipated Need thru 9/30/2025	3,500,000	0	2,500,000	13,860,000	0	0	321,610	20,181,610
Estimated Repayments	40,000	83,000	356,000	9,242,020	0	550,000	0	10,271,020
Funds Required to meet Demand	(276,000)	-	2,229,000	6,931,000	-	(1,939,000)	-	6,945,000
Board Appropriation Request	(276,000)	0	2,229,000 0.00	6,931,000 0.00		(1,939,000)	0	6,945,000

SUMMARY UPON APPROVAL:

 Loans & Guaranties Outstanding
 108,710,840

 Unused Appropriations
 15,309,965

 Grants
 53,390

 Total Appropriations
 124,074,194

NEW MEXICO MORTGAGE FINANCE AUTHORITY (MFA) RESOLUTION

WHEREAS the New Mexico Mortgage Finance Authority Board of Directors (the "Board") met in a Regular meeting held in Santa Fe, New Mexico on September 28,2024 at 9:30 a.m.; and

WHEREAS New Mexico's nonprofit organizations, public and tribal agencies often have inadequate funding to initiate the development of affordable and/or special needs housing projects; and

WHEREAS the legislated responsibility of the MFA is to help provide decent, safe and affordable housing to all New Mexicans; and

WHEREAS the Board has \$1,939,000 of unused appropriation in the Access Loan Program; and

WHEREAS the Board has \$276,000 of unused appropriation in the Primero Loans program; and

WHEREAS the Board Desires to appropriate \$5,000,000 of General Fund reserves to the DPA Loan Program and \$1,945,000 of General Fund reserves to the Partners Loan Program

IT IS RESOLVED that the MFA Board agrees to the following appropriations:

- 1. \$1,931,000 to the DPA Loan Program to be transferred from the Access Loan Program
- 2. \$284,000 to the Partners Loan Program of which \$276,000 to be transferred from the Primero Loan Program and \$8,000 from the Access Loan Program
- 3. \$5,000,000 in new appropriation to the DPA Loan Program from General Fund reserves
- 4. \$1,945,000 in new appropriation to the Partners Loan Program from General Fund reserves

After discussion	, the foregoing Re	esolution was	duly moved by	, and
seconded by	; ad	opted by the fo	ollowing vote:	
	Aye	Nay	Absent	

Date Adopted: September 18, 2024



Housing New Mexico/ MFA

Contracted Services/Credit Committee Meeting

Tuesday, September 10, 2024 @ 10:00 am

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

	AGENDA ITEM	TIME ALLOTTED	COMMITTEE RECOMMENDED	BOARD ACTION REQUIRED
1	Tierra Encantada – Tax Credit Assistance Program (TCAP) Grant Request – Josh Howe & George Maestas	10:00-10:10	2-0	YES
2	Vado New Horizons Phase IB – Primero Investment Fund Loan Request – Josh Howe & George Maestas	10:10- 10:20	2-0	YES
3	64 th Street - New Mexico Affordable Housing Tax Credit Allocation Request – Justin Carmona & George Maestas	10:20- 10:30	2-0	YES
4	Housing Innovation Award Recommendation – Las Cruces – Daniela Freamon, Sonja Unrau & Robyn Powell	10:30-10:40	2-0	YES
5	Housing Innovation Award Recommendation – Village of Ruidoso – Daniela Freamon, Sonja Unrau & Robyn Powell	10:40-10:50	2-0	YES
6	Housing Innovation Award Recommendation - Forget Me Not Veteran's Park- Daniela Freamon & Robyn Powell	10:50- 11:00	2-0	YES
7	Recommendation to Approve Government Relations Request for Proposal – Robyn Powell	11:00- 11:10	2-0 Move to Board Without	YES
<u>In</u>	formational Items Questions/comments from Committee	11:10- 10:20	Recommendation	NO

Committee Members present:			
Rebecca Wurzburger, Chair	□ present	□ absent	☑ conference call
Attorney General Raul Torrez/Designee Jullie Ann Meade	□ present	□ absent	☑ conference call

Fidoro Horrandes



TO: Board of Directors

THROUGH: Contracted Services Committee September 10, 2024

Policy Committee September 3, 2024

FROM: Robyn Powell, Director of Policy and Planning

DATE: September 18, 2024

SUBJECT: Recommendation to Approve Government Relations Request for

Proposal

Recommendation:

Staff recommends approval of the Government Relations Request for Proposals.

Background:

Currently, Housing NM | MFA (MFA) retains one government relations provider who supports MFA's interests as well as legislative and advocacy priorities at the state level. There is a desire to retain additional provider(s) who have the necessary experience to provide additional support throughout the year.

Discussion:

MFA seeks a government relations provider(s) to provide the following governmental services:

- 1. Provide advice and counsel in formulating and assisting in drafting the MFA's legislative priorities prior to the beginning of each legislative session and during the interim.
- 2. Assist MFA staff in scheduling advocacy and education meetings and events with key legislators throughout the year.
- 3. Represent the MFA and advocate its legislative goals at the New Mexico state legislature and with the executive branch during regular legislative sessions, special sessions, at interim legislative committee meetings and hearings as necessary, and throughout the year as requested by MFA staff.
- 4. Provide to designated MFA staff member(s), including designated MFA

- Governmental Services contract administrator, timely analyses of proposed legislation that may impact or otherwise affect the MFA, its business operations or housing programs, and monitor such legislation and represent the MFA's interests as appropriate.
- 5. Monitor and attend relevant legislative sessions and committee meetings (including interim committee meetings) and provide timely reports to MFA on bill status and other legislative matters impacting MFA activities.
- 6. Arrange meetings for MFA staff with individual legislators as requested by MFA.
- 7. Attend MFA Legislative Oversight Committee meetings and meet with MFA members, officers, staff and General Counsel as requested by MFA.
- 8. Monitor regulatory agencies' activities affecting MFA interests and provide timely reports to MFA staff, as requested by MFA.
- 9. Arrange meetings for MFA staff with regulatory agency commissioners or other key staff, as requested by MFA.

MFA staff intend to adhere to the following procurement schedule:

Activity	Date, 2024	
PC RFP review	September 3	
Contracted Services Committee RFP review	September 10	
Board RFP review	September 18	
Publish RFP	September 18	
RFP submission deadline	October 25	
Preliminary award recommendations to PC	November 5	
Final award recommendation to Contracted Services Committee	November 12	
Final award recommendation to MFA Board	November 20	

Summary:

In order to provide additional support for state level advocacy work, staff recommends approval of the Government Relations Request for Proposals. Staff intends to make award recommendations at the November Board of Directors meeting.

Housing NM | MFA Request for Proposals for Consultant for Governmental Services

Part I: Background & General Information

Introduction

The New Mexico Mortgage Finance Authority – which rebranded to Housing New Mexico last month – was created in 1975 by the New Mexico State Legislature to provide quality affordable housing opportunities for all New Mexico residents. MFA is a governmental instrumentality, separate and apart from the state, created by the Mortgage Finance Authority Act, NMSA Sections 58-18-1 to 27 for the purpose of financing affordable housing for low- and moderate-income New Mexico residents.

The MFA has a full-time staff which administers its numerous programs, including the following state-funded programs:

- Regional Housing Authorities Act oversight;
- Affordable Housing Act oversight;
- New Mexico Housing Trust Fund oversight;
- Weatherization Assistance Program; and
- Homeless programs.

Purpose

The purpose of this Request for Proposals (RFP) is to solicit proposals, in accordance with the MFA Procurement Policy, from qualified offerors who, by reason of their skill, knowledge, and experience can provide MFA with governmental services, advice and representation on a continual basis throughout the year ("Offerors").

MFA expects to enter into one or more contract(s) with the successful Offeror(s), which contract(s) may be for one or two years and shall allow MFA the option to renew for one or two years. Successful Offerors may not obligate funds, incur expenses, or otherwise implement services prior to the execution of a contract with MFA.

Questions and Answers

Questions pertaining to this RFP and application must be submitted via email to sgonzales@housingnm.org. The email subject should read "Consultant for Governmental Services RFP". Questions can be submitted from September 19, 2024 through October 24, 2024. MFA will make every attempt to answer questions within two (2) business days.

Proposal Submission

Proposal submissions must be received no later than October 25, 2025 at 5:00 p.m., Mountain Time. Proposals which are not received by this time will not be accepted.

Proposals may only be submitted via email and must be emailed to sgonzales@housingnm.org with a subject line of "Proposal to Provide Governmental Services."

Proposal Tenure

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

RFP Revisions and Supplements

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

Incurred Expenses

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

Cancellation of Requests for Proposals or Rejection of Proposals

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

Offeror's Rights to Withdraw Proposal

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

Evaluation of Proposals, Selection and Negotiation

Proposals will be evaluated by an Internal Review Committee made up of MFA staff using the criteria listed in Part II Minimum Qualifications and Requirements, Part III Services to be Performed, and Part IV Compensation, below, pursuant to the Evaluation Criteria and scoring shown in Part V, Evaluation Criteria. The evaluation will include interviews of Offerors that meet the Minimum Qualifications and Requirements as described in Part II. MFA's Policy Committee shall review and approve the recommendation of the Internal Review Committee. Final selection of Offeror(s) shall be made by the MFA Board of Directors.

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

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

Award Notice

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

Proposal Confidentiality

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

MFA will not disclose, discuss or otherwise make available the contents of any proposal to competing or potential Offerors prior to the expiration of the protest period, which in the event a protest is presented, shall not occur until after final determination by the Board of Directors.

<u>Irregularities in Proposals</u>

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

Responsibility of Offerors

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

Protest

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

Stephanie Gonzales, Research and Development Manager sgonzales@housingnm.org

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

No appeal of the determination shall be allowed. Applicants or their representatives shall not communicate with members of MFA's Board of Directors, or any MFA staff member regarding any application under

consideration, except when specifically permitted to present testimony to the MFA Policy Committee. An application will be deemed ineligible if the Applicant or any person or entity acting on behalf of the Applicant attempts to influence members of the MFA Board of Directors or MFA staff during any portion of the RFP review process or does not follow the prescribed application and protest process.

Application Confidentiality

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

Part II: Minimum Qualifications and Requirements

Selected Offerors must meet the following requirements:

- 1. Offeror shall provide a written statement disclosing: (1) any political contribution or gift valued in excess of \$250.00 (singularly or in the aggregate) made by Offeror to any elected official of the State of New Mexico in the last three years, (2) any current or proposed business transaction between Offeror and any MFA member, officer, or employee, and (3) any other conflict or potential conflict which may give rise to a claim of conflict of interest.
- 2. Offeror shall provide a written statement disclosing any pending investigation, litigation, recent settlements, or regulatory sanctions related to its performance of professional services during the past five years and involving Offeror's firm or employees, or individuals or organizations involved with Offeror through any third-party or joint venture agreements. Describe any circumstances under which Offeror's firm or any of Offeror's members or employees have been disciplined by any professional licensing, regulatory or ethics entity. Indicate whether Offeror's firm has been involved in any capacity in litigation, investigations or regulatory proceedings involving HUD, U.S. Department of the Treasury, the State of New Mexico or any agency thereof.
- 3. A Written certification that Offeror has read and shall at all times conduct itself in a manner consistent with MFA's Third Party Code of Conduct (https://housingnm.org/uploads/documents/Third Party Code of Conduct.pdf).
- 4. Offeror shall provide a written certification that Offeror is an Equal Opportunity Employer and complies fully with all government regulations regarding nondiscriminatory employment practices.
- 5. Offeror shall provide a written certification that Offeror is eligible to participate in any and all federal- or state funded housing programs; is not currently facing disciplinary action by any federal, state or local entity; is not suspended, debarred or excluded from participation in any federal or state funded housing program; and is not listed as an excluded party (ies) on the System for Award Management's list of excluded parties accessed at www.sam.gov.; and has not been debarred by MFA.
- 6. All Offerors must be in compliance with the provisions of the New Mexico Lobbyist Regulation Act, §2-11-1 NMSA 1978 et seq.

Part III: Services to be Performed

As requested by MFA, Governmental Services REQUIRED to be provided and which shall be incorporated into the contract to be awarded pursuant to this RFP include, but are not limited to, the following:

- 1. Provide advice and counsel in formulating and assisting in drafting MFA's legislative priorities prior to the beginning of each legislative session and during the interim.
- 2. Assist MFA staff in scheduling advocacy and education meetings and events with key legislators throughout the year.
- 3. Represent MFA and advocate its legislative goals at the New Mexico state legislature and with the executive branch during regular legislative sessions, special sessions, at interim legislative committee meetings and hearings as necessary, and throughout the year as requested by MFA staff.
- 4. Provide to designated MFA staff member(s), including designated MFA Governmental Services contract administrator, timely analyses of proposed legislation that may impact or otherwise affect MFA, its business operations or housing programs, and monitor such legislation and represent MFA's interests as appropriate.
- 5. Monitor and attend relevant legislative sessions and committee meetings (including interim committee meetings) and provide timely reports to MFA on bill status and other legislative matters impacting MFA activities.
- 6. Arrange meetings for MFA staff with individual legislators as requested by MFA.
- 7. Attend MFA Legislative Oversight Committee meetings and meet with MFA members, officers, staff and General Counsel as requested by MFA.
- 8. Monitor regulatory agencies' activities affecting MFA interests and provide timely reports to MFA staff, as requested by MFA.
- 9. Arrange meetings for MFA staff with regulatory agency commissioners or other key staff, as requested by MFA.

Part IV: Compensation

Fee basis should be an all-inclusive, fixed-fee based on completion of service. Offeror must also state in their submission how long the Offeror can hold the all-inclusive fixed-fee for service with the minimum amount of time being two (2) years from the date of proposal and should address how increases will be negotiated. If selected, contracts with Offerors must reflect the all-inclusive, fixed-fee for service. Billing on the project should occur on a frequency to be negotiated with successful Offeror(s) and will be based on proposed fixed-fee for service.

Part V: Evaluation Criteria

MFA shall award the contract for Governmental Services to the Offeror(s) whose proposal is most advantageous to MFA. Proposals that meet the Minimum Qualifications and Requirements shall be evaluated primarily on experience and fees. Proposals shall be scored on a scale of 1 to 100 based on the criteria listed below. Please note that a serious deficiency in any one criterion may be grounds for rejection regardless of overall score.

Criteria	Point	Maximum
	Range	Points
1. <u>Legislative and Regulatory Experience and Capability</u> . Offeror's experience as a legislative and regulatory advocate in the State of New Mexico, including Offeror's demonstrated familiarity with the New Mexico legislative and regulatory processes, ability to work with elected officials and ability to generate legislative and regulatory results, as well as other broad based support for legislation. Additionally, Offeror's experience as a legislative advocate in New Mexico for non-profit social purpose agencies.	0-35	35
2. <u>Responsiveness to MFA</u> . Offeror's ability to deliver timely, quality lobbying services during legislative sessions and throughout the year, and Offeror's availability for consultation and discussion at MFA's discretion.	0-20	20

3. Knowledge of MFA as well as Affordable Housing Issues and Funding		
Sources. Offeror's experience with or understanding of the housing and/or	0-10	10
mortgage lending industry in New Mexico and the issues surrounding		
affordability, including programs and funding sources available. Additionally,		
Offeror's knowledge of MFA and the MFA Act, § 58-18-1 NMSA 1978 et seq.		
4. <u>References</u> .	0-5	5
5. <u>Interview</u> .	0-10	10
6. <u>Fee Structure</u> . Offeror's proposed all-inclusive, fixed-fee and rate schedule	0-20	20
of standard expenses		
Maximum Points		100

Part VI: Proposal Format and Instructions to Offeror

Proposals are limited to **10 single-sided pages**. Proposals submitted to MFA must, at a minimum, contain the following information and shall be organized as follows:

- 1. Letter of Transmittal to include at least the following:
 - A. Name, address and telephone number of Offeror and name of contact person.
 - B. The location of Offeror's main office and the locations of any of Offeror's branch offices.
 - C. A signature of the Offeror or any partner, officer or employee who certifies that he or she has the authority to bind the Offeror.
 - C. Date of proposal.
 - D. A statement that the Offeror, if awarded the contract, will comply with the contract terms and conditions set forth in this RFP.
 - E. A statement describing how long the Offeror can hold the proposed cost with the minimum being two (2) years from initial agreement execution.
 - F. A statement that the Offeror's proposal is valid for ninety (90) days after the deadline for submission of proposals.
- 2. Disclosure and Certifications Offeror shall provide:
 - A. A written statement disclosing: (1) any political contribution or gift valued in excess of \$250.00 (singularly or in the aggregate) made by Offeror to any elected official of the State of New Mexico in the last three years, (2) any current or proposed business transaction between Offeror and any MFA member, officer, or employee, and (3) any other conflict or potential conflict which may give rise to a claim of conflict of interest.
 - B. A written statement disclosing any pending investigation, litigation, recent settlements, or regulatory sanctions related to Offeror's performance of professional services during the past five years and

involving Offeror's firm or employees, or individuals or organizations involved with Offeror through any third-party or joint venture agreements. Describe any circumstances under which Offeror's firm or any of Offeror's members or employees have been disciplined by any professional licensing, regulatory or ethics entity. Indicate whether Offeror's firm has been involved in any capacity in litigation, investigations or regulatory proceedings involving HUD, U.S. Department of the Treasury, the State of New Mexico or any agency thereof.

- C. A Written certification that Offeror has read and shall at all times conduct itself in a manner consistent with MFA's Third Party Code of Conduct (https://housingnm.org/uploads/documents/Third Party Code of Conduct.pdf).
- D. A written certification that Offeror is an Equal Opportunity Employer and complies fully with all government regulations regarding nondiscriminatory employment practices.
- E. A written certification that Offeror is eligible to participate in any and all federal- or state funded housing programs; is not currently facing disciplinary action by any federal, state or local entity; is not suspended, debarred or excluded from participation in any federal or state funded housing program; and is not listed as an excluded party (ies) on the System for Award Management's list of excluded parties accessed at www.sam.gov.; and has not been debarred by MFA.
- F. A statement certifying that:
 - i. All expenditure statements ("Statements") required to be filed with the Secretary of State pursuant to the term of the Lobbyist Regulation Act for the last three years have been filed;
 - ii. Copies of all accounts, bills, receipts, books, papers and documents ("Records") necessary to substantiate the financial statements required to be made under the Lobbyist Regulations Act are being maintained as required; and
 - iii. Offeror, upon request by MFA, will make available to MFA and permit MFA to examine and make copies of such Statements and Records in the course of considering Offeror's proposal pursuant to this RFP and during the course of Offeror's contract with MFA if Offeror is the successful Bidder.
- G. If Offeror is a non-profit organization, Offeror will provide MFA with proof that Offeror has registered with the New Mexico Attorney General's Registry of Charitable Organizations. If Offeror is a Successful Offeror, Offeror shall keep such registry current for so long as the term of any contract entered into between Offeror and MFA as a result of this RFP.
- 3. Legislative and Regulatory Experience and Capability
 - A. Lobbying Experience. A detailed description of Offeror's qualifications and experience as a lobbyist in the State of New Mexico, including the number of years Offeror has been involved in New Mexico legislative activities.
 - B. Legislative or Regulatory Initiatives. A list of legislative or regulatory initiatives in which Offeror played a significant role in bringing to fruition (i.e., legislation passed, appropriations approved), describing Offeror's role with regard to each initiative.
 - C. Support Services. A description of Offeror's technical capabilities and administrative support.

