



NEW MEXICO MORTGAGE FINANCE AUTHORITY

Board Meeting

344 4th St. SW, Albuquerque, NM
Wednesday, May 20, 2020 at 9:30 a.m.

Agenda

Chair Convenes Meeting

- Roll Call (Izzy Hernandez)
- Approval of Agenda – Board Action
- Approval of April 15, 2020 Board Meeting Minutes – Board Action
- Approval of April 15, 2020 Board Study Session – LIHTC/QAP Cost Study Minutes
- Executive Director Updates

Board Action Items

Action Required?

COVID-19 Staff Actions

- | | | |
|---|---|----|
| 1 | New Mexico Housing Trust Fund Rental Assistance Notice of Funding Availability (NOFA) (Sabrina Su/ Rebecca Velarde) | NO |
| 2 | Emergency Solutions Grant (ESG) CARES Act Fund Allocations (John Garcia/ Jackie Garrity/Shannon Tilseth) | NO |
| 3 | Housing Opportunities for Persons with AIDS (HOPWA CARES Act Fund Allocations) (Natalie Michelback) | NO |

Finance Committee

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| 4 | 3/31/20 Quarterly Financial Statements (Gina Hickman) | YES |
| 5 | 3/31/20 Quarterly Investment Report (Gina Hickman & Cooper Hall) | YES |
| 6 | Waiver of Qualified Allocation Plan (QAP) Language for 4% Credits (Kathryn Turner) | YES |

Contracted Services/Credit Committee

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| 7 | MFA Building Renovation: Construction Services Request for Proposals (RFP) (Izzy Hernandez) | YES |
| 8 | General Counsel Legal Services Request for Proposals (RFP) (Izzy Hernandez) | YES |
| 9 | Approval of Housing Opportunities for Persons with AIDS (HOPWA) Service Providers and 2019/2020 Funding Awards (Natalie Michelback) | YES |
| 10 | Request for Proposals (RFP) for Architectural Review & Construction Inspection Services (Kathryn Turner) | YES |
| 11 | Emergency Homeless Assistance Program – Award Recommendations (Jackie Garrity/John Garcia) | YES |
| 12 | Approval of 2019/2021 Department of Energy Annual and Master State Plans (NM EnergySmart) (Troy Cucchiara) | YES |

New Mexico Affordable Housing Charitable Trust - Contracted Services/Credit Committee -

- | | | |
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| 13 | New Mexico Affordable Housing Charitable Trust - 2018 Rehab Federal Veterans Allocations (Amy Gutierrez/ John Garcia) | YES |
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Other

- | | | |
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| 14 | Additional Year 3 (FY 2020) Changes to MFA FY 2018-2022 Strategic Plan (Rebecca Velarde) | YES |
| 15 | Single Family Program Report (René Acuña) | NO |

Other Board Items

Information Only

- | | |
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| 16 | (Staff is available for questions) <ul style="list-style-type: none">▪ Staff Actions Requiring Notice to Board▪ COVID-19 Staff Actions Requiring Notice to Board▪ Strategic Plan Dashboard |
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Monthly Reports **No Action Required**

17 (Staff is available for questions)

- Communications Department Reports

Quarterly Reports **No Action Required**

18 (Staff is available for questions)

- Quarterly Board Report

Announcements and Adjournment **Discussion Only**

Confirmation of Upcoming Board Meetings

- June 17, 2020 - Wednesday - 9:30 a.m. (MFA)
- July 15, 2020 - Wednesday - 9:30 a.m. (MFA)
- August 19, 2020 - Wednesday – 9:30 a.m. (MFA)
- September 16, 2020 - Wednesday – 9:30 a.m. (MFA)
- Board Retreat being considered for August or September (ABQ - location TBD)



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- Approval of April 15, 2020 Board Study Session – LIHTC/QAP Cost Study Minutes
- Executive Director Updates

Board Action Items

Action Required?