- D. Public Entity Clients. A list of state or local housing agencies, other governmental entities or non-profit social purpose agencies for which Offeror has registered and worked as a lobbyist.
- E. A list of other clients for whom Offeror has registered and worked as a lobbyist in New Mexico within the last ten (10) years.
- F. The names and resumes of the lead contact and other key personnel to be assigned to the account. Resumes describing the qualifications of personnel to be utilized in the performance of Offeror's services for MFA must show, at a minimum, the person's name, education, position, and total years and types of experience relevant to the performance of the services.

4. Responsiveness to MFA

- A. Offeror's proposal for delivering services, including organization of responsibilities, work plan, approach, and the availability of personnel for consultation and discussion, as necessary to serve the needs of MFA.
- B. A detailed description of Offeror's technical capabilities to provide responsive and professional services to MFA if the contract were awarded to Offeror (e.g., ability to prepare and respond to documents in a timely manner, expertise of administrative support staff, etc.).
- C. Future Clients. A list of any clients for whom Offeror expects to lobby in the 2025 New Mexico legislative session or for whom Offeror has filed a registration statement pursuant to the Lobbyist Regulation Act, and a statement of the time expected to be committed to each client.
- 5. Knowledge of MFA as well as Affordable Housing Issues and Funding Sources
 - A. Affordable Housing. A statement describing Offeror's knowledge of affordable housing issues in New Mexico and funding sources available to address those issues.
 - B. A statement describing Offeror's knowledge of MFA's enabling legislation, business operations and loan programs.
 - C. A description of the Offeror's involvement in the housing and/or mortgage lending industry, including any organizations with which the Offeror may be affiliated with.

6. References

- A. Offeror shall provide at least three references for Offeror's work. Please provide the name of the individual providing reference, company, address, telephone number and email.
- B. MFA shall provide the form attached hereto as **Exhibit A** to all references. Each reference shall send the form directly to MFA rather than through the Offeror.

7. Fee Structure

- A. Provision of all-inclusive, fixed fee based on completion of service
- B. Proposed billing frequency

- C. Information regarding Offeror's ability to provide detailed monthly billings summarized by subject matter and a sample itemized bill
- D. A list of all of Offeror's employees, including support staff, who are to work on the MFA account
- E. Whether Offeror's proposed fees are the best offered by Offeror to any client for a comparable scope of consultation
- *All Offerors are responsible for determining fees or costs associated with doing business in New Mexico and those costs must be included as part of the proposal.
- 8. Please provide any other relevant information which will assist MFA in evaluating Offeror's ability to provide Governmental Services to MFA.

Part VII: Principal Contract Terms and Conditions

In addition to the terms respecting the services to be performed and compensation described above, the contract between MFA and the successful Offeror(s) (herein "Contractor") shall include, but may not be limited to, terms substantially similar to the following:

Contract Term. The term of the Governmental Services Contract shall begin the date the MFA Board of Directors approves the award and end on the first or second anniversary date thereafter, at MFA's discretion. At MFA's option, the contract may be extended for two one year periods (or one two year period) under the same terms and conditions. There will be a transition period for matters in process at the beginning and the end of the contract term.

Hold Harmless and Indemnification. Offeror shall indemnify, defend, and hold harmless MFA and the State of New Mexico, its officers, directors, agents, employees, successors and permitted assigns (each, a "MFA Indemnitee") from and against any and all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs or expenses of whatever kind, including attorneys' fees, that are incurred by a MFA Indemnitee (collectively, "Losses") arising out of or related to any third party claim alleging (i) breach or non-fulfillment of any provision of this Agreement by Offeror or Offeror's personnel; (ii) any negligent or more culpable act or omission of Offeror or Offeror personnel, including any reckless or willful misconduct, in connection with the performance of Offeror's obligations under this Agreement; (iii) any bodily injury, death of any person, or damage to real or tangible, personal property resulting from willful, fraudulent, or negligent acts or omissions of Offeror or Offeror personnel, or (iv) any failure by Offeror or its personnel to comply with any applicable federal, state or local laws, regulations, or codes in the performance of its obligations under this Agreement. Offeror shall further defend, indemnify, and hold harmless the MFA Indemnitees from and against any and all claims that any of the Services or deliverables or MFA's receipt or use thereof infringes any intellectual property right of a third party.

<u>Permitted Subcontractors</u>. Offeror shall obtain MFA's written approval, which approval shall be given in MFA's sole discretion, prior to entering into any agreements with or otherwise engaging any person, including all subcontractors, other than Offeror's employees, to provide any Services to MFA (each such approved subcontractor or other third party, a "Permitted Subcontractor"). MFA's approval shall not relieve Offeror of its obligations under the Agreement, for any reason, including but not limited to Permitted Subcontractor's bankruptcy, insolvency, or other inability to perform the services required under any subcontract, an Offeror shall remain fully responsible for the performance of each such Permitted Subcontractor and its employees and for their compliance with all of the terms and conditions of this Agreement as if they were Offeror's own employees. Nothing contained in this Agreement shall create any contractual relationship

between MFA and any Permitted Subcontractor or supplier. Offeror shall require each such Permitted Subcontractor to be bound in writing by the confidentiality and intellectual property assignment provisions of this Agreement.

Records. Maintain complete and accurate records relating to the provision of the Services under this Agreement, including records of the time spent and materials used by Offeror in providing the Services in such form as MFA shall approve. During the Term and for a period of five years thereafter, upon MFA's written request, Offeror shall allow MFA or MFA's representative to inspect and make copies of such records and interview Offeror personnel in connection with the provision of the Services. MFA shall have the right to audit bills submitted to MFA under this Agreement both before and after payment. Payment under this Agreement shall not foreclose the right of MFA to recover excessive and/or illegal payments.

<u>Payment</u>. Payment shall be made to Offeror at the times, and in the amounts, that shall be set forth in a Service Agreement between MFA and Offeror.

Insurance. Offeror shall procure and maintain at its expense until final payment by MFA for Services covered by this Agreement, insurance in the kinds and amounts hereinafter provided with insurance companies authorized to do business in the state of New Mexico, covering all operations under this Agreement, whether performed by the Offeror or its agents. Before commencing the Services, and on the renewal of all coverages, the Offeror shall furnish to MFA a certificate or certificates, providing for not less than thirty (30) days' notice to MFA of non-renewal or cancellation, in form satisfactory to MFA showing that it has complied with this Sub-Section. Various types of required insurance may be written in one or more policies. With respect to all coverages required other than workers' compensation, MFA shall be named an additional insured. Kinds and amounts of insurance required are as follows:

- i. Commercial General Liability insuring the activities of Offeror under this Agreement with limits no less than \$750,000 per occurrence and \$750,000 in the aggregate, and with a claim/aggregate deductible in an amount reasonable for a firm of Offeror's size and financial condition, in a form acceptable to MFA.
- ii. Professional Liability covering all liabilities and risks inherent in Offeror's performance of the services required under this Agreement, with limits no less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate and with a claim/aggregate deductible in an amount reasonable for a firm of Offeror's size and financial condition, in a form acceptable to MFA.

Equal Opportunity Data. The Offeror will maintain data relative to "Equal Opportunity" as related to Minority Business Enterprises ("MBE") and Women Business Enterprises ("WBE"). At a minimum, such data shall include the number and dollar value of MBE/WBE contracts and subcontracts awarded. This data is required to be reported to MFA annually in the format prescribed by MFA and is due to MFA each year at a time to be determined by MFA in its sole discretion.

<u>Third-Party Code of Conduct</u>. At all times during the term of this Agreement, while in the performance of the Services, and at all other times when in contact with MFA staff, Contractor and its personnel, shall behave in a manner consistent with the MFA Third-Party Code of Conduct. A copy of the MFA's Third-Party Code of Conduct is posted on the MFA web site for review at https://housingnm.org/uploads/documents/Third-Party-Code of Conduct.pdf.

<u>Termination for Cause</u>. MFA, by written notice to the Contractor, shall have the right to suspend or terminate this Agreement if, at any time, in the judgment of MFA, the Contractor materially fails to comply with any term of this Agreement.

<u>Termination for Convenience of MFA</u>. On thirty (30) calendar day's written notice to Offeror, MFA may terminate this Agreement in whole or in part for its own convenience. In the event of a termination for convenience, MFA shall terminate

this Agreement by delivering to Offeror notice of termination without cause specifying the extent to which performance of services under this Agreement is terminated and the date upon which such termination becomes effective. Within ten (10) calendar days of the effective date of termination, Offeror shall deliver to MFA all materials developed under this Agreement. Upon delivery of such notice, Offeror shall have the right to receive payment for services satisfactorily performed to termination date, including reimbursement then due.

Good Standing. All Offerors must be in good standing with MFA and all other state and federal affordable housing agencies. For example, debarment from HUD, MFA or other federal housing programs, bankruptcy, criminal indictments or convictions, poor performance on prior MFA or federally-financed Projects on the part of any Offeror may result in termination of this Agreement.

Independent Offeror. The nature of the Offeror's and its staff's relationship to MFA will be that of an independent contractor, and the Offeror will not be deemed an agent, employee or servant of MFA. The compensation agreed upon by MFA and the Offeror will not be subject to withholding from taxes, F.I.C.A., or otherwise, and nothing in this Agreement burdens MFA with the duties of an employer concerning the Offeror and its staff under any state worker's compensation laws, state or federal occupational health and safety laws, or any other state or federal laws. The Offeror and its staff will not participate in any of the fringe benefits generally made available by MFA to its officers or employees. MFA will not provide the Offeror office space, clerical help, office supplies or the like except as mutually agreed to by MFA and the Offeror. Nothing contained in this Agreement shall be construed as creating any agency, partnership, joint venture, or other form of joint enterprise, employment, or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever.

Assignment. Offeror shall not assign or transfer any obligation or interest in this Agreement, or assign any claims for money due or to become due under this Agreement, without prior written approval of MFA. No assignment shall relieve Offeror of any of its obligations hereunder. Any attempted assignment, transfer, or other conveyance in violation of the foregoing shall be null and void. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

Intellectual Property Rights; Ownership. MFA is, and shall be, the sole and exclusive owner of all right, title, and interest in and to the deliverables provided pursuant to the provision of the Services, including all Intellectual Property Rights therein. Offeror agrees, and will cause its Offeror personnel to agree, that with respect to any deliverables that may qualify as "work made for hire" as defined in 17 U.S.C. §101, such deliverables are hereby deemed a "work made for hire" for MFA. To the extent that any of the Deliverables do not constitute a "work made for hire", Offeror hereby irrevocably assigns, and shall cause the Offeror personnel to irrevocably assign to MFA, in each case without additional consideration, all right, title, and interest throughout the world in and to the deliverables, including all Intellectual Property Rights therein. The Offeror shall cause the Offeror personnel to irrevocably waive, to the extent permitted by applicable law, any and all claims such Offeror personnel may now or hereafter have in any jurisdiction to so-called "moral rights" or rights of droit moral with respect to the deliverables. Upon the request of MFA, Offeror shall, and shall cause the Offeror personnel to, promptly take such further actions, including execution and delivery of all appropriate instruments of conveyance, as may be necessary to assist MFA to prosecute, register, perfect, or record its rights in or to any deliverables.

Confidential Information. Simultaneous herewith, Offeror shall enter into a Non-Disclosure Agreement with MFA under which Offeror shall agree Offeror will not, during the term of this Agreement, or thereafter, without the written consent of MFA, disclose to anyone, or use for Offeror's own account, any confidential information concerning the businesses or affairs of MFA. Offeror will retain all such knowledge and information respecting such confidential information in trust for the sole benefit of MFA. Upon termination of this Agreement, Offeror will deliver to MFA all writings relating to or containing confidential information or destroyed with destruction certified by the receiving Party.

Remedies. Offeror recognizes that irreparable injury would be caused by any breach of any of the provisions of this Agreement by Offeror. MFA, in addition to all other rights and remedies at law or equity as may exist in its favor, will have the right to enforce the specific performance of the provisions of this Agreement and to apply for injunctive relief against any act that would violate any such provisions. Offeror shall reimburse MFA for all costs and expenses, including reasonable attorney fees incurred by MFA by reason of Offeror's breach of this Agreement. Nothing herein shall be read to limit Offeror's remedies in the event of a breach of this Agreement by the MFA.

<u>Licenses/Compliance with Laws and Regulations</u>. Before the date on which the Services are to start, obtain, and at all times during the Term of this Agreement maintain, all necessary licenses and consents and comply with all relevant laws applicable to the provision of the Services.

Compliance with MFA Rules, Regulations and Policies. Comply with, and ensure that all Offeror personnel comply with, all rules, regulations, and policies of MFA that are communicated to Offeror in writing, including security procedures concerning systems and data and remote access thereto, building security procedures, and general health and safety practices and procedures.

Governing Law and Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of New Mexico without giving effect to any choice or conflict of law provision or rule that would cause the application of laws of any jurisdiction other than those of the State of New Mexico. Any legal suit, action, or proceeding arising out of, or related to, this Agreement or the Services provided hereunder shall be instituted exclusively in the federal courts of the United States or the courts of the State of New Mexico in each case located in the city of Albuquerque and County of Bernalillo, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, or proceeding.

Attorneys' Fees and Costs. In the event either party brings an action or proceeding for the declaration of the rights of the parties under this Agreement, for injunctive relief, for an alleged breach or default hereof, or any other legal action arising out of this Agreement, or the transactions contemplated hereby, or in the event any party is in default of its obligations pursuant hereto, the prevailing party shall be entitled to reasonable attorneys' fees and costs.

New Mexico Mortgage Finance Authority

Board Members

Chair Angel Reyes – President, Centinel Bank in Taos
Vice Chair – Derek Valdo – Chief Executive Officer, AMERIND Risk
Treasurer Rebecca Wurzburger – Strategic Planning Consultant
Member Howie Morales – Lieutenant Governor, State of New Mexico
Member Raul Torrez – Attorney General, State of New Mexico
Member Laura Montoya – Treasurer, State of New Mexico
Member Patricia Sullivan – Associate Dean, New Mexico State University College of Engineering

Management

Isidoro Hernandez, Executive Director Arundhati Bose, Chief Financial Officer Donna Maestas-De Vries, Chief Housing Officer Jeff Payne, Chief Lending Officer

EXHIBIT A

ORGANIZATIONAL REFERENCE QUESTIONNAIRE

The New Mexico Mortgage Finance Authority, as part of the RFP process, requires Offerors to submit at least three references for Offeror's work for clients providing advice and counsel with respect to legislative and regulatory matters. The purpose of these references is to document Offeror's experience relevant to the scope of work in an effort to establish Offeror's responsibility. MFA will send the following reference form to each business reference listed in Offeror's proposal.

Governmental Services RFP

ORGANIZATIONAL REFERENCE QUESTIONNAIRE FOR:

_		completion as a business reference for the company named above. This age Finance Authority via e-mail at:
Name: E-mail:	Stephanie Gonzales sgonzales@housingnm.o	org
reference.		ntain Time and must NOT be returned to the company requesting the ease contact the individual first named above.
Company provi	ding reference:	
	and title/position:	
Contact telepho		
Contact e-mail		
Description of s	services provided:	
Dates services ending):	provided (starting and	
1. How would yo	ou rate the timeliness of wo	ork conducted and information requested?
(3=Ex	cellent 2=Satisfactory 1=U	nsatisfactory 0=Unacceptable)
COMMENTS:		

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

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

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

COMMENTS:

(3=Excellent 2=Satisfactory 1=Unsatisfactory 0=Unacceptable)
COMMENTS:
4. How would you rate the value added to your organization through the Offeror's recommendations?
(3=Excellent 2=Satisfactory 1=Unsatisfactory 0=Unacceptable)
COMMENTS:
5. With which aspect(s) of this Offeror's services are you most satisfied?
COMMENTS:
6. With which aspect(s) of this Offeror's services are you least satisfied?
COMMENTS:
7. Would you recommend this Offeror's services?
COMMENTS:





Through: Contracted Services Committee on September 10, 2024 **Through:** New Mexico Housing Trust Fund Advisory Committee on

September 9, 2024

Through: Policy Committee on August 29, 2024

FROM: Daniela Freamon, Program Manager

Sonja Unrau, Sr. Research and Development Manager

DATE: September 18, 2024

SUBJECT: Recommendation to Award \$1,500,000 to the City of Las Cruces

Application Under the Housing Innovation Notice of Funding

Availability

Recommendation:

Staff recommends awarding a \$1,500,000 grant to the City of Las Cruces Application Under the Housing Innovation Notice of Funding Availability (NOFA) for Amador Housing Complex, a permanent supportive housing development.

Background:

The Housing Innovation Program NOFA was approved by the MFA Board of Directors in September 2023 as a resource to address housing needs that are currently not being served through other MFA programs and an opportunity for eligible applicants to fund a community tailored housing solution. Through this NOFA, MFA assists underserved populations, to cultivate new partnerships, and to fund projects that may be scalable.

Discussion:

The City of Las Cruces applied to the Housing Innovation Program on July 18, 2024, requesting \$1,500,000 grant funding for the Amador Housing Complex. Amador Crossing will be a 50-unit permanent supportive housing project for special needs populations located adjacent to the campus of the Mesilla Valley Community of Hope on a 4.8-acre site. The City is partnering with Mesilla Valley Community of Hope, who will qualify and refer potential tenants to the complex.

The primary population will be small households and individuals that are at-risk or homeless with a primary focus on those with less than 80% AMI. Most residents will be utilizing tenant-based rental subsidies, while others will be renting until other units become available in the community; or the family/individual finds permanent housing.

Staff recommend waiving the \$500,000 maximum award to assist with the urgent need for permanent supportive housing. Additionally, staff recommend awarding the funding as a grant rather than a loan because any income collected through rents will be re-invested in supportive services to ensure successful tenancy of a high needs population.

The applicant provided the following budget:

Project Cost Activity	Housing Innovation Program Award	Leverage Funding	Gap	Total
Site Development		\$635,817		\$635,817
Utilities		\$423,878		\$423,878
Construction of Facility	\$1,000,000	\$2,453,011	\$2,163,373	\$5,616,384
Interior/Exterior Finish	\$500,000	\$2,679,085		\$3,179,085
Punch List/Close- Out		\$741,787		\$741,787
Contingency		\$1,589,543		\$1,589,543
GRT		\$854,379		\$854,379
Total	\$1,500,000	\$9,377,500	\$2,163,373	\$13,040,873

Leverage Funding Source	Amount
2024 Capital Outlay Appropriation	\$5,377,500
Las Cruces Health Care Reserve Fund	\$4,000,000
Total Leverage Funding Sources	\$9,377,500

Summary:

Recommendation to Award \$1,500,000 to the City of Las Cruces Application Under the Housing Innovation Notice of Funding Availability for Amador Housing Complex, a permanent supportive housing development.





Through: Contracted Services Committee on September 10, 2024 **Through:** New Mexico Housing Trust Fund Advisory Committee on

September 9, 2024

Through: Policy Committee on August 20, 2024

FROM: Daniela Freamon, Program Manager

Sonja Unrau, Senior Research and Development Manager

DATE: September 18, 2024

SUBJECT: Recommendation to Award \$1,000,000 to Village of Ruidoso

Application Under the Housing Innovation Notice of Funding

Availability

Recommendation:

Staff recommends the approval of a \$1,000,000 grant funding award to the Village of Ruidoso under the Housing Innovation Program Notice of Funding Availability (NOFA) for workforce housing development. The funding source of the Housing Innovation Program is the New Mexico Housing Trust Fund, therefore staff recommends approval by Housing New Mexico, as Trustee of the New Mexico Housing Trust Fund.

Background:

The Housing Innovation Program NOFA was approved by the Housing New Mexico Board of Directors in September 2023 as a resource to address housing needs that are currently not being served through other Housing New Mexico programs and as an opportunity for eligible applicants to fund community tailored housing solutions.