COVID-19 Staff Actions

- 1 New Mexico Housing Trust Fund Rental Assistance Notice of Funding Availability (NOFA)** (Sabrina Su/ Rebecca Velarde) - The MFA Board adopted the COVID-19 Emergency Resolution on April 15, 2020. The resolution authorizes immediate and extraordinary action with delegated authority to Chair, Vice Chair, Executive Director, Deputy Director of Programs and Deputy Director of Finance and Administration (Delegates). MFA received approval from the delegates on 5/4/2020 to release the attached Notice of Funding Availability (NOFA) for a rental assistance program funded by the New Mexico Housing Trust Fund. NO
- 2 Emergency Solutions Grant (ESG) CARES Act Fund Allocations** (John Garcia) - Staff requests approval of the ESG CARES Act implementation plan and to award allocations in the amount of \$4,140,483.00 to the current RAP and EHAP service providers, and to award MFA 2.5% of the grant or \$103,512.08 for admin costs, and to award the RAP program 7.5% of the grant or \$310,536.23 for admin costs. Contracts for all service providers will be issued upon the Delegates' approval. Staff is also requesting a waiver to the 2016/2017 RAP RFP to extend the renewal option for an additional year which we anticipate will alleviate the burden of an RFP and will result in the service providers expending the ESG CARES Act funding in a timely manner. NO
- 3 Housing Opportunities for Persons with AIDS (HOPWA CARES Act Fund Allocations)** (Natalie Michelback) - Staff recommends that the Committee approve HOPWA CARES Act funding in the amount of \$146,170 be awarded to Southwest CARE Center in the amount of \$111,314.80, El Camino Real Housing Authority in the amount of \$5,869.13, Alianza of New Mexico in the amount of \$20,215.88 and MFA in the amount of \$8,770.20 of administration fees. Upon Committee approval, contracts will be issued to Service Providers for immediate use of the funds. NO

Finance Committee

- 4 3/31/20 Quarterly Financial Statements** (Gina Hickman) – ongoing. YES
- 5 3/31/20 Quarterly Investment Report** (Gina Hickman & Cooper Hall) – ongoing. YES
- 6 Waiver of Qualified Allocation Plan (QAP) Language for 4% Credits** (Kathryn Turner) - Staff recommends approval of a waiver of the language to lock in the amounts generated by the percentage caps for builder profit, builder overhead, general requirements, and developer fee at application for 4% tax credit projects. These percentages would remain required caps at the underwriting at 8609 issuance, but the dollar amounts would be able to float with the actual costs of construction. YES

Contracted Services/Credit Committee

- 7 MFA Building Renovation: Construction Services Request for Proposals (RFP)** (Izzy Hernandez) - Staff requests approval of the RFP for MFA Building Remodel, Construction Services. Remodeling will result in 13 additional office spaces for a total of 98 office spaces. The renovations include 2 offices, 11 cubicles, 1 conference room, 2 huddle rooms, 1 interview room, 1 fireproof room, break room enhancements and room for two telecommuting areas to accommodate approximately 10-12 staff. YES
- 8 General Counsel Legal Services Request for Proposals (RFP)** (Izzy Hernandez) - Staff requests approval of the RFP for General Counsel Legal Services for the MFA to provide legal assistance, advice and counsel to MFA's Board of Directors, as well as representation in matters impacting the MFA. YES

- 9 Approval of Housing Opportunities for Persons with AIDS (HOPWA) Service Providers and 2019/2020 Funding Awards** (Natalie Michelback) - Staff recommends that the Board approve Southwest CARE Center, El Camino Real Housing Authority and Alianza of New Mexico as Service Providers for the Housing Opportunity for People with Aids (HOPWA) Program. In addition, staff recommends HOPWA funding in the amount of \$974,280.61 be awarded to Service Providers as outlined in the above chart and \$30,132.39 of administration fees to be awarded to MFA for a total of \$1,004,413. Board approval would allow HOPWA Service Providers to receive a one-year contract which will begin on July 1, 2020 with the option for extension for two additional program years 2021-2022 through 2022-2023. YES
- 10 Request for Proposals (RFP) for Architectural Review & Construction Inspection Services** (Kathryn Turner) - Staff is recommending approval of the Architectural Review and Construction Inspection Services Request for Proposals (RFP) which would procure highly qualified, capable persons or firms, who by reason of their skill, knowledge, and experience are able to furnish MFA with architectural review and construction inspection services for LIHTC and non-LIHTC, MFA-financed projects, and who desire to be placed on our list of approved providers. YES
- 11 Emergency Homeless Assistance Program – Award Recommendations** (Jackie Garrity/John Garcia) - Staff is requesting approval of 7.5%, \$90,055.50, of the total HUD (ESG) award and 5%, \$60,785, of the state award for MFA admin. We also seek your approval of the final awards in the amount of \$948,596.71 for the Emergency Homeless Assistance Program for all eighteen (18) eligible shelters. Final award letters will be sent upon approval from Contracted Services and the MFA Board of Directors. YES
- 12 Approval of 2019/2021 Department of Energy Annual and Master State Plans** (NM Energy\$mart) (Troy Cucchiara) - The NM Energy\$mart program helps low-income New Mexicans save money on utility bills. Homeowners and renters who qualify for the program receive an average of \$6,000 in weatherization measures. The Department of Energy is the primary funding source because they set the rules and regulations for the program and they are the only funding source that provide for vehicles, equipment and a training and technical assistance budget. In order to receive the funding from DOE, a State Plan must be submitted no later than May 1, 2020. Due to COVID-19, funding reported in for the 2019/2021 combined State Plan is \$5,806,538.80. With the DOE funding, we are projecting that the ICAST will weatherize approximately 111 multifamily statewide units, Central New Mexico Housing will weatherize approximately 317 single family units and Southwestern Regional Housing and Community Development Corporation will weatherize approximately 125 single family units for a total of 553 units. YES

New Mexico Affordable Housing Charitable Trust - Contracted Services/Credit Committee

- 13 New Mexico Affordable Housing Charitable Trust - 2018 Rehab Federal Veterans Allocations** (Amy Gutierrez/John Garcia) Due to program delays and underperforming service providers; staff recommends approval to allocate the 2018 Veteran's Housing Rehabilitation and Modification Program funding to six service providers. The allocation will be awarded to these agencies because they indicated a need for this funding and are also top performing agencies. Upon Board approval, staff will amend the Rehab contracts for these agencies to include the additional amounts listed above. 2018 funding must be fully committed by each agency before the 2019/2020 RFP funding can be made available for that agency. YES

Other

- 14 Additional Year 3 (FY 2020) Changes to MFA FY 2018-2022 Strategic Plan** (Rebecca Velarde) - Board approval is requested for changes to MFA's FY 2018-2022 Strategic Plan. MFA will complete the third year (FY 2020) of the plan on September 30, 2020. Strategic plan changes include amended benchmarks. YES
- 15 Single Family Program Report** (René Acuña) – ongoing. NO

Other Board Items

Information Only

16 (Staff is available for questions)

- Staff Actions Requiring Notice to Board

- COVID-19 Staff Actions Requiring Notice to Board
- Strategic Plan Dashboard

Monthly Reports

No Action Required

17 (Staff is available for questions)

- Communications Department Reports

Quarterly Reports

No Action Required

18 (Staff is available for questions)

- Quarterly Board Report

Announcements and Adjournment

Discussion Only

Confirmation of Upcoming Board Meetings

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Minutes

NEW MEXICO MORTGAGE FINANCE AUTHORITY

Board Meeting Minutes

344 4th St. SW, Albuquerque, NM

Wednesday, April 15, 2020 at 9:29 a.m.

Due to the COVID-19 Virus today's Board meeting was held via WebEx/Teleconference

Chair Reyes convened the meeting on April 15, 2020 at 9:29 a.m. Secretary Hernandez called the roll. Members available by phone: Chair Angel Reyes, Vice Chair Derek Valdo, Sally Malavé (designee for Attorney General Hector Balderas), Martina C'de Baca (designee for Lieutenant Governor Howie Morales), Diana Rosales-Ortiz (designee for State Treasurer Tim Eichenberg), Rebecca Wurzbarger, and Rosalyn Nguyen Chafey. 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 and staff. He began by stating that today's meeting is being webcast. He introduced everyone on the phone and went over the protocol for today's telephonic meeting. All members must identify themselves before they speak; this includes asking questions or making a motion. If at any time anyone loses their connection, please text Izzy and we will stop the meeting to wait for you to reconnect. There will be a roll call vote for all approvals.