Discussion:

Per the Scoring Committee review, the Village of Ruidoso met all threshold requirements and scored sufficient points to merit an award in response to the emergency state caused by the South Fork and Salt Fires and subsequent flooding. The natural disasters have significantly impacted the Ruidoso and Mescalero areas, affected an estimated 1,400 structures and destroyed at least 500 primary residences.

The Village has utilized \$3 million in state funding to purchase modular housing units from Champion, which they have begun to place on land they own. The site is currently home to 21 rental units, all managed and operated by the Village. Housing Innovation funds are being requested for infrastructure costs related to adding 10 units to the site. There are two 2-bedroom units at 1,1165 sq. ft. and eight 3-bedroom units at 1,477 sq. ft. Infrastructure costs will include utility hookups, construction of retaining walls and all other final site development and is scheduled to be completed within the next 90 days

Initially, the Village applied for funding prior to the fire and subsequent flooding to provide housing for local residents. The Village is now more invested in ensuring that these housing units will provide housing for residents who work within the Village.

Due to the executive order emergency declaration (EO 2024-034) signed by Governor Michelle Lujan Grisham on June 18, 2024, Housing New Mexico staff recommend the following policy exceptions for the award:

- Allow for a \$1 million award rather than \$500,000 so that the project may be urgently completed.
- Provide the award as a grant rather than a loan so that the Village can
 reinvest program income into its housing trust fund. Doing so will allow the
 Village to continue to expand affordable housing opportunities despite lost
 tax revenue associated with the emergency. The Village will be required to
 report program income amounts and uses as they receive and reinvest funds.
- Increase tenant income limits to 285% area median income (AMI) rather than 150% AMI to retain a workforce population in a high-cost area.

Recommended Award	# of Units			
\$1,000,000	10			

Summary:

Housing New Mexico staff recommend awarding grant funding in the amount of \$1,000,000 to the Village of Ruidoso under the Housing Innovation NOFA for the purpose of infrastructure to support workforce housing development.





Through: Contracted Services Committee on September 10, 2024 **Through:** New Mexico Housing Trust Fund Advisory Committee on

September 9, 2024

Through: Policy Committee on September 4, 2024

FROM: Daniela Freamon, Program Manager

Sonja Unrau, Senior Research and Development Manager

DATE: September 18, 2024

SUBJECT: Recommendation to Award \$375,000 to Forget Me Not Veteran's

Park Application Under the Housing Innovation Notice of Funding

Availability

Recommendation:

Staff recommend the approval of a \$375,000 grant funding award to Forget Me Not Veteran's Park under the Housing Innovation Program Notice of Funding Availability (NOFA) to address site infrastructure needs and add 5 homes to house homeless veterans. The funding source of the Housing Innovation Program is the New Mexico Housing Trust Fund, therefore staff recommends approval by Housing New Mexico, as Trustee of the New Mexico Housing Trust Fund.

Background:

The Housing Innovation Program NOFA was approved by the Housing New Mexico Board of Directors in September 2023 as a resource to address housing needs that are currently not being served through other Housing New Mexico programs and as an opportunity for eligible applicants to fund community tailored housing solutions.

Discussion:

Per the Scoring Committee review, the Forget Me Not Veteran's Park met all threshold requirements and scored sufficient points to merit an award.

Forget Me Not Veteran's Park is a non-profit organization located between Socorro and Truth or Consequences, New Mexico that provides housing solutions for homeless veterans in the area. Since opening in November of 2022, the non-profit has demonstrated significant project execution capabilities by constructing a mess hall, shared restrooms, and 10 tiny homes, all of which are available to veterans. They also offer comprehensive support services, including job training programs and mental health services, ensuring a holistic approach to veterans' reintegration into society. The Park is seeking funding to address infrastructure needs for 10 existing homes and the addition of 5 homes to the site.

Recommended Award	# of Units			
\$375,000	15			

Summary:

Housing New Mexico staff recommend awarding grant funding in the amount of \$375,000 to the Forget Me Not Veteran's Park under the Housing Innovation NOFA to address site infrastructure needs and add 5 homes to house homeless veterans.

2024 RENTAL AWARD SUMMARY TAX CREDIT ASSISTANCE PROGRAM (TCAP)

Project Name & Address	Tierra Encantada Apartments 805 Clark Ave., Anthony, Doña Ana County, NM 88021						
	\$100,000 Tax Credit Assistance Program (TCAP) Grant Rate N/A						
Proposed Award							
Borrowers	Tierra Encantada LLLP will be owned .01% by T Encantada GP LLC, as General Partner, with Tierra del Sol Housing Corporation as its Sole Member; and 99.99% by a to-be-determined tax credit investor, as Limited Partner.						
Management	The J. L. Gray Company (JL Gray) was incorporated in New Mexico in 1985. Jack L. Curry and J. Scot Fishburn are the owners and founders. The company acquires, develops, and manages affordable and conventional residential communities in New Mexico, Arizona, Utah, Texas and Colorado. It has two corporate offices in New Mexico, the development office is in Las Cruces, NM and the management office is in Farmington, NM. It currently manages over 100 market rate and subsidized apartment communities in the above referenced states.						
Developer	Tierra del Sol Housing Corporation (TDS) , is a private, nonprofit organization incorporated in 1973 and 1980, in New Mexico and Texas respectively, and headquartered in Las Cruces, NM. TDS is a regional housing and community development corporation whose purpose is to improve the quality of life and economic conditions of low-income persons residing in distressed and underserved communities by providing affordable housing and community development through construction activities, lending, training and employment opportunities.						
	TDS (and executive director, Rose Garcia) has sponsored and developed over 6,000 units of affordable housing and infrastructure valued at \$250M, including 1,200 multifamily units valued at \$100M multiple scattered communities in New Mexico and Texas over its 50-year history. Many of these properties have US Dept. of Housing & Urban Development (HUD), US Dept. of Agriculture Rural Development (USDA RD), Housing NM/MFA, Texas Dept. of Housing & Community Affairs (TDHCA), LIHTC, Federal Home Loan Bank (FHLB), and private foundation funding and project-based rental subsidy (Housing Assistance Payment Section 8 (HAP) and RD Rental Assistance (RA) contracts). TDS continues to own these properties and oversee their management. TDS has most recently completed the 9% LIHTC acquisition/rehabilitation projects Cielo De Oro Senior Apartments in Roswell and Valle Verde I in Placitas, Dona Ana County, and they currently have a rehabilitation project pending in Anthony, NM, Tierra Encantada Apartments.						
	The development team has worked together previously on multiple similar substantial rehabilitation projects. The team supporting TDS with the development of TE will include the Consultant Cesar Marenco, Architect Bob Hall with Integrated Design, General Contractor Rob Olson & Brian Gerritz with Pavilion Construction, Legal Counsel Mark Berry, accountant Matt Stille with Cohn Reznick, and Bobby Griffith with J.L. Gray Management, who all have extensive experience developing and delivering LIHTC projects on time and on budget.						
	Tierra del Sol Housing Corporation (TDS) CPA audited financials for FYE 09/30/21 show Unrestricted Cash of \$477K, Total Assets of \$16.04M, a Net Worth of \$10.09M, a Debt-to-Worth ratio of 0.59:1.00 (ideal = 0.30 to 0.60), a Net Income of \$698K and positive Traditional Cash Flow. CPA audited financials for FYE 09/30/22 show Unrestricted Cash of \$1.58M, Total Assets of \$14.18M, a Net Worth of \$10.8M, a Debt-to-Worth ratio of 0.31:1.00, a Net Income of \$875K and a positive Traditional Cash Flow. CPA audited financials for FYE ending 09/30/2023 show Unrestricted Cash of \$1.3M, Total Assets of \$12.6M, a Net Worth of \$9.6M, and a Debt-to-Worth ratio of 0.32:1.00. TDS company-prepared interim financial statements ending 05/31/2024 show \$1.85M in Cash, \$13.46M in Total Assets, \$3.22M in Total Liabilities, a Net Worth/Equity of \$10.23M, resulting in a Debt-to-Worth ratio of 0.31:1.00, a positive Net Income of \$1.25M FYTD, and a positive Traditional Cash Flow. TDS is an experienced developer that shows capacity in						

Project Type & Size

multiple financial facets and a year-over-year financial position that is upward trending...further proving increased financial stability.

Acquisition and Rehabilitation of an existing 24-unit multifamily housing development located on a 3-acre site in Anthony, NM. Six units (25% of the project) will serve households with children. Three units will be income restricted to households earning 30% or less of Area Median Income (AMI) and twenty-one units will be income-restricted to households earning 50% or less of AMI. As an existing Section 514 Farm Labor Housing property, all units will continue to receive project-based USDA Rental Assistance.

Project Description

TDS is proposing the acquisition and rehabilitation of Tierra Encantada Apartments; an existing 24-unit apartment project targeting farmworker households with children in Anthony, NM and the surrounding market area. The unit mix is 6 two-bedroom units at approximately 680 square feet, 16 three-bedroom units at approximately 819 square feet, and 2 four-bedroom units at approximately 972 square feet. The project's gross square footage is approximately 22,049 square feet comprising of 8 one-story residential buildings and a community building. The Subject site is located in an established residential neighborhood in central Anthony and is located within a 1-mile radius of several retail, service, and civic /community facilities.

Tierra Encantada was built in 1992 and underwent moderate rehabilitation in 2010, which resulted in the replacement of the roof, windows, kitchen and bathroom cabinets, some in-unit appliances, repainting of the exterior stucco siding, and the installation of a refrigerated air system.

Although Tierra Encantada remains structurally sound, the developer is proposing additional rehabilitation activities reasonable for the property's age (31 years). The rehabilitation Scope of Work will address several major systems including the replacement of the existing heating & cooling system, the replacement of rusted HVAC ductwork, painting and patching of the stucco exterior, sealing of the existing low-E windows, and the installment of new insulated front doors to minimize/stop any air infiltration and transfer of heat/cold during the different seasons of the year. It will also improve the plumbing by replacing the fixtures, water heaters, and commodes and upgrading the electrical by installing LED lighting and GFCI breakers in the kitchens/bathrooms and insulating the roof crawl space cavity. Interior finishes will be updated including new paint & plank vinyl flooring. The existing community building will undergo a reconfiguration of the interior which will include the moving of walls, electrical, plumbing, & sewer lines. The rehabilitation will provide a playground for children under 5, exterior recreational chess, foosball, and ping pong table for kids 5-12 years of age, a basketball court for children 12 and above a garden area, barbeque picnic area, and bicycle racks for adults.

Services will include a social service coordinator (present at least twice a week for 10 hours) and Enrichment Services such as Beyond Financial Literacy, CPR training, Health screenings, Nutrition Classes, Computer Training, Job Development, Gardening Classes, and Food Pantry. Services will be provided on-site and at no cost to residents. The community building will be renovated and reconfigured to provide an office space for services, events, and social interaction.

A Kinetic Valuation Group market study dated 01/06/2023 generally defines the Subject's Primary Market Area as the communities along the Interstate 25 corridor which include Anthony, Vado, Serino, Chamberino in New Mexico and Anthony, Westway, Vinton, Canutillo, and small portion of northern El Paso in Texas. The market study advises that the Subject is feasible as proposed and will maintain good quality affordable housing that is in demand in the area. The property is within close proximity of employment, retail, and related amenities. Tenants residing in this market are willing to relocate throughout the PMA in order to find good quality affordable housing. The market study indicates other affordable housing developments in the PMA are experiencing stable occupancy levels and all have waiting lists. The market study indicates, at the time of inspection, the Subject was 100% occupied with a waiting list of nine households. The project's unit mix, size, rents, and amenity package are appropriate for its location and market and will be competitive with existing properties in the market. The market study demand estimate shows a Capture Rate of 0.3% for the overall market and a Capture Rate of 1.5% for farmworker units. Based upon properties surveyed, vacancy rates ranged from 0.0% to 4.2% with an overall average vacancy rate of 1.5%. The Subject is expected to maintain a 5% vacancy rate or below. The market study

	estimates that the Subject's units will be absorbed at a rate that will create stabilized occupancy of 95% in less than one year.
Environmental & Site	There are no known environmental issues affecting the Subject site, surrounding area, or original construction materials utilized to build the existing structures. A Phase 1 Environmental Site Assessment has been completed and no findings have been noted that prevent this project from moving forward. As required by the National Housing Trust Fund (previously awarded), Environmental Provision will need to be approved by Housing NM/MFA before construction is complete.
Site and Neighborhood Standards (HOME and NHTF New Construction only)	N/A
Project Financials, Projections and Assumptions, and Subsidy Layering Review (HOME only)	The applicant has provided a detailed 15-year cash flow projection for the project, which assumes a total earned gross income of \$296,856. The developers estimate \$216,877 in average total operating expenses less reserves and social services (i.e., \$9,037 per unit per year), which is above Housing NM/MFA's standard underwriting range of \$4,300 to \$5,800. It is worth noting that smaller multifamily properties such as Tierra Encantada do not benefit from the economies of scale of larger properties with costs spread over more units. This effect is particularly accentuated with fixed costs such as management, maintenance, and employee benefits costs where expenses per unit tend to be significantly higher in smaller properties. Other factors affecting the operating budget is the higher USDA RD approved management fee which is closer to 7%, as compared to Housing NM/MFA's typical 6% limit (MFA provides exceptions to USDA RD properties above this threshold). Additionally, water, sewer, trash, and gas utilities are all master metered placing a higher burden on the property to carry these costs. Lastly, the USDA RD annual budget process is budget based. Operating expenses and rents, to a large extent, are adjusted every year to address the needs of the property and to a smaller extent on their database parameters from comparable USDA RD portfolio properties. This process is significantly different from the conventional underwriting lenders tend to utilize to determine project financial feasibility. The Debt Service Coverage Ratio (DSCR) starts at 1.40 to 1.00 in year one, decreasing to 1.28 to 1.00 in year 15. This ratio is within Housing NM/MFA's underwriting standards of a range between 1.20 – 1.40 to 1:00 for the first 15 years of operation. Currently, it appears that 37% (\$186,833) of the \$505,000 developer fee will be deferred. 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 projection
	Subsidy Layering Review

	National HTF – Housing NM/MFA's Housing Development Department's underwriting guidelines, performed for the National Housing Trust Fund loan request, show this project is not oversubsidized per HUD regulations as of 08/22/2024.
Affordability Requirements	TCAP: Twenty-four (24) units income-restricted to households earning 60% or less of AMI for which a Land Use Restriction Agreement (LURA) will be filed in Doña Ana County. The TCAP program income affordability period is to be no less than 15 years.
Repayment and Disbursement	TCAP: Payments: N/A (Grant) Disbursement: Multiple disbursements upon evidence of costs incurred, not more frequently than monthly
Special Conditions	 All loans are subject to Housing NM/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 Housing NM/MFA: developer, contractor, management company, consultant or architect; Financing commitments acceptable to Housing NM/MFA prior to funding on all funding sources; Acceptance of 2023 award of Low-Income Housing Tax Credits (LIHTC); Approval of plans/construction monitoring/draws by Housing NM/MFA's Architectural Services Representative or a third party acceptable to Housing NM/MFA (i.e. hired by Housing NM/MFA, investor or primary construction lender) and shared with Housing NM/MFA. Cost to be paid by applicant; Other conditions as may be determined by staff; and Subject to availability of funds. Additional Conditions: TCAP
	8. None

	<u>Tierra del Sol Housing Corporation:</u>					
Housing NM/MFA Commitments to Other Projects	2006 HOME – El Cerrito Housing – Loan# HM043 - \$240,000 2006 LIHTC – Sonora Vista - \$454,013 2009 LIHTC – Alta Tierra - \$147,395 2009 LTTF - Alta Tierra - Loan #LTTF08002 - \$141,500 2009 NMHTF - Alta Tierra - Loan #HTF08007 - \$330,178 2010 HOME - Tierra Encantada - Loan HM105- \$192,286 2010 HOME - Valle Verde I - Loan #HM122 - \$278,222 2010 HOME - Villa de Tularosa- Loan #HM110 - \$599,900 2012 Primero - Villa del Sol - \$75,000 2013 LIHTC - Colonial Hillcrest - \$766,994 2013 LIHTC El Camino Real - \$1,022,914 2015 HOME - Cielo Del Oro - Loan #HM151 - \$361,875 2015 NMHTF - Cielo Del Oro - Loan #HS098 - \$389,623 2016 Risk Share - Cielo Del Oro - Loan #RS098 - \$389,789 (\$38,979 = 10%) 2016 GF - James K Lyons - Loan# MF99028-B - \$16,955 2019 NMHTF - Valle Verde I - Loan# NMHTF18003 - \$458,831 2023 NMHTF - Tierra Encantada - \$2,000,000 2023 Primero - Tierra Encantada - \$1,000,000					
	⁽³⁾ Loan Balances as of 06/30/2024					
Housing NM/MFA Exposure	\$7,063,519 (excluding LIHTC)					
Risk Factors	 Market – Low (Strong demand for proposed property in PMA) Construction – Medium (construction material pricing remains volatile, however, the developer is experienced plus the investor and main construction lender will provide additional oversight and controls) Developer – Low Guarantor – Medium General Partner/Managing Member – Low (i.e. the developer) Community Opposition – Low (existing project) Financing – Medium (as long as market conditions for interest rates & LIHTC pricing do not fluctuate downward any further, 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 & Recommendation	The proposed project presents a favorable risk profile and is recommended for approval.					
Prepared by	Joshua Howe, Development Loan Manager II	Date	Date August 27, 2024			
Reviewed by	George Maestas, Director of Housing Development	Date	August 23, 2024			
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PROJECT INFORMATION SUMMARY									
Project Name		City	NC, AR, or	Total # Units	Uni	Unit Sizes		Target AMIs	
Tierra Encantada A	Tierra Encantada Apartments Anthony, NM		NC/AR	Onico					
Total Development Cost	\$ 6,025,240		AR 24 2 BR, 3 BR, and 4 BR				50% ar	nd 30%	
Borrowers	Tierra Encantada Apartm	ents LLLP							
Management	JL Gray Management		YEAR BU	ILT (AR)	LIHT	C ALLOC	4% o	r 9%	
Developer	Tierra del Sol Housing Co	orporation	199	92	\$	3,763,033	90	%	
			NC =	New Cons	truction				
			AR =	Acquisitio	n/Rehab				
			AMI =	Area Medi	an Income				
				Market Ra	te apartme	nts			
TAX CREDIT ASSIS	TAX CREDIT ASSISTANCE PROGRAM (TCAP) INFORMATION			NUMBER OF TCAP UNITS: 24				4	
Funds Available as of:									
	MFA Guidelines	Loan Request		EXCEPT	TONS/CO	ONDITIONS/N	OTES		
Maximum Loan Amount	N/A	\$100,000	Program I	ncome L	Itilization				
Rates	N/A	N/A	Grant						
Loan Fees	N/A	N/A	Grant						
Maximum Loan Term	N/A	N/A	Grant						
Loan Amortization	N/A	N/A	Grant						
Lien Position	N/A	N/A	Grant						
Affordability Requirements	15 yrs, max 80% AMI	15 yrs, max 80% AMI							
DSCR	N/A	N/A							
Scoring Criteria	N/A	N/A							
Developer Fees (inc consultant fees)			\$	í	505,000	8%	\$	22.90	
Total Development Costs (TDC)			\$	6,0	25,240	8%	\$	273.27	
	TDC w/o	Land, Reserves & Commercial	\$	5,5	72,893	92%	\$	252.75	