Approval of Agenda - Board Action. Motion to approve the April 15, 2020 Board agenda as presented: Wurzbarger. Second: Rosales-Ortiz. Roll call vote: Chair Reyes-yes, Vice Chair Valdo-yes, C'de Baca-yes, Rosales-Ortiz-yes, Malavé-yes, Wurzbarger-yes, Nguyen-Chafey-yes. Vote:7-0.

Approval of March 18, 2020 Board Meeting Minutes – Board Action. Motion to approve the March 18, 2020 Board Meeting Minutes as presented: Malavé. Second: Wurzbarger. Roll call vote: Chair Reyes-yes, Vice Chair Valdo-yes, C'de Baca-yes, Rosales-Ortiz-yes, Malavé-yes, Wurzbarger-yes, Nguyen-Chafey-yes. Vote:7-0.

Executive Director Updates: Hernandez provided the Board with the following information for his monthly update; MFA established a COVID-19 Planning Team that meets daily to identify Impacts, Needs, Resources, Constraints, Solutions and requests to the Board, State or federal government. He mentioned the following impacts we are seeing or anticipate; delinquent mortgages, homeless shelters compacity issues, potential servicing liquidity issues, decrease in single family loan reservations, delinquencies in rental payments leading to delinquencies in rental communities' payments and potential delays in LIHTC projects. Internal challenges: Overcoming rumors that MFA was no longer making loans, monitoring properties, 401k changes. Resources and anticipated funds: MFA receiving New funding for ESG (\$4.4m), HOPWA (\$175k). Existing funds that may be made available: HOME (Recent Waivers from HUD), NM HTF, LTTF, General Fund-HOF. Changing Regulations/Requirements: Homeownership Foreclosure Moratorium & Forbearance, Multi Family Mortgage Forbearance, Moratorium on evictions and DOE Fund Roll-over. Hernandez talked about some of the actions MFA is taking, 90% of staff telecommuting, office closed to public, wearing of masks, Board Resolution recommendation to provide flexibility if needed (later on the agenda), Multi Family Policy to address COVID Relief, Evaluating Program Policy Changes (HTF, HOME), using TBA vs. Bonds for single family program, reaching out to Partners to better understand impacts and take appropriate actions. Met with Governor's Chief of Staff to discuss impacts, support for appointment of HTF and LTTF advisory committee members, protection of 2020 HTF allocation of \$1.2m, potential allocation of CARE Relief Act funding coming directly to the state. Rebecca has been in regular contact with NM Federal Delegation who is interested on how they can support with next rounds of CARE Funding, Facilitating round table for Congresswoman Haaland on 4/16. We are evaluating current and new funding sources to respond to the crisis, staffing needs, service provider capacity, adjusting to monitoring requirements. Finance/Accounting provided a "stressed" financial forecast to determine impact of reductions in investment income, servicing income and production and an increase in prepayments, loan loss and TBA loan sales. Forecast is positive as we continue to project excess revenues and meet our policy on GF Cash Available. Potential actions and changes during month include HOME Policy Changes to allow TBRA, Consolidated Plan/Action Plan Changes, ESG awards with new funds. Announces that Homeownership had two record weeks with \$18m in production on March 13th followed by \$21m on March 27th. Our average on weekly production is \$9m a week. We anticipate that production will taper off in the coming weeks.

Chair Reyes reported that he and Hernandez met to review his progress as part of the Executive Director employment agreement. He reminded the Board that he was authorized to engage with Mr. Hernandez to review his progress under the 90-day transition plan. Chair Reyes further reported that he is very pleased with his progress and that expectations had been exceeded. The plan included a compensation segment as part of the agreement that would be made upon the completion and approval of the plan which is on record with Human Resources. Malavé congratulated Hernandez who thanked the Board for their support over the last 90 days.