CONSTRUCTION SOURCES							
Project: Tierra Encantada Apartments			Total	% of Total		Per Unit	
Construct. Lender	Housing NM - MFA/NHTF	\$	400,000	6.6%	\$	16,666.67	
2nd Lien Holder	USDA RD Section 514 Program	\$	13,985	0.2%	\$	582.71	
3rd Lien Holder	Housing NM - MFA/NMHTF	\$	2,000,000	33.2%	\$	83,333.33	
4th Lien Holder	Housing NM - MFA/Primero Investment Fund	\$	1,000,000	16.6%	\$	41,666.67	
5th Lien Holder	Ventana Fund	\$	750,000	12.4%	\$	31,250.00	
Other	Tax Credit Assistance Program (TCAP)	\$	100,000	1.7%	\$	4,166.67	
Other	Tierra del Sol Housing Corporation Seller Note	\$	1,078,483	17.9%	\$	44,936.79	
Deferred Developer Fee	Tierra del Sol Housing Corporation	\$	340,678	5.7%	\$	14,194.92	
LIHTC Equity	The Richman Affordable Housing Corp	\$	342,094	5.7%	\$	14,253.92	
	\$	6,025,240	100.0%	\$	251,051.67		

	PERMANENT SOURCES			
Project:	Tierra Encantada Apartments	Total	% of Total	Per Unit
Permanent Lender - 1st Lien	Housing NM - MFA/NHTF	\$ 400,000	6.6%	\$ 16,666.67
2nd Lien Holder	USDA RD Section 514 Program	\$ 13,985	0.2%	\$ 582.71
3rd Lien Holder	Housing NM - MFA/NMHTF	\$ 825,000	13.7%	\$ 34,375.00
4th Lien Holder			0.0%	\$ -
5th Lien Holder			0.0%	\$ -
Other	Tax Credit Assitance Program (TCAP)	\$ 100,000	1.7%	\$ 4,166.67
Other	Tierra del Sol Housing Corporation Seller Note	\$ 1,078,483	17.9%	\$ 44,936.79
Deferred Developer Fee	Tierra del Sol Housing Corporation	\$ 186,833	3.1%	\$ 7,784.71
LIHTC Equity	The Richman Affordable Housing Corp	\$ 3,420,939	56.8%	\$ 142,539.13
	Total Permanent Sources	\$ 6,025,240	100.0%	\$ 251,051.67

Development	Cost	: Budget				
Tierra Encantada Apartments	Gross Sq. Footage:			22,049		
Anthony, NM		TOTAL COST		COST/GSF		
ACQUISITION COSTS						
Land Acquisition	\$	277,000	\$	12.56		
Building Acquisition	\$	1,023,000	\$	46.40		
Other:	\$	-	\$	-		
SUBTOTAL	\$	1,300,000	\$	58.96		
CONSTRUCTION HARD COSTS						
Demolition	\$	-	\$	-		
Accessory Structures	\$	-	\$	-		
Site Construction	\$	79,800	\$	3.62		
Buildings and Structures	\$	1,606,600	\$	72.86		
Off-Site Improvements	\$	-	\$	-		
Other:	\$	648,300	\$	29.40		
SUBTOTAL	\$	2,334,700	\$	105.89		
OTHER CONSTRUCTION COSTS		<u> </u>				
Contractor Overhead	\$	46,694	\$	2.12		
Contractor Profit	\$	140,082	\$	6.35		
General Requirements	\$	140,082	\$	6.35		
Construction Contingency	\$	233,470	\$	10.59		
Gross Receipts Tax (GRT)	\$	230,622	\$	10.46		
Landscaping	\$	-	\$	-		
Furniture, Fixtures, & Equipment	\$	-	\$	-		
Other: Permits, Builders Risk, Furniture	\$	59,923	\$	2.72		
SUBTOTAL	\$	850,873	\$	38.59		
PROFESSIONAL SERVICES/FEES						
Architect (Design)	\$	207,728	\$	9.42		
Architect (Supervision)	\$	36,204	\$	1.64		
Attorney (Real Estate)	\$	17,000	\$	0.77		
Engineer/Survey	\$	14,000	\$	0.63		
Other : Capital Needs Assessment,						
Accessibility Consultant, HERS Testing &			\$	1.76		
Reporting, Phase I ESA, GeoTech Report	\$	38,750				
SUBTOTAL	\$	313,682	\$	14.23		
CONSTRUCTION FINANCING COSTS						
Hazard Insurance	\$	15,400	\$	0.70		
Liability Insurance	\$	30,608	\$	1.39		
Performance Bond	\$	21,606	\$	0.98		
Interest	\$	110,250	\$	5.00		
Origination\Discount Points	\$	8,750	\$	0.40		
Credit Enhancement	\$	-	\$	-		
Inspection Fees	\$	25,000	\$	1.13		
Title and Recording	\$	35,000	\$	1.59		

Legal	\$	5,000	\$ 0.23
Taxes	\$	8,750	\$ 0.40
Other:	\$	-	\$ -
SUBTOTAL	\$	260,364	\$ 11.81
Project: Tierra Encantada Ap	artme	nts	
PERMANENT FINANCING COSTS			
Bond Premium	\$	-	\$ -
Credit Report	\$	-	\$ -
Origination\Discount Points	\$	9,875	\$ 0.45
Credit Enhancement	\$	-	\$ -
Title and Recording	\$	-	\$ -
Legal	\$	5,000	\$ 0.23
Cost of Bond Issuance	\$	-	\$ -
Pre-Paid MIP	\$	-	\$ -
Reserves and Escrows	\$	-	\$ -
Other:	\$	-	\$ -
SUBTOTAL	\$	14,875	\$ 0.67
SOFT COSTS			
Market Study	\$	6,000	\$ 0.27
Environmental	\$	-	\$ -
Tax Credit Fees	\$	30,881	\$ 1.40
Appraisal	\$	16,518	\$ 0.75
Hard Relocation Costs	\$	140,000	\$ 6.35
Accounting/Cost Certification	\$	27,000	\$ 1.22
Other: Soft Cost Contingency & MFA Design			\$ 1.00
Review Fee	\$	22,000	
SUBTOTAL	\$	242,399	\$ 10.99
SYNDICATION			
Organization	\$	26,000	\$ 1.18
Bridge Loan	\$	-	\$ -
Tax Opinion	\$	2,000	\$ 0.09
Other:	\$	-	\$ -
SUBTOTAL	\$	28,000	\$ 1.27
TDC before Dev. Fees & Reserves	\$	5,344,893	\$ 242
RESERVES			
Rent Up	\$	10,000	\$ 0.45
Operating	\$	139,777	\$ 6.34
Replacement (inc. only if capitalized)	\$	-	\$ -
Escrows/Working Capital	\$	-	\$ -
Other: Social Services Reserve, General Op			\$ 1.16
Account, Tax & Insurance Account	\$	25,570	
SUBTOTAL	\$	175,347	\$ 7.95
DEVELOPER FEES			
Developer Fee	\$	255,000	\$ 11.57

Relocation Consultant	\$ 50,000	\$ 2.27
Consultant Fee	\$ 200,000	\$ 9.07
SUBTOTAL	\$ 505,000	\$ 22.90
Total Development Cost (TDC)	\$ 6,025,240	\$ 273.27
TDC w/o Land, Reserves & Commercial	\$ 5,572,893	\$ 252.75

2024 SINGLE FAMILY HOUSING DEVELOPMENT AWARD SUMMARY VADO NEW HORIZONS PHASE IB

Vado New Horizons Phase IB							
NWQTR OF SECTN 21, T25S, R3E, NMPM; Vado, Doña Ana County, NM 88072							
Vado, Dona Ana County, Mivi 00072							
\$3,500,000 Primero Investment Fund -							
Infrastructure Loan (Single Family Rate: 2.5% Fixed							
Construction)							
Tierra del Sol Housing Corporation (TDS), is a private, nonprofit organization incorporated in							
1973 and 1980, in New Mexico and Texas respectively, and headquartered in Las Cruces, NM.							
TDS is a regional housing and community development corporation whose purpose is to improve							
the quality of life and economic conditions of low-income persons residing in distressed and							
underserved communities by providing affordable housing and community development through construction activities, lending, training and employment opportunities.							
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these properties have US Dept. of Housing & Urban Development (HUD), US Dept. of Agriculture Rural Development (USDA RD), Housing NM/MFA, Texas Dept. of Housing & Community Affairs							
(TDHCA), LIHTC, Federal Home Loan Bank (FHLB), and private foundation funding and project-							
based rental subsidy (Housing Assistance Payment Section 8 (HAP) and RD Rental Assistance							
(RA) contracts). TDS continues to own these properties and oversee their management. TDS has							
most recently completed the 9% LIHTC acquisition/rehabilitation projects Cielo De Oro Senior							
Apartments in Roswell and Valle Verde I in Placitas, Dona Ana County, and they currently have a							
rehabilitation project pending in Anthony, NM, Tierra Encantada Apartments.							
Construction Superintendent, Raul Granados (TDS), is licensed in the State of New Mexico with a							
GBO2 construction license. He is to provide construction management and coordinate with							
subcontractors and families the scheduling of project construction. He will be working with							
supervisors to ensure proper technical assistance is provided to all self-help families and will keep a							
running balance of materials being requested for construction to ensure accountability of materials utilized (or not) in construction. Raul will ensure proper construction techniques are used in the							
construction of the self-help program homes and assure sub-contractors are in compliance with							
local and or state building codes. He will be working in collaboration with the engineering services							
of Libbin Underwood Engineering & Surveying.							
Tierra del Sel Housing Corneration (TDS) CDA audited financials for EVE 00/20/24 above							
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positive Traditional Cash Flow. CPA audited financials for FYE ending 09/30/2023 show							
Unrestricted Cash of \$1.3M, Total Assets of \$12.6M, a Net Worth of \$9.6M, and a Debt-to-Worth ratio of 0.32:1.00. TDS company-prepared interim financial statements ending 05/31/2024 show							
\$1.85M in Cash, \$13.46M in Total Assets, \$3.22M in Total Liabilities, a Net Worth/Equity of							
\$10.23M, resulting in a Debt-to-Worth ratio of 0.31:1.00, a positive Net Income of \$1.25M FYTD,							
and a positive Traditional Cash Flow. TDS is an experienced developer that shows capacity in							

Project Type & Size

multiple financial facets and a year-over-year financial position that is upward trending...further proving increased financial stability.

Tierra del Sol Housing Corporation (TDS) is requesting \$3,500,000 million from Housing NM/NM Mortgage Finance Authority for Phase 1B for infrastructure development. Financing from the Rural Communities Assistance Council (RCAC) has also contributed to the infrastructure development in Phase 1A in the form of a loan. TDS will then seek the remaining infrastructure construction funds (\$227,583) from other sources as well as funding for the vertical construction of the homes using the Section 523 Mutual Self-Help Technical Assistance Program, enabling 8-10 low-income families per group to collaboratively build their homes and create sweat equity, thereby reducing homebuyer costs, and fostering residents' skills and sense of community.

Project Description

Tierra del Sol Housing Corporation has acquired 25.19 acres off Vado Road for the New Horizons Subdivision in Vado, NM, aiming to provide ninety-seven (97) affordable homeownership opportunities for low-income families. The subdivision is divided into two phases, with the first phase (Phase IA) covering 11.35 acres and forty-one lots, partially funded by \$800,000 in ARPA funds from Doña Ana County. \$374,494 of US Dept. of Housing & Urban Development Self-Help Homeownership Opportunity Program (HUD SHOP) funds were used to acquire the land and pay a portion of engineering costs. TDS anticipates Phase IA infrastructure to be completed by August of 2024.

The second phase covers 13.84 acres and fifty-six (56) lots (Phase IB). \$386,697 of HUD SHOP funds were used to acquire the land and pay a portion of engineering costs. MFA funding will allow us to continue the infrastructure development for the fifty-six lots. Ensuring environmental responsibility, all ninety-seven (97) homes will be ENERGY STAR and LEED certified.

Tierra del Sol Housing Corporation offers five different housing floor plans and designs that include 2- 3- and 4-bedrooms with one and/or two bathrooms that participants can choose from. TDS also can accommodate special housing needs of clients that require ADA compliant specifications. Homeowners choose the colors for the interior and exterior of the house, a variety of tile selection, landscaping designs for their front yards, shingle colors, and trim colors. All houses will be Energy Star 3.0 certified. Families have the option of acquiring solar panels for their homes if the budget permits. The houses average between 1,000 and 1,350 square feet. The homes are built to meet EnergyStar standards, ensuring lower utility costs for the homeowners. First-time homebuyers with incomes at or below 80% of the area median income and good credit qualify for SHOP funding. TDS also has homes for first time working families (teachers, firefighters, police officers and other public employees) with incomes between 80% and 120% area median income can also qualify to purchase a home.

Tierra del Sol Housing Corporation currently owns the land in Phase 1A and 1B of the New Horizons Subdivision. The current zone for project site is CR-1 (Community Residential: Single Family Residential).

TIMELINE/SCHEDULE OF PROJECT DEVELOPMENT AND POTENTIAL ADDITIONAL SOURCES OF FUNDING:

- o TDS plans to start building homes for Phase IA in August 2024 and to complete eighteen homes by March 2025.
- o Proposed National Association for Latino Community Builders (NALCAB) LOAN 3.3% interest application in progress (\$500,000).
- o Housing Assistance Council (HAC) Line of credit approved (\$500,000).
- o SHOP environmental clearance amounting to \$948,000 is approved.

Although the subject property began as untouched, raw land, a Phase I Environmental and Boilogical Assessments have been provided by the borrower, and all findings are satisfactory to Housing NM/MFA. No contaminants were discovered on or around the Subject property.

Environmental (Phase I) and Appraisal	A New Mexico Housing NM/MFA-ordered appraisal will be required prior to closing at the borrower's expense. An appraisal of the Subject property is now pending and is to be provided by Lowery Property Advisors originating out of nearby El Paso, TX. Award will be contingent upon environmental and appraisal analyses that are deemed acceptable by Housing NM/MFA.
Affordability Requirements	Primero Investment Fund: In this phase of the Vado New Horizons Subdivision, Phase IB, 100% of the fifty-six (56) units will represent income levels of 120% or below area median income (AMI) with a selected group of first-time homebuyers being income-restricted to at or below 80% AMI. A LURA and/or owner deed restriction will be filed in Doña Ana County on the fifty-six (56) lots and released on each lot when sold.
Repayment and Disbursement	Primero Investment Fund: Payments – Based on a 60-month construction term, the Borrower will make interest only payments monthly. Principal will be repaid with the sale of each lot, based on a lot release price of approximately \$68,628 each. Housing NM/MFA's share would be approximately 100% of the aforementioned lot release price as the sole infrastructure funding source, which would repay Housing NM/MFA in full upon the sale of the 51st lot (90% of 56-lot subdivision). Disbursement - Multiple disbursements upon evidence of costs incurred, not more frequently than monthly.
Special Conditions	 All loans are subject to Housing NM/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 Housing NM/MFA: developer, contractor, management company, consultant and architect; Financing commitments acceptable to Housing NM/MFA prior to funding on all funding sources; Approval of plans/construction monitoring/draws by a third party acceptable to Housing NM/MFA (i.e. hired by Housing NM/MFA, investor or primary construction lender) and shared with Housing NM/MFA. Cost to be paid by applicant; Other conditions as may be determined by staff; and Subject to availability of funds. Additional Conditions: Primero Investment Fund Loan to be in no less than second lien position; Tierra del Sol Housing Corporation must provide construction guarantees; Receipt and review of an as-is real estate appraisal report on the subject subdivision with an Loan-To-Value ratio of no more than 55%.
Housing NM/MFA Commitments to Other Projects	Tierra del Sol Housing Corporation: 2006 HOME – El Cerrito Housing – Loan# HM043 - \$240,000 2006 LIHTC – Sonora Vista - \$454,013 2009 LIHTC – Alta Tierra - \$147,395 2009 LTTF - Alta Tierra - Loan #LTTF08002 - \$141,500 2009 NMHTF - Alta Tierra - Loan #HTF08007 - \$330,178 2010 HOME - Tierra Encantada - Loan HM105- \$192,286 2010 HOME - Valle Verde I - Loan #HM122 - \$278,222 2010 HOME - Villa de Tularosa- Loan #HM110 - \$599,900

	2012 Primero - Villa del Sol - \$75,000 2013 LIHTC – Colonial Hillcrest - \$766,994
	2013 LIHTC El Camino Real - \$1,022,914
	2015 HOME - Cielo Del Oro - Loan #HM151 - \$361,875
	2015 NMHTF - Cielo Del Oro - Loan #HTF14005 - \$399,623
	2016 Risk Share - Cielo Del Oro - Loan #RS098 - \$389,789 (\$38,979 = 10%) 2016 NMHTF - ERHA Unidos – Loan# HTF16004 - \$530,170
	2016 GF – James K Lyons – Loan# HTF 10004 - \$330,170
	2019 NMHTF – Valle Verde I – Loan# NMHTF18003 - \$458,831
	2023 NMHTF – Tierra Encantada – \$2,000,000
	2023 NHTF – Tierra Encantada - \$400,000
	2023 Primero – Tierra Encantada - \$1,000,000
	(1) Risk Share loans carry 10% MFA risk (2) Bonds are non-recourse to MFA (3) Loan Balances as of 06/30/2024
Current Housing NM/MFA Exposure	\$7,063,519 (excluding LIHTC)
Risk Factors	Market- Low (recent market study and current waitlist of fifty (50) plus applicants provides for ample proof of need in the Subject area))
	ample proof of freed in the oubject area//
	Construction- Moderate (current economy continues to provide additional stress on both labor and material availability and expensehowever, TDS will mitigate this risk through the utilization of SHOP funds and labor provided by each homeowner)
	Developer- Low (developer has extensive previous residential subdivision experience within the affordable environment, and their past use of homeowner labor and other funding sources has always proven successful)
	Guarantor- Moderate (guarantor shows acceptable liquidity, meaningful ratios and net operating income via 2021-2023 CPA audited and interim 2024 financials)
	General Partner/Managing Member- Low (Rose Garcia: Executive Director)
	Community Opposition- Low (community support for project has been proven via local government communications and voiced by various members of the community and surrounding areas)
	Financing- Moderate (Housing NM/MFA will be the second lienholder but will still be more directly attached to items such as construction monitoring, on-time repayments, etc. However, title commitment is being provided over broken lien prioritycreating a unique upfront risk with this project)
Summary &	
Recommendatio n	The proposed project presents a favorable risk profile and is recommended for approval.
Prepared by	Joshua Howe – Development Loan Manager II
Reviewed by	George Maestas – Director of Housing Development
	Date Date August 27, 2024

	PRO.	IECT INFORMATION SUMMA	RY			
Project Na	me	City	NC, AR,	Total #	Unit Sizes	Target AMIs
Vado New Horizon	s Phase IB	Vado, NM	NC/AR OIIILS			
Total Development Cost	\$ 3,914,000		NC	Mixed	120% and 80%	
Borrowers	Tierra del Sol Housing Co	orporation				
Management	N/A		YEAR BU	ILT (AR)	LIHTC ALLOC	4% or 9%
Developer	Tierra del Sol Housing Co	orporation	N/	Ά	N/A	N/A
				New Cons	truction	
			AR =	Acquisitio	n/Rehab	
			AMI =	Area Medi	an Income	
				Market Ra	te apartments	
PRIM	ERO LOAN INFORMATION		NUM	BER OF F	PRIMERO UNITS:	56
Funds Available as of:	06/30/24	\$3,735,097				
	MFA Guidelines	Loan Request		EXCEPT	IONS/CONDITIONS/	NOTES
Maximum Loan Amount	\$3,000,000	\$3,500,000	Infrastruc	ture dev	elopment loan - SBIC	LOC
Rates	1%-5%	2.5%	SBIC cost	t of funds	2.0% + 50bps spread	i
Loan Fees	1.0%	1.0%				
Maximum Loan Term	5 yrs	5yrs				
Loan Amortization	Due at maturity	Interest Only, Due at Maturity	Monthly interest only payments with all outstanding principal due at sale of individual lots or at loan matu			
Lien Position	Subordinate allowed	No less than 2nd				
Affordability Requirements			Fifty-six units at 120% AMI or less with a selected grou			
	5 yrs, max 150% AMI	120% AMI or less	of first-time homebuyers income-restricted to 80% AN			
			or less			
DSCR	N/A	N/A				
Scoring Criteria	N/A	N/A		_		_