Finance Committee

- 1 Annual Investment Report and Market Update (Luke Schneider, Director/Ellen Clark, Senior Managing Consultant PFM Asset Management, LLC).** Schneider began by thanking the Board for the opportunity to present an update on MFA's General Fund investment portfolio. Schneider and Clark discussed current market conditions as well as what might be expected in the markets going forward. The presentation also included a review of the current allocation of the General Fund investment portfolio, the process used to determine the current investment policy for the portfolio, a discussion on MFA General Fund cash flows and an overview of the performance of the State Investment Council portfolio. Non-Action Item.
- 2 Employee Handbook Revisions (Dolores Wood).** Wood informed the Board that the MFA Employee Handbook is reviewed and updated annually. The Employee Handbook is revised as needed for changes related to compliance, audit findings, clarifications and changes in general practices. She further informed the Board that MFA's Attorney reviews the manual annually. Quentin Smith at Stelzner Law Firm last performed an evaluation of the manual in February 2020, stating that those changes have been incorporated and he is available for questions. Wood reviewed the summary of necessary changes incorporated for consideration, the memo includes the page number, policy and change, which are located behind tab two and will be made a part of the official board packet. Discussion ensued regarding the employment of relatives. Mr. Smith explained his rationale regarding the changes incorporated. Motion to approve the Employee Handbook Revisions as presented: Wurzbarger. Second: Malavé. Roll call vote: Chair Reyes-yes, Vice Chair Valdo-yes, C'de Baca-yes, Rosales-Ortiz-yes, Malavé-yes, Wurzbarger-yes, Nguyen-Chafey-yes. Vote:7-0.
- 3 COVID-19 Resolution (Izzy Hernandez).** Hernandez began by explaining that the purpose of the proposed resolution is to give staff the flexibility and ability to be nimble with the changing environment and allow MFA to react and address needs with the resources available. MFA's intent is not to exercise this resolution unless it's the last resort or time sensitive and cannot wait until the next board meeting. All actions taken under these delegations would be reported to the Board of Directors at the next regular meeting under the Staff Actions reporting. Hernandez reviewed the bullets under the discussion section of the memo located behind tab three which will be made a part of the official board packet. He further informed the board that staff had worked with general counsel Eleanor Werenko on this resolution. Hernandez further informed the Board that any action authorized may be taken by any three, or more, Delegates, provided that each action is authorized by the Chair or Vice Chair of the Board. The resolution would become effective immediately upon its adoption, and shall remain in effect for the longer of the duration of the of Executive Order 2020-004 as may be amended or extended by Governor Lujan Grisham, or the time that may be required for the Authority to receive and expend any emergency relief funds that may become available to address COVID-19, provided that the resolution may be earlier terminated by the Board of Directors. Motion to approve the COVID-19 Resolution as presented: Nguyen-Chafey; Second: Wurzbarger. Roll call vote: Chair Reyes-yes, Vice Chair Valdo-yes, C'de Baca-yes, Rosales-Ortiz-yes, Malavé-yes, Wurzbarger-yes, Nguyen-Chafey-yes. Vote:7-0.

Contracted Services/Credit Committee

- 4 Compliance Activities Report (Robyn Powell).** Powell began her presentation by informing the Board that the compliance officer is responsible for communicating with the Board of Directors regarding compliance management activities and the results of related oversight of MFA's single-family mortgage lending and servicing departments, including subservicing oversight. Powell reviewed the memo located behind tab four which will be made a part of the official board packet. She stated the activities described in this report cover September 2019 through March 2020. She further informed the Board that staff is currently taking several steps to get additional information about COVID related regulatory changes and portfolio defaults. Powell reported that during this reporting period, no significant compliance concerns were identified. No Action Required. Non-Action Item.