TOTAL DEVELOPMENT COST INFORMATION SUMMARY							
Project: Vado New Horizons Phase IB		Total	% TDC	Co	st/GSF*		
Acquisition Costs (land, building acquisition, & other acquisition costs)	\$	-	0%	\$	-		
Construction Hard Costs	\$	2,721,056	70%	\$	4.53		
Other Construction Costs (contractor O&P, general req, GRT, landscaping, furnishings, etc)	\$	298,180	8%	\$	0.50		
Professional Services/Fees (architect, engineer, real estate legal, etc)	\$	10,000	0%	\$	0.02		
Construction Financing Costs (interest, insurance, inspections, fees, etc)	\$	62,419	2%	\$	0.10		
Permanent Financing Costs (fees, title/recording, etc)	\$	159,645	4%	\$	0.27		
Other Soft Costs (tax credit fees, environmental reports, appraisals, accounting, etc)	\$	662,700	17%	\$	1.10		
Syndication-Related Costs (organization, bridge loan, tax opinion, etc)	\$	-	0.0%	\$	-		
Reserves (rent-up, operating, replacement, escrows, etc)	\$	-	0%	\$	-		
Developer Fees (inc consultant fees)	\$	-	0%	\$	-		
Total Development Costs (TDC)	\$	3,914,000	100%	\$	6.51		
TDC w/o Land, Reserves & Commercial	\$	3,914,000	100%	\$	6.51		

	CONSTRUCTION SOURCES							
Project:	Project: Vado New Horizons Phase IB Total			% of Total		Per Unit		
Construct. Lender	RCAC	\$	-	0.0%	\$	-		
2nd Lien Holder	Housing NM - MFA/SBIC - Primero Investment Fund	\$	3,500,000	89.4%	\$	62,500.00		
	Pioneer Bank Line of Credit	\$	414,000	10.6%	\$	7,392.86		
	Total Construction Sources	\$	3,914,000	100.0%	\$	69,892.86		

Development Cost Budget								
Vado New Horizons Phase IB	_	Gross Sq. Footage:		601,128				
Vado, NM		TOTAL COST		COST/GSF				
ACQUISITION COSTS	-		-					
Land Acquisition	\$		\$	-				
Building Acquisition	7		\$	_				
Other:			\$	_				
SUBTOTAL	\$	-	\$					
CONSTRUCTION HARD COSTS	*		Ť					
Demolition	\$	_	\$	-				
Accessory Structures	7		\$	-				
Site Construction	\$		\$	-				
Buildings and Structures	7		\$	-				
Off-Site Improvements			\$	_				
Other: Infrastructure	\$	2,721,056	\$	4.53				
SUBTOTAL	\$	2,721,056	\$	4.53				
OTHER CONSTRUCTION COSTS	<u> </u>	_,,,	, ,					
Contractor Overhead	\$	-	\$	_				
Contractor Profit	\$		\$					
General Requirements	7		\$					
Construction Contingency	\$	269,606	\$	0.45				
Gross Receipts Tax (GRT)	\$	203,000	\$	- 0.43				
Landscaping	7		\$					
Furniture, Fixtures, & Equipment			\$					
Other: NMGRT	\$	28,574	\$	0.05				
SUBTOTAL	\$	298,180	\$	0.50				
PROFESSIONAL SERVICES/FEES	7	298,180	٦	0.50				
Architect (Design)	\$	10.000	\$	0.02				
Architect (Design) Architect (Supervision)	٠	10,000	\$	0.02				
Attorney (Real Estate)			\$	-				
Engineer/Survey			\$	-				
Other:			\$					
SUBTOTAL	ć	10,000	۶ \$	0.02				
CONSTRUCTION FINANCING COSTS	Þ	10,000	Þ	0.02				
	_		٦					
Hazard Insurance Liability Insurance			\$	-				
Performance Bond			\$	-				
Interest			\$	-				
Origination\Discount Points			\$	-				
Credit Enhancement			\$	<u>-</u>				
Inspection Fees	۲	62.440	\$	0.10				
Title and Recording	\$	62,419	\$	0.10				
Legal			\$	-				
			\$	-				
Taxes			Ş					

Other: Application Fee	\$	-	\$ -
SUBTOTAL	\$	62,419	\$ 0.10
Project: Vado New Horizons	Phase IB		
PERMANENT FINANCING COSTS			
Bond Premium			\$ -
Credit Report			\$ -
Origination\Discount Points	\$	17,345	\$ 0.03
Credit Enhancement			\$ -
Title and Recording			\$ -
Legal	\$	12,000	\$ 0.02
Cost of Bond Issuance			\$ -
Pre-Paid MIP			\$ -
Reserves and Escrows	\$	130,000	\$ 0.22
Other: Doc Prep	\$	300	\$ 0.00
SUBTOTAL	\$	159,645	\$ 0.27
SOFT COSTS			
Market Study			\$ -
Environmental	\$	9,000	\$ 0.01
Tax Credit Fees			\$ -
Appraisal	\$	6,500	\$ 0.01
Hard Relocation Costs			\$ -
Accounting/Cost Certification			\$ -
Other: Signage, Water Rights Assessment,			
EPE CD, ZIA Impact Fee, Sewer Impact Fee,			\$ 1.08
Water Impact Fee, EPE Fees	\$	647,200	
SUBTOTAL	\$	662,700	\$ 1.10
SYNDICATION			
Organization			\$ -
Bridge Loan			\$ -
Tax Opinion			\$ -
Other:			\$ -
SUBTOTAL	\$	-	\$ -
TDC before Dev. Fees & Reserves	\$	3,914,000	\$ 7
RESERVES			
Rent Up			\$ -
Operating			\$ -
Replacement (inc. only if capitalized)			\$ -
Escrows/Working Capital			\$
Other:			\$ -
SUBTOTAL	\$	-	\$ -
DEVELOPER FEES			
Developer Fee			\$ -

SUBTOTAL	\$ -	\$ -
Total Development Cost (TDC)	\$ 3,914,000	\$ 6.51
TDC w/o Land, Reserves & Commercial	\$ 3,914,000	\$ 6.51

2024 NM AFFORDABLE HOUSING TAX CREDIT AWARD SUMMARY Page 100 of 153

Project Name & Address	64th Street – 4221 64th St. NW, Albud	querque, NM 87120 – Bernalillo County
Proposed Award	Amount Requested: \$1,000,000	Amount Recommended: \$1,000,000
Sponsor/Developer	Greater Albuquerque Habitat for Hum for Humanity International. Constructio homebuyer who puts in 350 hours of "sv of area median income (AMI). To date, in ten different low-income neighborhoo	ranity ("GAHH"), formed in 1987, is a local affiliate of Habitat n of each house is a partnership between GAHH and the veat equity". Habitat targets households earning 30% to 60% this organization has completed construction of 205 homes ds across the Albuquerque Metropolitan Area. Interpretation of the properties of
	unrestricted cash of \$3.4 million with \$	1.2 million in total liabilities, resulting in a net worth of \$8.1 to 1.00. GAHH's financials also showed a net income of \$1.2
	unrestricted cash of \$4.2 million with \$	for FYE 6/30/2023 show \$10.6 million in assets including 1.2 million in total liabilities, resulting in a net worth of \$9.4 to 1.00. GAHH's financials also showed a net income of \$1.1 w for the same period.
	unrestricted cash of \$3.6 million with \$7	as of 6/30/2024 show \$11.4 million in assets including 1.1 million in total liabilities, resulting in a net worth of \$10.3 to 1.00, a net income of \$955k and a positive operating cash
Project Type & Size	Area Median Income (AMI). These sing	ngle family homes targeted to households at or below 60% gle family homes will be composed of two (2) two-bedroom om detached homes, and one (1) four-bedroom detached
Project Description	to income eligible households. The p	ix detached single-family homes that will be made available project will be built in the Ladera West neighborhood of and on which the homes will be built was donated to GAHH in
	bedroom homes, each at approximately 1,433 square feet. Each through the installation of, among oth appliances, WaterSense toilets, faucets	m homes, each at approximately 1,029 square feet, three 3- ately 1,273 square feet, and one 4-bedroom home at home will achieve high levels of water and energy efficiency her measures, Energy Star Low-E windows, Energy Star is, and showerheads, and drip irrigation systems for drought loper will also ensure that the design of each home gives
	developer will also ensure that buyers providing them will buyers to attend homeownership and fi	se properties to provide only \$500 as a down payment; the pay no more than 30% of their income towards principal and with a zero percent interest rate mortgage. GAHH requires nancial literacy classes prior to purchase. Buyers must also of "sweat equity" by performing practicable work at the
	This application scored 90 out of 120 fo of 70 points.	r evaluation criteria, meeting the minimum scoring threshold
Tax Credit Impact	This applicant is seeking \$1,000,000 in donations to fund construction costs ass	State Tax Credits based on an estimated \$2,000,000 in sociated with the project.

Affordability	Six (6) single family homes will be sold to households that are at 60% of Area Median Income (AMI) or below. The Affordability Period is for five (5) years based on the Housing New Mexico/MFA's Affordable Housing Tax Credit Rules.				
Special Conditions	 Compliance with Housing New Mexico/MFA single family design standards. Land Use Restriction Agreement will be filed on the property for five (5) years. Initial affordability to be restricted to 60% of AMI adjusted for household size. 				
Other Housing New Mexico/MFA	None				
Commitments to This Project					
Other Housing New Mexico/MFA	2007 NM Affordable Housing Tax Credit - Don Pedro - \$26,000 (\$26,000 utilized) 2007 HOME/SF development award - Don Pedro - \$72,000 (\$72,000 repaid by homeowners)				
Commitments to Other Projects	2007 NM Affordable Housing Tax Credit – Nehemiah 2 - \$29,950 (\$29,950 utilized) 2007 HOME/SF development award - Nehemiah 2- \$158,000 (\$158,000 repaid by homeowners)				
ŕ	2007 HOME/SF development award - Nenemian 2- \$158,000 (\$158,000 repaid by nomeowners) 2008 NM Affordable Housing Tax Credit — Rancho Valerio - \$100,000 (\$18,251 utilized) 2010 NM Affordable Housing Tax Credit — Townsend Place - \$81,749 (\$51,001 utilized) 2012 NM Affordable Housing Tax Credit — Trujillo Road - \$300,000 (\$65,396 utilized) 2013 NM Affordable Housing Tax Credit — Sunshine Addition - \$33,729 (\$33,259 utilized) 2014 NM Affordable Housing Tax Credit — Townsend Place - \$346,500 (\$77,240 utilized) 2015 NM Affordable Housing Tax Credit — Mesa del Rio - \$440,000 (\$187,523 utilized) 2017 NM Affordable Housing Tax Credit — Mesa del Rio II - \$350,000 (\$350,000 utilized) 2022 NM Affordable Housing Tax Credit — Clifton/Williams Project - \$674,682 (\$227,432 utilized) TOTAL EXISTING EXPOSURE = \$0 (excludes Tax Credits & loans pending approval)				
Tax Credits Available	Estimated \$5,748,236 in unreserved credit authority as of August 30, 2024				
Recommended by	Justin Carmona, Development Loan Manager Justs Comp. 1 Date 9/3/24				
Concurred by	George Maestas, Director of Housing Development				



Through: Strategic Management Committee August 26, 2024

FROM: Robyn Powell

DATE: September 18, 2024

SUBJECT: Proposed Five-Year Strategic Plan and 2025 Benchmarks

Recommendation:

Staff recommend approval of the proposed 2025-2029 Strategic Plan and 2025 Benchmarks.

Background and Discussion:

Housing NM has operated under a five-year strategic plan for several cycles and regularly updates the Board of Directors on outcomes of the strategic goals and benchmarks. Through the Strategic Planning Committee, plan themes and goals are developed, and benchmarks are set to ensure that goals are accurately tracked and measured. Additionally, staff conducts an annual Enterprise Risk Management review in coordination with our internal audit contractor and updates the New Mexico Housing Needs Assessment. This year, staff consulted with Board Members and staff to receive additional input for the strategic plan, conducted a SWOT analysis and focused the board retreat on strategic planning, which was held on August 21 and 22.

Through this process, several important themes emerged:

- New Mexico has a shortage of affordable housing units and a lack of resources required to meet the housing needs of its residents, including vulnerable and rural populations. In addition, much of New Mexico's housing stock is aging and in poor condition. All of these factors have significant social and economic implications.
- In order for MFA programs to have a positive impact on communities throughout the state, it is imperative that partnerships with a variety of housing-related entities are developed, maintained and expanded.

- Although MFA has a strong reputation among its partners, there is a need to bring awareness to the public about the value of quality affordable housing in general and, specifically, about MFA's products and programs.
- MFA must continue its tradition of strong financial management to thrive in changing and uncertain market and political conditions.
- Cybersecurity and state-of-the-art technology allow MFA to continually improve its business practices and customer service.
- Appropriate staffing levels and a dynamic, team-oriented and healthy work environment are critical to MFA's success.

Based on these themes, MFA staff are proposing the following goals and objectives:

- Goal 1: Create affordable housing opportunities that support and strengthen New Mexico's communities.
 - Objective 1: Increase the supply of affordable housing units: Expand the inventory of rental units, condominiums, and single-family homes at price points accessible to low- and moderate-income households.
 - Objective 2: Improve housing quality: Upgrade existing affordable housing units to meet health and safety standards and enhance energy efficiency.
 - Objective 3: Strengthen financial security and stability and improve long-term outcomes of low- to moderate-income households through new affordable housing opportunities.
 - Objective 4: Promote Homeownership: Develop programs to assist low-income individuals and families in purchasing homes and increase wealth building opportunities.
 - Objective 5: Reduce housing insecurity: Reduce the personal and societal costs of homelessness through programs and housing opportunities for persons experiencing or at risk of homelessness.
- Goal 2: Build a network of advocates and partners that work to create and promote affordable housing in the state.
 - Objective 1: Promote awareness of the value of quality affordable housing and the social and economic impact of MFA's products and programs.
 - Objective 2: Strengthen partners' capacity to deliver MFA's affordable housing products and programs in every area of the state.
 - Objective 3: Expand the network of stakeholders that are committed to affordable housing and housing-related programs.
 - Objective 4: Establish and cultivate strategic partnerships and collaborations to expand our reach, share resources, and achieve shared goals.

- Goal 3: Maintain judicious financial stewardship and principled, efficient business practices.
 - Objective 1: Promote awareness of the value of quality affordable housing and the social and economic impact of MFA's products and programs.
 - Objective 2: Strengthen partners' capacity to deliver MFA's affordable housing products and programs in every area of the state.
 - Objective 3: Expand the network of stakeholders that are committed to affordable housing and housing-related programs.
 - Objective 4: Establish and cultivate strategic partnerships and collaborations to expand our reach, share resources, and achieve shared goals.
- Goal 4: Provide robust technological solutions.
 - Objective 1: To implement and maintain reliable, secure, and efficient technology systems that enhance productivity, support organizational goals, and deliver exceptional value.
 - Objective 2: Maintain system reliability.
 - Objective 3: Protect MFA's data and systems.
- Goal 5: Foster a healthy, dynamic and team-oriented work environment.
 - Objective 1: To create a supportive, inclusive, and respectful workplace culture where employees feel valued, empowered, and motivated to excel.
 - Objective 2: Cultivate an environment that encourages the open exchange of ideas and accommodates an ever-changing work dynamic to attract and retain employees.
 - Objective 3: Offer opportunities for staff development and advancement and ensure the transfer of institutional knowledge.
 - Objective 4: Ensure the benefits package offered continues to attract and retain staff.

In order to ensure completion of these goals, staff have developed the following benchmarks for each area for approval:

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

Proposed Benchmarks

- 1. Provide mortgage financing for 2,000 homebuyers.
- 2. Maintain average mortgage product utilization of 25% of all FHA loans recorded in New Mexico.
- 3. Finance the development and/or preservation of 1,100 rental units through multifamily housing development programs.
- 4. Provide the financing and/or development of 500 new ownership units through the following Housing New Mexico Programs.
- 5. Finance the preservation of 1,250 rental and homeownership units through weatherization, rehabilitation and housing innovation programs.
- 6. Achieve an expenditure rate of 95% of allocated homeless programs funds annually.
- 7. Achieve annual combined average loan delinquencies of MFA serviced portfolio below 9.5%.
- 8. Maintain subserviced portfolio delinquency percentage below the Federal Housing Administration Loan Performance Trend delinquency rate.
- 9. Evaluate at least 6 new products, business models, financial tools or significant program or product improvements.

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

Proposed Benchmarks

- 10. Achieve 14,000 social media engagements annually.
- 11. Achieve an average of 2 rural media mentions per month.
- 12. Expand services of at least 3 programs to an underserved area of the state.
- 13. Conduct or participate in an average of 4 outreach events monthly to assist new local governments, tribal governments, potential new program partners and/or elected officials.
- 14. Provide at least 100 formal group training or technical assistance opportunities for existing property owners, developers, service providers and/or lenders.
- 15. Plan MFA housing summit, open house, or networking events.

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

Proposed Benchmarks

- 16. Obtain unqualified opinion on MFA financial statements and no material weakness in internal control over financial reporting or major programs, excluding first-time audits.
- 17. Achieve operating performance and profitability equal to net revenues over total revenues of at least 10%.
- 18. Obtain balance sheet strength equal to net asset position over total bonds outstanding of at least 20%.
- 19. Realize administrative fee of at least 18 basis points on all bond issues.
- 20. Achieve the cost of bond issuance not to exceed 2% of the bond volume.
- 21. Realize cash profitability of .5% on TBA executions.
- 22. Maintain servicing fee yield at an average of .36% of the purchased servicing portfolio.
- 23. Earn 100% base fees for PBCA contract.
- 24. Yield a collection rate of 98% or greater for compliance monitoring fees.
- 25. Meet commitment and expenditure requirement of 95% of recurring grant funding.
- 26. Commit 75% of STB recurring funding annually in resources for affordable housing of New Mexico Housing Trust Funds by June 30, annually.
- 27. Increase funding by at least 2 new sources.
- 28. Improve at least 15 MFA processes or resources.

Goal 4: Provide robust technological solutions

Proposed Benchmarks

- 29. Maintain an RS3 score greater than or equal to 780, averaged over four quarters.
- 30. 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.
- 31. Implement new software solutions.

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

Proposed Benchmarks

- 32. Participate in Annual Employee Engagement Survey and determine and implement actionable steps to address opportunities for improvement.
- 33. Provide training and professional development opportunities.
- 34. Consistently provide team building opportunities for Housing NM staff that promote a healthy, dynamic work environment.
- 35. Complete compensation review.

Summary:

Over several months, staff worked to develop a comprehensive and informed five-year strategic plan that supports the current housing needs and conditions in New Mexico. Staff recommends approval of the proposed 2025-2029 Strategic Plan and the 2025 Benchmarks.

New Mexico Mortgage Finance Authority

2025-2029 Strategic Plan

Housing New Mexico



Vision, Mission, Core Values









Vision

All New Mexicans will have quality affordable housing opportunities.

Mission

Housing New Mexico |
MFA is a leader in
affordable housing. We
provide innovative
products and services to
strengthen families and
communities.

Core Values

Responsive: To meet New Mexico's needs, Housing New Mexico | MFA optimizes resources, embraces innovation, cultivates partnerships and makes our programs accessible.

Professional: Housing New Mexico | MFA upholds high personal and professional standards. We comply with regulations and ensure prudent financial stewardship.

Dynamic: Housing New Mexico | MFA is a dynamic place to work. Our employees are our strength. We embrace diversity and provide opportunities for personal and professional growth.



Five Year Vision

- Increased and sustainable resources to support and expand program continuity
- More collaboration with state agencies and local governments
- Highlight energy saving and resiliency programs that promote improved quality of life
- Advocate for policies that align with providing increased housing opportunities
- Research and implement viable, innovative housing development technologies
- Cultivate and sustain a thriving single-family development program
- Increase capacity to provide affordable housing and deliver programs statewide
- Ensure programs provide as much flexibility as possible
- Improve messaging to target demographic groups
- Continue to secure funding, optimize resources, and build financial stability
- Foster a passionate and committed workforce where employees drive exceptional results
- Maintain highly motivated and committed Housing New Mexico Team
- Robust Continuous Improvement Program





Strategic Plan Themes













Addressing Affordable Housing Shortage:

New Mexico has a shortage of affordable housing units, and a lack of resources required to meet the housing needs of its residents, including vulnerable and rural populations. In addition, much of New Mexico's housing stock is aging and in poor condition. All of these factors have significant social and economic implications.

Partnerships:

In order for MFA programs to have positive impact on communities throughout the state, it is imperative that partnerships with a variety of housing related entities are developed, maintained and expanded.

Public Awareness:

Although MFA has a strong reputation among its partners, there is a need to expand awareness about the value of quality affordable housing in general and, specifically, about MFA's programs and products.

Strong Financial Management:

MFA must continue its tradition of strong financial management to thrive in changing and uncertain market and political conditions.

Technology and Cybersecurity:

Cybersecurity and state-of-the-art technology allow MFA to continually improve its business practices and customer service.

Staffing and Work Environment:

Appropriate staffing levels and a dynamic, team-oriented and healthy work environment are critical to MFA's success.

4



2025-2030 Goals











Goal 1:

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

Goal 2:

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

Goal 3:

Maintain
judicious
financial
stewardship and
principled,
efficient business
practices.

Goal 4:

Provide robust technological solutions.

Goal 5:

Foster a healthy, dynamic and team-oriented work environment.

_



Goal 1: Create Affordable Housing Opportunities

Objective 1	Increase the supply of affordable housing units: Expand the inventory of rental units, condominiums, and single-family homes at price points accessible to low- and moderate-income households.
Objective 2	Improve housing quality: Upgrade existing affordable housing units to meet health and safety standards and enhance energy efficiency.
Objective 3	Strengthen financial security and stability and improve long-term outcomes of low- to moderate-income households through new affordable housing opportunities.
Objective 4	Promote Homeownership: Develop programs to assist low-income individuals and families in purchasing homes and increase wealth building opportunities.
Objective 5	Reduce housing insecurity: Reduce the personal and societal costs of homelessness through programs and housing opportunities for persons experiencing or at risk of homelessness.

6



Goal 2: Build a Network of Advocates and Partners

Objective 1

Promote awareness of the value of quality affordable housing and the social and economic impact of MFA's products and programs.

Objective 2

Strengthen partners' capacity to deliver MFA's affordable housing products and programs in every area of the state.

Objective 3

Expand the network of stakeholders that are committed to affordable housing and housing-related programs.

Objective 4

Establish and cultivate strategic partnerships and collaborations to expand our reach, share resources, and achieve shared goals.



Goal 3: Maintain Judicious Financial Stewardship

Objective 1	Optimize existing financial strategies and evaluate new financial tools.
Objective 2	Achieve and maintain long-term financial stability and sustainability through optimized revenue generation, program income, cost management, and strategic investment.
Objective 3	Continuously improve processes and systems to ensure quality customer service and maximize programmatic impact.
Objective 4	Maintain strong financial controls, checks and balances, and auditing practices.



Goal 4: Provide Robust Technological Solutions

Objective 1

To implement and maintain reliable, secure, and efficient technology systems that enhance productivity, support organizational goals, and deliver exceptional value.

Objective 2

Maintain system reliability.

Objective 3

Protect MFA's data and systems.



Goal 5: Foster a Healthy, Dynamic and Team-Oriented Work Environment

Objective 1	To create a supportive, inclusive, and respectful workplace culture where employees feel valued, empowered, and motivated to excel.
Objective 2	Cultivate an environment that encourages the open exchange of ideas and accommodates an ever-changing work dynamic to attract and retain employees.
Objective 3	Offer opportunities for staff development and advancement and ensure the transfer of institutional knowledge.
Objective 4	Ensure the benefits package offered continues to attract and retain staff.



Goal 1: Create Affordable Housing Opportunities

- 1. Provide mortgage financing for 2,000 homebuyers.
- 2. Maintain average mortgage product utilization of 25% of all FHA loans recorded in New Mexico.
- 3. Finance the development and/or preservation of 1,100 rental units through multifamily housing development programs.
- 4. Provide the financing and/or development of 500 new ownership units through the following Housing New Mexico Programs.
- 5. Finance the preservation of 1,250 rental and homeownership units through weatherization, rehabilitation and housing innovation programs.
- 6. Achieve an expenditure rate of 95% of allocated homeless programs funds annually.
- 7. Achieve annual combined average loan delinquencies of MFA serviced portfolio below 9.5%.
- 8. Maintain subserviced portfolio delinquency percentage below the Federal Housing Administration Loan Performance Trend delinquency rate.
- 9. Evaluate at least 6 new products, business models, financial tools or significant program or product improvements.





Goal 2: Build a Network of Advocates and Partners

- 10. Achieve 14,000 social media engagements annually.
- 11. Achieve an average of 2 rural media mentions per month.
- 12. Expand services of at least 3 programs to an underserved area of the state.
- 13. Conduct or participate in an average of 4 outreach events monthly to assist new local governments, tribal governments, potential new program partners and/or elected officials.
- 14. Provide at least 100 formal group training or technical assistance opportunities for existing property owners, developers, service providers and/or lenders.
- 15. Plan MFA housing summit, open house, or networking events.





Goal 3: Maintain Judicious Financial Stewardship

- 16. Obtain unqualified opinion on MFA financial statements and no material weakness in internal control over financial reporting or major programs, excluding first-time audits.
- 17. Achieve operating performance and profitability equal to net revenues over total revenues of at least 10%.
- 18. Obtain balance sheet strength equal to net asset position over total bonds outstanding of at least 20%.
- 19. Realize administrative fee of at least 18 basis points on all bond issues.
- 20. Achieve the cost of bond issuance not to exceed 2% of the bond volume.
- 21. Realize cash profitability of .5% on TBA executions.
- 22. Maintain servicing fee yield at an average of .36% of the purchased servicing portfolio.
- 23. Earn 100% base fees for PBCA contract.
- 24. Yield a collection rate of 98% or greater for compliance monitoring fees.
- 25. Meet commitment and expenditure requirement of 95% of recurring grant funding.
- 26. Commit 75% of STB recurring funding annually in resources for affordable housing of New Mexico Housing Trust Funds by June 30, annually.
- 27. Increase funding by at least 2 new sources.
- 28. Improve at least 15 MFA processes or resources.



Goal 4: Provide Robust Technological Solutions

- 29. Maintain an RS3 score greater than or equal to 780, averaged over four quarters.
- 30. 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.
- 31. Implement new software solutions.





Goal 5: Foster a healthy, Dynamic and TeamOriented Work Environment

- 32. Participate in Annual Employee
 Engagement Survey and determine and
 implement actionable steps to address
 opportunities for improvement.
- 33. Provide training and professional development opportunities.
- 34. Consistently provide team building opportunities for Housing NM staff that promote a healthy, dynamic work environment.
- 35. Complete compensation review.







We Are Housing New Mexico



Housing New Mexico/MFA Contracted/Credit Committee Board Committees September 18, 2024

<u>Contracted Services/Credit Committee</u> <u>Home, Risk Share, Housing Opportunity Fund (HOF), Loans, and Contracts)</u>

Rebecca Wurzburger (Chair)

Attorney General Raul Torrez/Designee Julie Ann Meade

Randy Traynor

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

Department and Program	Project	Action Taken	Comments / Date Approved
Community Development Department – HIP Emergency Housing Needs	Request for funding source for project Soft Costs	Approved alternative funding source (NMHTFs) for project soft costs for HOME funded single family rehab projects.	Approved by Policy Committee on August 6, 2024
Community Development Department – ROC Restoring Our Communities	NOFA edits	Approved updating the Notice of Funding availability (NOFA) for the Restoring Our Communities (ROC) Program to reflect the following changes: updating the contact information for the program manager, revising the homebuyer assistance amounts and guidelines, clarifying language within the NOFA, and modifying the project application review.	Approved by Policy Committee on August 12, 2024
Community Development Department - HOME/VHRMP rehab Veterans Housing Rehabilitation	Alternative funding for seven rehab projects	Approved alternative funding \$500,000 of NMHTF funding to cover rehab costs of seven projects that we have in the pipeline in Hobbs and Alamogordo both of which are within a flood plan.	Approved by Policy Committee on August 20, 2024



New Mexico Mortgage Finance Authority Marketing & Communications Monthly Report August 2024

Press Release

August 15

Housing New Mexico celebrates groundbreaking of Route 66 Flats in Albuquerque https://housingnm.org/about-mfa/news/housing-new-mexico-celebrates-groundbreaking-of-route-66-flats-in-albuquerque

Media Interview

August 20
Jeff Payne: Route 66 Flats in Albuquerque (Albuquerque Business First)

Article

August (Pub. 21 2024, Issue 2)
New Mexico Bankers Digest
New Mexico Mortgage Finance Authority's Several Home Rehabilitation Programs
https://new-mexico-bankers-digest.thenewslinkgroup.org/new-mexico-mortgage-finance-authoritys-several-home-rehabilitation-programs/

Media Mentions/News Coverage

8.1.24 to 8.31.24 Media Mentions Report 🗸

Date Created Sep 3, 2024 by Susana Ramirez Last Edited Sep 3, 2024 by Susana Ramirez Total Number of Clips 68

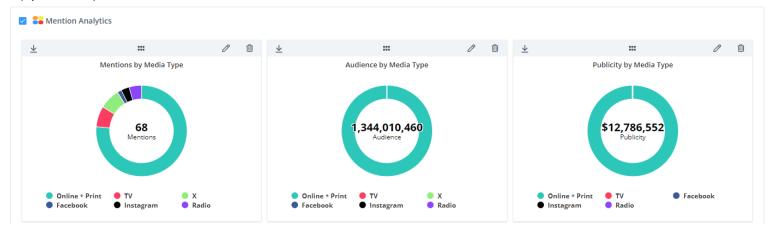
Report Summary

Enter a report summary (optional)

Keywords to Highlight

Type word or phrases followed by Enter key (optional

Display on Published Report:



Advertisements

The Real Estate Book



Unlock Homeownership in New Mexico with Affordable Loans & Assistance! Our competitive mortgage loans and down payment assistance programs are designed to help New Mexico homebuyers achieve their dream. Don't wait — reach out to a participating lender today to learn more! Housing New Mexico | MFA housingnm.org/programs/homebuyers

New Mexico Bankers Digest



The Notice of Funding Availability opened on September 1, 2023, and will remain open as long as funds are available.

There is an initial allocation of \$4 million to provide funding for approved projects.

MFA seeks developers/contractors to take on these restorative projects.



SCAN TO LEARN MORE!

Google



Sponsored



housingnm.org

https://www.housingnm.org > house-mortgage > help :

New Mexico Mortgage Finance - Down Payment Assistance

MFA Provides Homebuyers With **Down Payment** & Closing Cost **Assistance**. Let MFA **Help** Now.

Contact New Mexico Mortgage Finance Authority Today For Help Purchasing Your Home.

Emergency Shelter. Save Big on Rent. Specialized Housing. Affordable Living.

Homebuyer Resources · Inquire Now · News Center · About Us



Sponsored



housingnm.org

https://www.housingnm.org > housing > assistance

New Mexico Mortgage Finance Authority | Affordable Housing

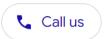
MFA Is **New Mexico's** Leader In **Housing** Assistance. Find Quality **Affordable Housing** Nearby.

NM MFA Creates Quality, Safe Homes That People Can Afford. Let MFA Help You Today.

Emergency **Shelter**. Specialized **Housing**.

Homebuyer Resources · Inquire Now · News Center · About Us

§ 344 4th Street Southwest, Albuquerque, New Mexico - Open today · 8:00 AM − 5:00 PM ▼



Google ads August report:

Housing New Mexico had another strong month of results on Google Ads with 639 conversions. Conversion breakdown was as follows:

- Phone calls directly from the ads: 73
- Phone calls from the website after clicking on an ad: 272
- Contact form submissions: 294 (an increase from 160 in July)

Conversions = The number of leads Housing New Mexico received after a user clicked on an ad

New Mexico Society of CPAs E-Newsletter (August)



New Mexico Association of Counties Weekly News Brief (Limited to one submission per month) August 1



The NM Mortgage Finance Authority Has a New Look

NM MFA recently announced its rebranding, which now includes 'Housing New Mexico' and a new logo with an outline of the state, reminding everyone that the agency serves all of New Mexico. From people experiencing homelessness, to those celebrating the purchase of their first home, Housing New Mexico creates opportunity across the housing continuum. While the name is not officially or legally changing, the idea is for the agency to be recognized as Housing New Mexico. The new brand better reflects the expanded range of services since the agency's creation in 1975. Learn more by visiting the **Housing New**

Mexico website. https://housingnm.org/

New Mexico Bankers Association Directory



Providing affordable mortgage loans and down payment assistance to homebuyers throughout New Mexico.

344 Fourth St. SW Albuquerque, NM 87102 505.843.6880 | housingnm.org



Albuquerque Journal Venue Plus

August 2



Help build affordable housing by making a donation through the New Mexico State Tax Credit Program and receive a tax credit equal to 50% of the value of the donation.

To learn more, visit: www.housingnm.org

August 16



Need assistance purchasing your first home?

We can help!



To learn more, visit: www.housingnm.org

August 30



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

To learn more, visit: www.housingnm.org

Outreach

August 7: Route 66 Flats Groundbreaking Ceremony (Albuquerque)



August 13-15: New Mexico Municipal League Annual Conference (Clovis)

August 14-16: New Mexico Association of REALTORS Annual Conference (Albuquerque)

August 16: Press Conference: Housing New Mexico Partners with City of Albuquerque and New Mexico Coalition to End Homelessness on Landlord Engagement Program (Albuquerque)



August 28: Regional Listening Session/Community Outreach Meeting and BiltWise Structures Tour (Roswell)

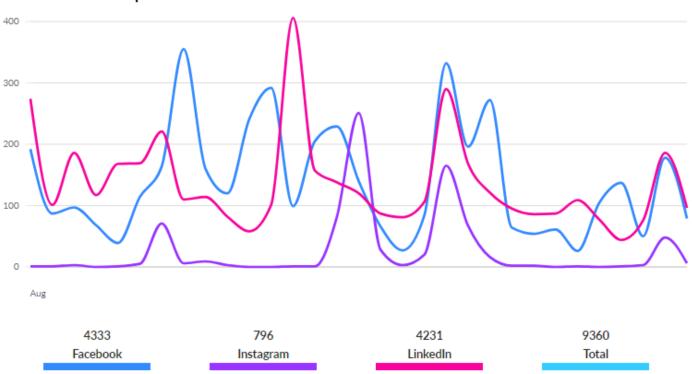




Social Media Analytics

LinkedIn: Housing New Mexico Facebook: @HousingNewMexico Instagram: @HousingNewMexico YouTube: @HousingNewMexico X/Twitter: @HousingNM

Cross-Channel Impressions ①



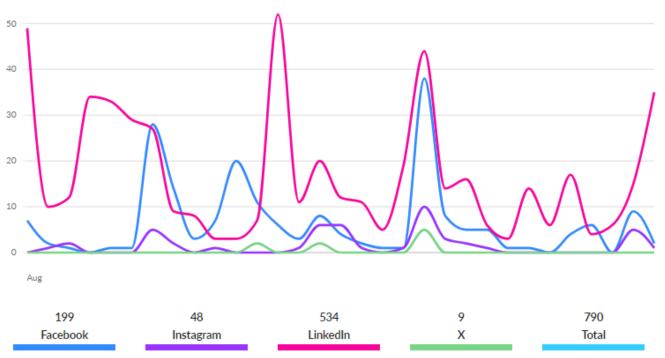
Impressions =

The number of times Housing New Mexico social media page content was displayed.

Social Media Analytics

LinkedIn: Housing New Mexico Facebook: @HousingNewMexico Instagram: @HousingNewMexico YouTube: @HousingNewMexico X/Twitter: @HousingNM

Cross-Channel Engagements ①



Engagements = Depending on platform, engagements include likes, comments, shares, clicking on links, saves, story replies, post clicks.

Post Performance









KRQE News 13 August 11 at 9:08 AM - AM

RECENTLY: A groundbreaking ceremony was held in southwest Albuquerque for a new affordable housing complex.



New affordable housing complex breaks ground in southwest Albuquerque
All the residents' one-bedroom apartments will have access to community space, a shared ...

Clicks	Reactions	Comments
21	9	0
Shares	Reach	Impressions
2	263	277

























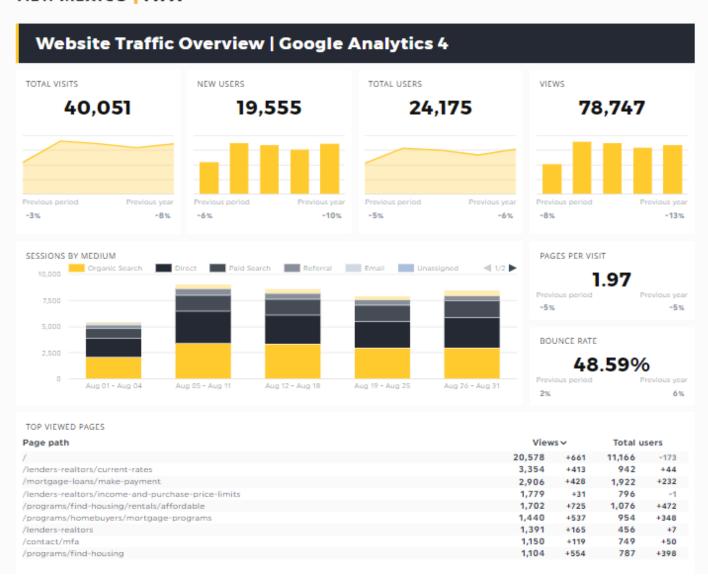
Website

https://housingnm.org/

Top-Viewed Page "/" = Home Page



Housing New Mexico Monthly Dashboard



New Mexico Housing Trust Fund Monthly Overview

September 18, 2024

New Mexico Housing Trust Fund Funding Source	Total Annual Allocation	Total Procureme	ent	Total Awarde	d	Procured but not Awarded	Tota	al Expended (as of Ju	ly 31, 2024)	Awards Proposed at 8/2024 Board Meeting	Award A	mount Activity
Severance Tax Bond 2024	\$37,530,000.00	\$37,530,000.00	100%	\$ 34,900,000.00	93%	\$2,630,000.00	\$	16,220,804.51	43%	City of Las Cruces	\$ 1,50	O,000.00 Housing Innovation (Supportive Housing Project)
										Village of Ruidoso*	\$ 28	7,502.00 Housing Innovation
Severance Tax Bond 2025	\$34,620,000.00	\$34,620,000.00	100%	\$ 34,620,000.00	100%	\$0.00	\$	1,246,719.00	4%			
Legislative 2024 \$50	\$24,630,000.00	\$23,630,000.00	96%	\$ 11,217,498.00	47%	\$13,412,502.00	\$	1,347,875.49	5%	Village of Ruidoso*	\$ 71	2,498.00 Housing Innovation
Million Allocation	φ2 1,000,000.00									Forget Me Not Park	\$ 37	Housing Innovation (Supportive Housing Project)
Total	\$ 96,780,000.00	\$ 95,780,000.00		\$ 80,737,498.00		\$ 16,042,502.00		18,815,399.00				

Awards in green are included in the total awarded but are being proposed at the current MFA Board of Directors meeting. All awards and expenditures are as of the final Policy Committee meeting on September 3, 2024.