- 5 Checklist Approval for RHA (Regional Housing Authorities) Properties Valued over \$100,000 (Gina Bell).** Bell began by reminding the Board that per MFA oversight responsibility of the Regional Housing Authorities (RHA), a checklist of required documents has been created in order to obtain MFA's Board approval for a transfer, sale or liquidation of real or personal property with a value of greater than \$100,000. Bell reviewed the MFA's oversight responsibilities provided in the memo as well as the checklist behind the memo located behind tab five which is submitted for approval to be used on future requests and will become a part of the official Board packet. Bell reviewed the discussion as background information which explains the reason for the checklist. She further informed the Board that general counsel Eleanor Werenko had been involved in establishing the list. Discussion ensued regarding timeframe of the appraisal; suggested moving it from one year to 6 months (w/exception from time to time should it go past the 6 month period); and assuring that this should be made consistent throughout the agency, additional changes included changes in the title of the RHA check list from Sale to include transfer, sale or liquidation. Chair Reyes agreed to the changes and asked for a motion to accept the language to change the appraisal time frame from 1 year to 6 months (any exception of that time frame would be approved by the board) and to change the language on the heading of the checklist to include Transfer, sale or liquidation: Malavé. Second: Nguyen-Chafey. Roll call vote: Chair Reyes-yes, Vice Chair Valdo-yes, C'de Baca-yes, Rosales-Ortiz-yes, Malavé-yes, Wurzbarger-yes, Nguyen-Chafey-yes. Vote:7-0.
- 6 State Tax Credit Award – Hope Village (Hopeworks & YES Housing, Inc.) (Patty Balderrama).** Balderrama began by introducing Michelle DenBleyker Vice President of Real Estate Development with YES Housing, Inc. Staff recommends approval of a 2020 State Tax Credit Award for Hope Village for \$500k. This multi-family project is new construction of 42 rental units composed of 21 units for households earning 30% or less of Area Median Income (AMI), and 21 units for households earning 50% or less of Area Median Income (AMI). The project is located in Albuquerque, NM and will provide permanent supportive housing for homeless individuals with severe mental health and substance abuse disorders. The project has received a 2017 HOME CHDO award in the amount of \$630,000, a New Mexico Housing Trust Fund (NMHTF) award of \$850,000, and a National Housing Trust Fund (NHTF) award of \$4,250,000. The applicant is seeking \$500,000 in tax credit proceeds based on \$1mm of anticipated cash, property, and in-kind donations. The \$1mm in donations generated through the state tax credits will be used for construction of the development. Motion to approve the State Tax Credit Award – Hope Village as recommended: Wurzbarger. Second: C'de Baca. Roll call vote: Chair Reyes-yes, Vice Chair Valdo-yes, C'de Baca-yes, Rosales-Ortiz-yes, Malavé-yes, Wurzbarger-yes, Nguyen-Chafey-yes. Vote:7-0.
- 7 Valle De Atrisco – NHTF (National Housing Trust Fund) and NMHTF (New Mexico Housing Trust (George Maestas/Shawn Colbert).** Maestas began his presentation by introducing Eric Grodhal partner/project Manager of DBG properties LLC. Maestas made a request for a loan request from the National Housing Trust Fund (NHTF) in the amount of \$1,830,000 and a New Mexico Housing Trust Fund (NMHTF) loan request in the amount of \$500,000 for the Valle de Atrisco Family Apartments, located in SW Albuquerque. Valle de Atrisco is new construction of a 240-unit multifamily project with 60 units (25%) serving households with children. Thirteen units are income-restricted to households earning 30% or less of Area Median Income (AMI) and 227 units income restricted to households earning 60% or less of AMI. Motion to approve the Valle De Atrisco – NHTF (National Housing Trust Fund) and NMHTF (New Mexico Housing Trust as recommended: Wurzbarger. Second: Malavé. Roll call vote: Chair Reyes-yes, Vice Chair Valdo-yes, C'de Baca-yes, Rosales-Ortiz-yes, Malavé-yes, Wurzbarger-yes, Nguyen-Chafey-yes. Vote:7-0.

Other

- 8 Appointment of the Nominating Committee to Elect Officers (Chair, Angel Reyes).** Chair Reyes stated that this is a non-action item and wanted to inform the Board that he has appointed a Nominating Committee to Elect Officers, they are: Lieutenant Governor Howie Morales, Attorney General Hector Balderas and himself. He further informed the board that the Nominating Committee shall be responsible for presenting nominations for officers. The nominations shall be presented and elections held no later than the June meeting of the board of directors held in such year. Non-Action Item