^{*} The Village of Ruidoso project is one award but is split between the State Fiscal Year 2024 Severance Tax Bond and the Legislative \$50 Million allocation.

New Mexico Housing Trust Fund by Awards

August 21, 2024

Awardee	Award	Award Amount	Strategic Impact Area	Activity	New Mexico Housing Trust Fund Funding Source	Anticipated Impact (Households)	City
Homeownership Department	FirstDown Plus	\$ 10,625,000.00	Build Homeownership & Wealth	Down Payment Assistance	SFY24 STB	708	Statewide
Homeownership Department	HomeForward DPA	\$ 1,000,000.00	Build Homeownership & Wealth	Down Payment Assistance	SFY24 STB	67	Statewide
Southwest Regional Housing and Community Development		\$ 134,655.19	Preserve Existing Affordable Housing	Home Improvement Program	SFY24 STB	3	Southwestern NM
Southwest Regional Housing and Community Development		\$ 98,999.86	Preserve Existing Affordable Housing	Home Improvement Program	SFY24 STB	1	Southwestern NM
Home Improvement Program		\$ 728,737.21	Preserve Existing Affordable Housing	Home Improvement Program	SFY24 STB	27	Statewide
San Felipe Pueblo		\$ 37,607.74	Preserve Existing Affordable Housing	Home Improvement Program	SFY24 STB	3	San Felipe Pueblo
Central New Mexico Housing Corporation		\$ 475,000.00	Preserve Existing Affordable Housing	Weatherization	SFY24 STB	33	Central NM
Southwest Regional Housing and Community Development		\$ 300,000.00	Preserve Existing Affordable Housing	Weatherization	SFY24 STB	21	Southwestern NM
Restoring Our Communities Program		\$ 2,000,000.00	Preserve Existing Affordable Housing	Restoring Our Communities	SFY24 STB	12	Albuquerque/ North Central NM
Chelsea Investment Corp.	Three Sisters	\$ 3,500,000.00	Create More Housing	Gap Financing	SFY24 STB	70	Las Cruces
La Serena Apartments, LLC	La Serena Apartments	\$ 1,000,000.00	Create More Housing	Gap Financing	SFY24 STB	100	Albuquerque
Pedrena Apartments LLC	Pedrena Apartments	\$ 1,000,000.00	Create More Housing	Gap Financing	SFY24 STB	80	Las Cruces
NCNO Limited Partnership, LLLP	Encino Senior Gardens	\$ 2,000,000.00	Create More Housing	Gap Financing	SFY24 STB	165	Albuquerque
Peachetree Canyon Limited Partnership (to be formed)	Peachtree Canyon I	\$ 3,000,000.00	Create More Housing	Gap Financing	SFY24 STB	144	Las Cruces

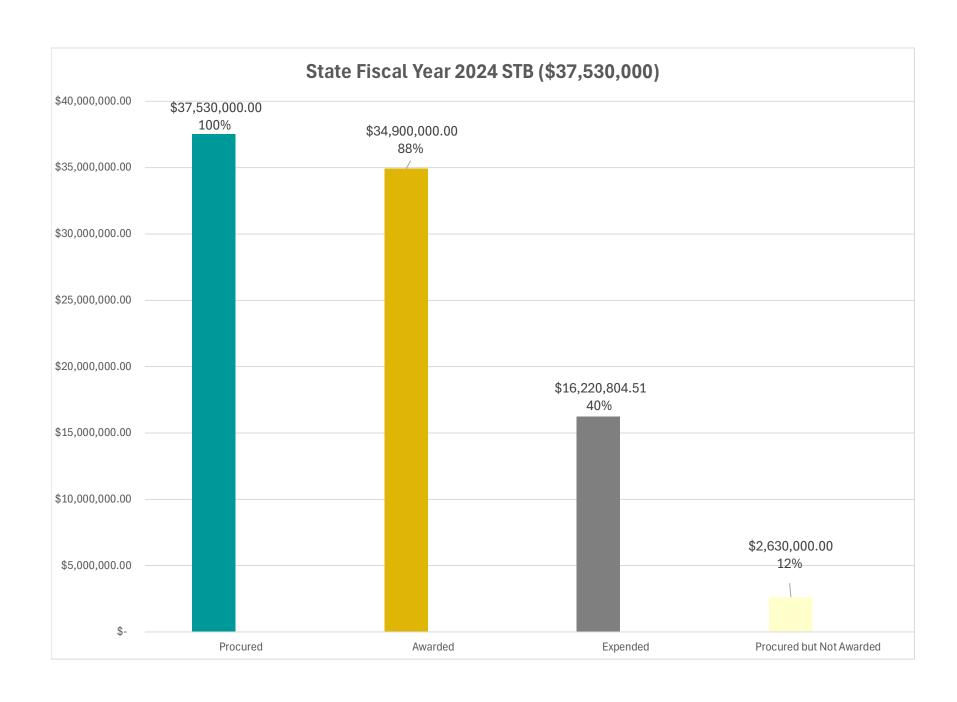
Awardee	Award	Award Amount	Strategic Impact Area	Activity	New Mexico Housing Trust Fund Funding Source	Anticipated Impact (Households)	City
EC Ruidoso LP	Elk Meadows Apartments	\$ 2,000,000.00	Create More Housing	Gap Financing	SFY24 STB	72	Ruidoso
Post Las Brisas, LLC	Las Brisas Apartments	\$ 1,000,000.00	Preserve Existing Affordable Housing	Preservation	SFY24 STB	120	Albuquerque
Homewise	Sombra del Oeste	\$ 500,000.00	Create More Housing	SF Development	SFY24 STB	10	Albuquerque
Homewise	Miraflores	\$ 500,000.00	Create More Housing	SF Development	SFY24 STB	7	Santa Fe
Town of Silver City		\$ 500,000.00	Preserve Existing Affordable Housing	Housing Innovation	SFY24 STB	8	Silver City
NM Ramp Project		\$ 500,000.00	Preserve Existing Affordable Housing	Housing Innovation	SFY24 STB	100	Statewide
Sawmill CLT		\$ 262,498.00	Preserve Existing Affordable Housing	Housing Innovation	SFY24 STB	105	Albuquerque
HagermanForward Inc.		\$ 500,000.00	Preserve Existing Affordable Housing	Housing Innovation	SFY24 STB	18	Chavez County
San Felipe Pueblo		\$ 450,000.00	Preserve Existing Affordable Housing	Housing Innovation	SFY24 STB	24	San Felipe Pueblo
Ohkay Owingeh		\$ 500,000.00	Preserve Existing Affordable Housing	Housing Innovation	SFY24 STB	10	Ohkay Owingeh
North Central New Mexico Economic Development District		\$ 500,000.00	Preserve Existing Affordable Housing	Housing Innovation	SFY24 STB	4	North Central NM
Homeownership Department	FirstDown Plus	\$ 15,500,000.00	Build Homeownership & Wealth	Down Payment Assistance	SFY25 STB	1,033	Statewide
Homeownership Department	HomeForward DPA	\$ 4,500,000.00	Build Homeownership & Wealth	Down Payment Assistance	SFY25 STB	300	Statewide
Somos Apartments Limited Partnership	Somos Apartments	\$ 4,000,000.00	Create More Housing	Gap Financing	SFY25 STB	70	Albuquerque
Ocate SF, LLC (to be formed)	Ocate Apartments	\$ 3,000,000.00	Create More Housing	Gap Financing	SFY25 STB	60	Santa Fe
Country Club SF, LLC (to be formed)	Country Club Apartments	\$ 3,000,000.00	Create More Housing	Gap Financing	SFY25 STB	62	Santa Fe

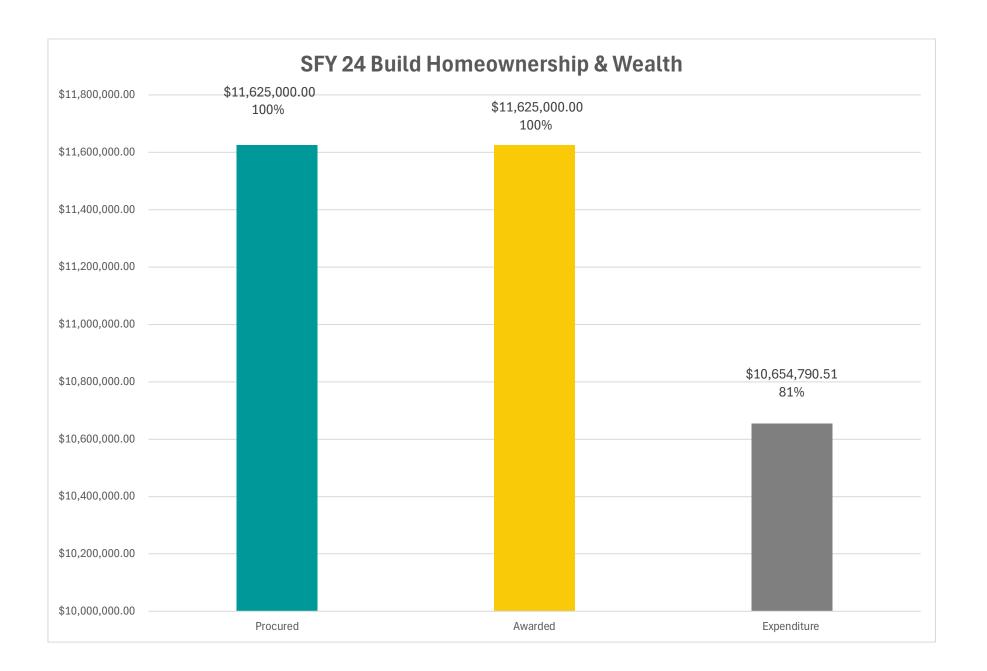
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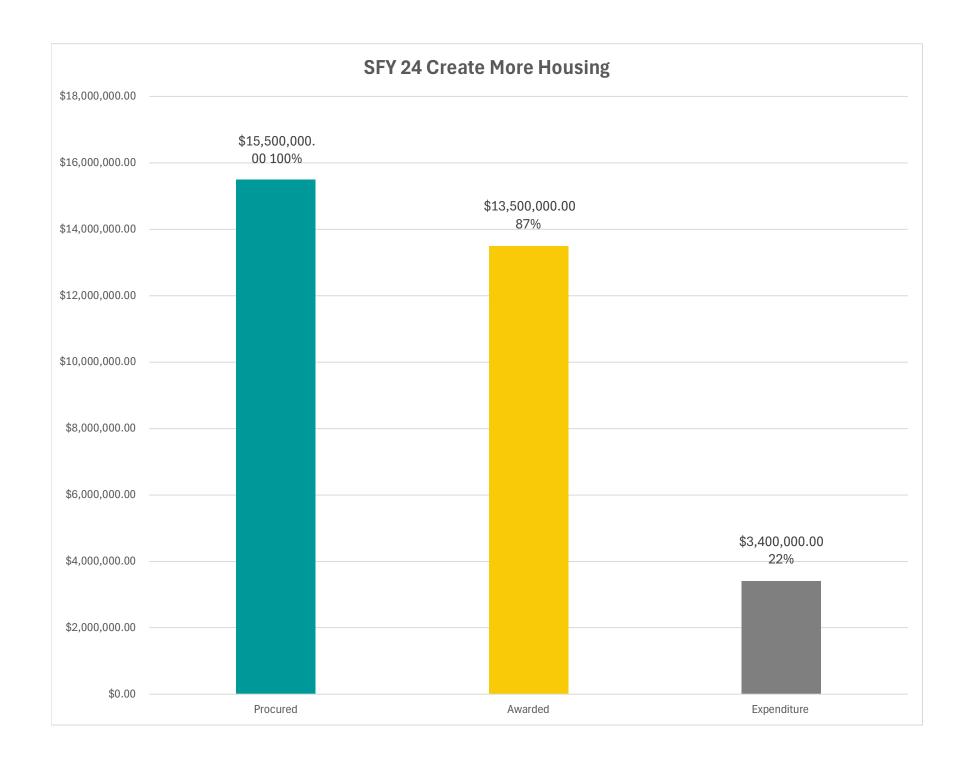
Awardee	Award	Award Amount	Strategic Impact Area	Activity	New Mexico Housing Trust Fund Funding Source	Anticipated Impact (Households)	County
Chelsea Investment Group	Mariposa Apartments	\$ 2,000,000.00	Create More Housing	Gap Financing	SFY25 STB	51	Taos
Rio Rancho Leased Housing Authority I, LLP	Sandoval Flats	\$ 1,620,000.00	Create More Housing	Gap Financing	SFY25 STB	216	Rio Rancho
Rio Rancho Leased Housing Authority I, LLP	Sandoval Flats	\$ 1,380,000.00	Create More Housing	Gap Financing	2024 Legislative Allocation	216	Rio Rancho
Preservation and Reinvestment Initiative for Community Enhancement Grant		\$ 1,000,000.00	Preserve Existing Affordable Housing	Housing Innovation	SFY25 STB		Statewide
Artisan's Guild Contracting, LLC	El Toro Community	\$ 3,000,000.00	Create More Housing	SF Development	2024 Legislative Allocation	29	Roswelli
YSM Development Advisors LLC	Salazar South	\$ 2,500,000.00	Create More Housing	SF Development	2024 Legislative Allocation	81	Taos
Home Improvement Program		\$ 500,000.00	Preserve Existing Affordable Housing	Home Improvement Program	2024 Legislative Allocation	19	Statewide
Central New Mexico Housing Corporation		\$ 125,000.00	Preserve Existing Affordable Housing	Weatherization	2024 Legislative Allocation	9	Central NM
Southwest Regional Housing and Community Development		\$ 75,000.00	Preserve Existing Affordable Housing	Weatherization	2024 Legislative Allocation	5	Southwestern NM
Redfeather Development		\$ 50,000.00	Preserve Existing Affordable Housing	Weatherization	2024 Legislative Allocation	4	Navajo Nation
Central New Mexico Housing Corporation		\$ 75,000.00	Preserve Existing Affordable Housing	Weatherization - Energy\$mart Solar Program	2024 Legislative Allocation	5	Central NM
Southwest Regional Housing and Community Development		\$ 2,400,000.00	Preserve Existing Affordable Housing	Weatherization - Energy\$mart Solar Program	2024 Legislative Allocation	170	Southwestern NM
Redfeather Development		\$ 25,000.00	Preserve Existing Affordable Housing	Weatherization - Energy\$mart Solar Program	2024 Legislative Allocation	2	Navajo Nation
City of Las Cruces		\$ 1,500,000.00	Preserve Existing Affordable Housing	Housing Innovation/ Homeless and Homelessness Prevention	SFY24 STB		Las Cruces
Village of Ruidoso		\$ 287,502.00	Preserve Existing Affordable Housing	Housing Innovation	SFY24 STB		Ruidoso
Village of Ruidoso		\$ 712,498.00	Preserve Existing Affordable Housing	Housing Innovation	2024 Legislative Allocation		Ruidoso
Forget Me Not Park		\$ 375,000.00	Preserve Existing Affordable Housing	Housing Innovation/ Homeless and Homelessness Prevention	2024 Legislative Allocation		Socorro/ Truth or Consquences Area
Total		\$ 80,737,498.00					

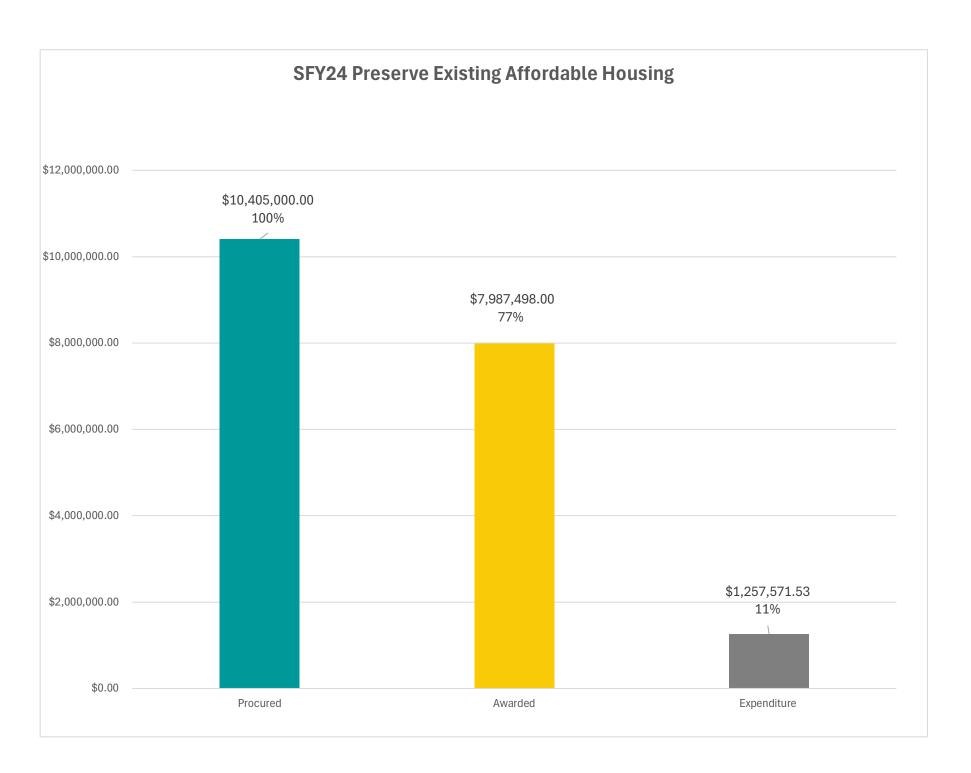
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New Mexico Housing Trust Fund Graphs

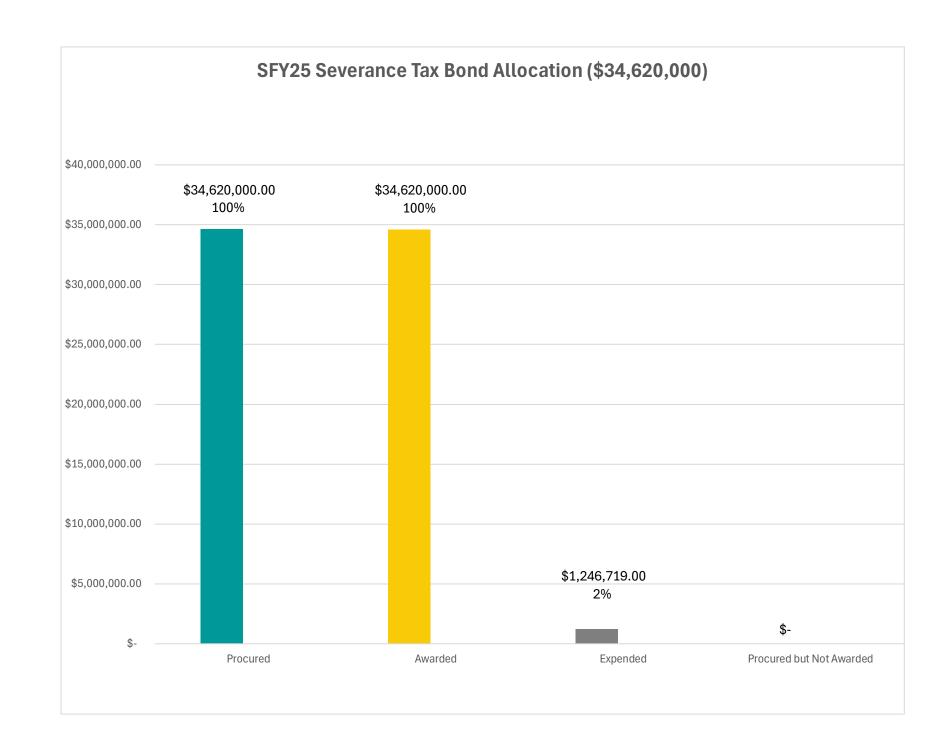


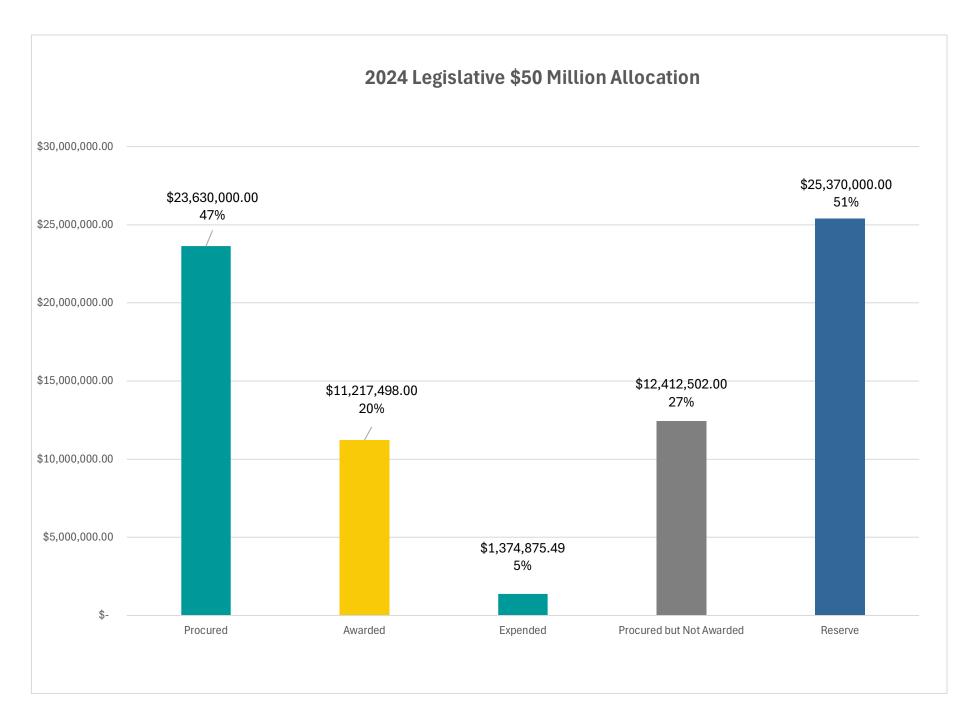






New Mexico Housing Trust Fund Graphs





New Mexico Mortgage Finance Authority

Combined Financial Statements and Schedules

HOUSING NEW MEXICO (NMMFA) FINANCIAL REVIEW

For the ten-month period ended July 31, 2024

C	DMPARATIVE FISCAL YEAR-TO-DATE FIGURES (Dollars in millions):	10 months 7/31/2024	10 months 7/31/2023	% Change	Forecast	Actual to
	PRODUCTION	<u>//31/2024</u>	7/31/2023	<u>Year / Year</u>	7/31/2024	<u>Forecast</u>
1	Single family issues (new money):	\$370.0	\$215.0	72.1%	\$250.5	47.7%
2	Single family loans sold (TBA):	\$87.1	\$4.9	1665.9%	\$20.3	329.0%
3	Total Single Family Production	\$457.1	\$219.9	107.9%	\$270.8	68.8%
4	Single Family Bond MBS Payoffs:	\$45.1	\$44.7	1.0%	\$49.8	-9.5%
	STATEMENT OF NET POSITION	7 .0	*	_,,,,	7 1010	0.07.
5	Avg. earning assets:	\$2,057.8	\$1,736.6	18.5%	\$1,985.3	3.7%
6	General Fund Cash and Securities:	\$94.4	\$119.1	-20.7%	\$117.4	-19.5%
7	SIC FMV Adj. (General Fund):	\$1.3	\$1.1	15.8%	N/A	N/A
8	Total bonds outstanding:	\$1,843.4	\$1,457.4	26.5%	\$1,712.5	7.6%
	STATEMENT OF REVENUES, EXPENSES AND NET POSITION					
9	General Fund expenses (excluding capitalized assets):	\$26.1	\$20.5	27.4%	\$22.9	13.9%
10	General Fund revenues:	\$33.0	\$27.8	18.5%	\$23.3	41.3%
11	Combined net revenues (all funds):	\$72.0	\$16.1	346.4%	(\$0.0)	
12	SIC FMV Adj. (Combined net revenues):	\$1.4	\$0.8	79.9%	N/A	
13	Combined net position:	\$373.0	\$301.7	23.6%	\$350.0	6.6%
14	Combined return on avg. earning assets:	4.20%	1.11%	276.7%	0.00%	
15	SIC FMV Adj. (return on avg. earning assets):	0.08%	0.05%	51.8%	N/A	
16	Net TBA profitability:	1.65%	0.74%	122.2%	0.10%	1546.7%
17	Combined interest margin:	0.90%	0.86%	3.8%	0.40%	121.6%
	MOODY'S BENCHMARKS					
18	Net Asset to debt ratio (5-yr avg):	24.77%	25.51%	-2.9%	24.82%	-0.2%
19	Net rev as a % of total rev (5-yr avg):	15.09%	10.61%	42.2%	8.98%	68.1%
	SERVICING					
20	Subserviced portfolio	\$2,487.8	\$2,055.0	21.1%	\$2,202.5	13.0%
21	Servicing Yield (subserviced portfolio)	0.39%	0.40%	-3.1%	0.36%	7.5%
22	Combined average delinquency rate (MFA serviced)	8.38%	8.20%	2.2%	9.50%	-11.8%
23	DPA loan delinquency rate (all)	8.53%	7.71%	10.6%	N/A	N/A
24	Default rate (MFA serviced-annualized)	0.89%	0.62%	42.3%	1.30%	-31.7%
25	Subserviced portfolio delinquency rate (first mortgages)	10.95%	10.49%	4.4%	N/A	N/A
26	Mortgage Servicing Rights Valuation Cost Difference (as of 6/30/24)	\$12.5	\$11.0	13.6%	N/A	N/A

Legend: Positive Trend Caution Negative Trend Known Trend/Immaterial

HOUSING NEW MEXICO (NMMFA) FINANCIAL REVIEW

For the ten-month period ended July 31, 2024

SUMMARY OF BOND ISSUES:

Single Family Issues:

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

2024E/F: \$150.0M (Upcoming)

CURRENT YEAR FINANCIAL TRENDS & VARIANCES:

PRODUCTION

- Housing New Mexico has closed three bond issues as of the beginning of the fiscal year, for a combined total of \$370 million. With extremely strong production, bolstered in part by the FirstDown Plus program, Housing New Mexico has exceeded its overall single-family production forecast (made in September 2023) by ~48%.
- Although TBA production has paled in comparison to bond production, Housing New Mexico has nevertheless sold a sizeable amount (~\$87M) of loans through the TBA market and outperformed (in both value and ratio) the total in last fiscal year.

STATEMENT OF NET POSITION

- Average earning assets is higher than it was at this point last year and effectively in-line with what Housing New Mexico forecasted for the month. Increases in mortgage production primarily explain how Housing New Mexico is earning interest on its balance sheet.
- General Fund Cash & Securities is lagging its budget more than anticipated, which was caused by timing differences in the cash balances with the Federal Home Loan Bank of Dallas (FHLB), but performance is still improved over last year. General Fund investments with the State Investment Council continued to report gains.

STATEMENT OF REVENUES, EXPENSES AND NET POSITION

- Expenses year-to-date are higher than they were last year, and slightly more than what was budgeted last year. Our combined net revenues continue to see welcome gains due to the recognition of grant award income.
- Housing New Mexico's TBA-funded programs, which halted last year due to poor rate offerings, has provided welcome profitability since the beginning of the fiscal year. At 1.65%, Housing New Mexico's current profitability is much stronger than both its FY24 goal (0.5%) and its profiability margin from this time last year (0.74%).

MOODY'S BENCHMARKS

• Based on Moody's issuer credit rating scorecard, Housing New Mexico's 24.77% net asset to debt ratio (5-year average), which measures balance sheet strength, indicates a strong and growing level of resources for maintaining HFA's creditworthiness under stressful circumstances (>20 %). Housing New Mexico's net revenue as a % of total revenue (5-year average) has increased to 15.09%, which is identified to have very favorable trends by Moody's (>15%). Moody's Investor Services completed an updated credit opinion on Housing New Mexico's Issuer Credit Rating in June 2020. They assigned the Aa3 rating. Comments included a high asset-to-debt ratio, good profitability, and a low-risk profile due to a mortgage-backed security structure, and no exposure to variable-rate debt. Additionally, Moody's reaffirmed the Aaa rating on the single-family indenture in January 2024.

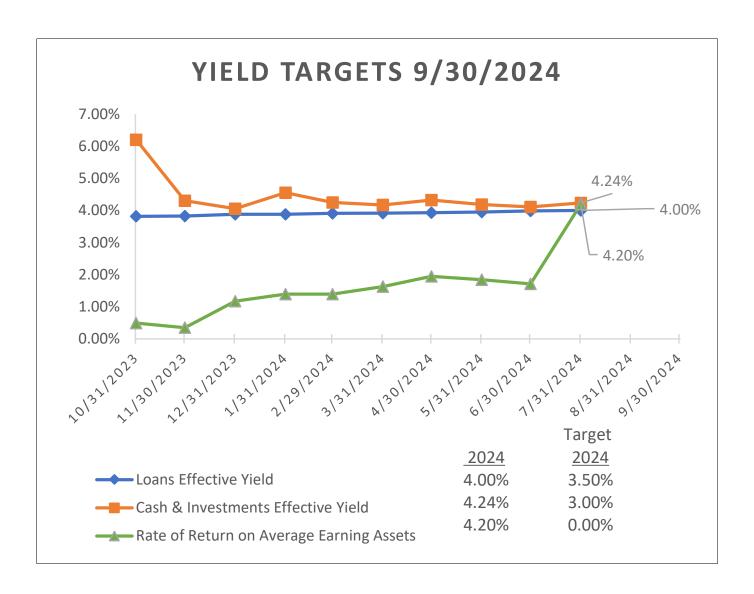
SERVICING

- Housing New Mexico continues to monitor delinquencies and defaults on our loan portfolio to identify reduction strategies and refer borrowers to available loss mitigation programs. The subserviced portfolio delinquency rate, currently serviced by Idaho Housing Finance Authority, is 10.95%. The subserviced portfolio is characterized by approximately 83% FHA-insured loans. The Mortgage Bankers Association quarterly survey as of June 30, 2024, indicates that the delinquency rate for FHA loans nationally is 10.60%, and for New Mexico is 9.07%. In addition, FHA Single Family Loan Performance Trends for July 2024 showed a 13.62% delinquency (for purchase loans only), which increased from 13.55% in June. (These figures can be used for market comparison, and may not align with trends seen internally).
- Housing New Mexico's's annualized default rate is 0.89%, which noticably higher than last July, but also well below its target rate of 1.30%.
- The fair market value for mortgage servicing rights as of June 2024 is \$34.9 million, an increase of about \$1.14 million over the quarter and ~12.5 million over cost. GASB requires Housing New Mexico to record the value of servicing rights at the 'lower of cost or market'. The elevated FMV is related to decreased prepayment speed projections, and increased earnings rates impacted portfolio value positively. The current recorded cost of the asset is \$22.3 million. Valuations are obtained every quarter.

ADDITIONAL NOTES

- Bond Payoffs, GF expenses, and servicing delinquency & default rates use an inverse scale.
- The originally forecasted numbers for FY 2024 are based off of actual data 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%.

HOUSING NEW MEXICO (NMMFA) FINANCIAL REVIEW For the ten-month period ended July 31, 2024



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

	YTD 07/31/24	YTD 7/31/23
ASSETS:		
CURRENT ASSETS:		
CASH & CASH EQUIVALENTS RESTRICTED CASH HELD IN ESCROW	\$41,315 9,666	\$66,142 9,796
SHORT-TERM INVESTMENTS	9,000	9,790
ACCRUED INTEREST RECEIVABLE	7,841	5,536
OTHER CURRENT ASSETS	59,187	8,910
ADMINISTRATIVE FEES RECEIVABLE (PAYABLE) INTER-FUND RECEIVABLE (PAYABLE)	- 0	- 0
TOTAL CURRENT ASSETS	118,009	90,383
	,	,
CASH - RESTRICTED	112,831	93,271
LONG-TERM & RESTRICTED INVESTMENTS INVESTMENTS IN RESERVE FUNDS	64,106	67,189
FNMA, GNMA, & FHLMC SECURITIZED MTG. LOANS	1,782,976	1,401,796
MORTGAGE LOANS RECEIVABLE	216,845	202,021
ALLOWANCE FOR LOAN LOSSES	(8,962)	(9,772)
NOTES RECEIVABLE FIXED ASSETS, NET OF ACCUM. DEPN	- 13,555	- 11,624
OTHER REAL ESTATE OWNED, NET	4,669	2,297
OTHER NON-CURRENT ASSETS	8	11
INTANGIBLE ASSETS	23,155	19,736
TOTAL ASSETS	2,320,174	1,878,556
DEFERRED OUTFLOWS OF RESOURCES		
REFUNDINGS OF DEBT	129	159
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	2,320,302	1,878,715
LIABILITIES AND NET POSITION:		
LIABILITIES:		
CURRENT LIABILITIES:		
ACCRUED INTEREST PAYABLE	\$20,551	\$11,288
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	15,732	23,638
ESCROW DEPOSITS & RESERVES TOTAL CURRENT LIABILITIES	9,626 45,909	9,683 44,609
TOTAL CONNENT LIABILITIES	40,909	44,009
BONDS PAYABLE, NET OF UNAMORTIZED DISCOUNT	1,843,416	1,457,363
MORTGAGE & NOTES PAYABLE	57,147	74,557
ACCRUED ARBITRAGE REBATE OTHER LIABILITIES	- 571	- 190
O THE REPORTED	011	100
TOTAL LIABILITIES	1,947,044	1,576,719
DEFERRED INFLOWS TOTAL LIAB/DEFERRED INFLOWS	221	253
TOTAL LIAB/DEFERRED INFLOWS	1,947,265	1,576,972
NET POSITION:		
NET INVESTED IN CAPITAL ASSETS	13,555	11,624
UNAPPROPRIATED NET POSITION (NOTE 1) APPROPRIATED NET POSITION (NOTE 1)	134,051 225,431	70,520 219,599
TOTAL NET POSITION (NOTE 1)	373,037	301,743
TOTAL LIABILITIES & NET POSITION	2,320,302	1,878,715

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

	YTD 07/31/24	YTD 7/31/23
OPERATING REVENUES:		
INTEREST ON LOANS	\$61,931	\$44,912
INTEREST ON INVESTMENTS & SECURITIES	8,780	5,842
LOAN & COMMITMENT FEES	4,210	2,656
ADMINISTRATIVE FEE INCOME (EXP)	5,812	4,336
RTC, RISK SHARING & GUARANTY INCOME	47	44
HOUSING PROGRAM INCOME	1,733	1,647
LOAN SERVICING INCOME	8,492	8,247
OTHER OPERATING INCOME	<u> </u>	
SUBTOTAL OPERATING REVENUES	91,006	67,683
NON-OPERATING REVENUES:		
ARBITRAGE REBATE INCOME (EXPENSE)	-	-
GAIN(LOSS) ASSET SALES/DEBT EXTINGUISHMENT	1,526	764
OTHER NON-OPERATING INCOME	101	87
GRANT AWARD INCOME	146,390	85,709
SUBTOTAL NON-OPERATING REVENUES	148,017	86,559
TOTAL REVENUES	239,023	154,243
OPERATING EXPENSES:		
ADMINISTRATIVE EXPENSES	20,598	17,332
INTEREST EXPENSE	55,320	38,243
AMORTIZATION OF BOND/NOTE PREMIUM(DISCOUNT)	(3,732)	(3,028)
PROVISION FOR LOAN LOSSES	7,424	397
MORTGAGE LOAN & BOND INSURANCE	-	-
TRUSTEE FEES	175	133
AMORT. OF SERV. RIGHTS & DEPRECIATION	2,295	1,450
BOND COST OF ISSUANCE	3,223	1,991
SUBTOTAL OPERATING EXPENSES	85,303	56,518
NON-OPERATING EXPENSES:		
CAPACITY BUILDING COSTS	293	139
GRANT AWARD EXPENSE	81,405	81,450
OTHER NON-OPERATING EXPENSE		-
SUBTOTAL NON-OPERATING EXPENSES	81,698	81,590
TOTAL EXPENSES	167,001	138,108
NET REVENUES	72,022	16,135
OTHER FINANCING SOURCES (USES)		
NET REVENUES AND OTHER FINANCING SOURCES(USES)	72,022	16,135
NET POSITION AT BEGINNING OF YEAR	301,015	285,608
NET POSITION AT 07/31/24	373,037	301,743

NOTES TO FINANCIAL STATEMENTS

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

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

UNAPPROPRIATED NET POSITION:

\$ 36,959	is held by Bond Program Trustees and is pledged to secure repayment of the Bonds.
\$ 96,415	is held in Trust for the NM Housing Trust Fund and the NM Land Title Trust Fund.
\$ 677	is held for New Mexico Affordable Housing Charitable Trust.
\$ 134,052	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 (\$108,764 in loans and grants plus \$9,365 unfunded, of which
		\$5,399 is committed).
\$	48,658	for future use in Single Family & Multi-Family housing programs.
\$	1,035	for loss exposure on Risk Sharing loans.
\$	13,555	invested in capital assets, net of related debt.
\$	22,465	invested in mortgage servicing rights.
\$	12,450	for the future General Fund Budget year ending 09/30/24 (\$38,374 total budget
_		less \$31,833 expended budget through 7/31/24.)
\$	216,292	Subtotal - General Fund
_		

APPROPRIATED NET POSITION: HOUSING

\$ 22,694	for use in the federal and state housing programs administered by MFA.

\$_	22,694	Subtotal - Housing Program
\$	238,986	Total Appropriated Net Position
\$	373,038	Total Combined Net Position at July 31, 2024

Total combined Net Position, or reserves, at July 31, 2024 was \$373 million, of which \$134 million was pledged to the bond programs, Affordable Housing Charitable Trust and fiduciary trusts. \$239 million of available reserves, with \$94.4 million primarily liquid in the General Fund and in the federal and state Housing programs and \$144.6 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.