- 9 2020 Legislative Session Update (John Anderson and Rebecca Velarde).** Velarde began her presentation by informing the Board that MFA had another successful year at the legislature. It began with the confirmation of three new board appointments and the appointment of Mr. Reyes as Chair. The New Mexico State Legislature awarded MFA \$1.2 million for the New Mexico Housing Trust Fund and \$1 million for weatherization during this year's legislative session. MFA requested a total of \$19.05 million for eight initiatives. Although receiving "do pass" recommendations during Committee hearings, MFA's six other legislative initiatives were not awarded funding. Velarde reviewed the table located in the memo which summarized the outcomes of all MFA's 2020 initiatives and will be made a part of the official board packet. John Anderson began by congratulating Rebecca on doing a good job on her first year at the legislative session. He discussed upcoming steps and the proposed 2020 Special Session. He spoke of the decline on the price of oil in addition to the COVID-19 outbreak and the effects to the budget. This has brought about talk of special session in late June/early July, and Anderson will let the Board know as soon as we are made aware of the dates. MFA met with the Governor's chief of staff to discuss being able to keep MFA's New Mexico Housing Trust Fund allocation during the special session to be able to assist with the COVID crisis. He referred to the white paper that was used to address that MFA has tools that will help New Mexico move forward once the epidemic has passed. He further discussed having more robust meetings with the legislators around the state (Regional meetings) in order to have an opportunity to visit with them about what we do and how we do it; rather than waiting until the session when they are meeting with so many people. Non-Action Item.

Other Board Items - Information Only

10 There were no questions asked of staff.

- Staff Action Requiring Notice to Board
- 2020 Series A Single-Family Bond Pricing Summary

Monthly Reports - No Action Required

11 There were no questions asked of staff.

- 2/29/20 Financial Statements
- Communications Department Reports

Announcements and Adjournment - Confirmation of Upcoming Board Meetings. Hernandez informed the Board that today's Study Session - LIHTC/QAP - Cost Studies would begin after a fifteen-minute break and that everyone should remain on the call to avoid the process of everyone calling in again.

There being no further business the meeting was adjourned at 12:16 p.m.

Approved: May 20, 2020

Chair, Angel Reyes

Secretary, Isidoro Hernandez

NEW MEXICO MORTGAGE FINANCE AUTHORITY
MFA Board of Directors Study Session – LIHTC/QAP - Cost Studies

Board Meeting Minutes
344 4th St. SW, Albuquerque, NM
Wednesday, April 15, 2020

Due to the COVID-19 Virus today's Board Study Session was held via WebEx/Teleconference

The meeting convened on Wednesday, April 15, 2020 at 12:30 p.m. Members present: Chair Angel Reyes, Vice Chair Derek Valdo; Sally Malavé (Designee for Attorney General Hector Balderas); Martina C'de Baca (Designee for Lieutenant Governor Howie Morales), Diana Rosales-Ortiz (Designee for State Treasurer Tim Eichenburg), Rebecca Wurzbarger and Rosalyn Nguyen-Chafey. Members absent: None. The public has been informed about today's meeting in accordance with the New Mexico Open Meetings Act.

Staff in attendance included: Izzy Hernandez; Gina Hickman; Donna Maestas De Vries; Shawn Colbert; Rebecca Velarde; Kathryn Turner; Christi Wheelock, Joseph Navarrete, Sandra Marez; and General Counsel Eleanor Werenko.

Guest speakers included: Jeff Curry co-owner, JL Gray Co., Felipe Rael executive director, Greater Albuquerque Housing Partnership and Jim Tofel managing member, Development Tofel Dent Construction.

On Wednesday, April 15, 2020 the Board of Directors of the New Mexico Mortgage Finance Authority (MFA) conducted a study session to go over the MFA Low Income Housing Tax Credit (LIHTC) program, Qualified Action Plan (QAP) – Cost Studies. Izzy Hernandez began by thanking the board for their time and participation and thanked the guest for their attendance. He provided background information about the LIHTC program, including the program's inception in 1986. He further informed the board that MFA began administering the LIHTC program for the state beginning in 1997. He gave a brief explanation about the process and timeline for the new board members. He reminded the board that the LIHTC awards would come before the board at the June board meeting.

Kathryn Turner began the presentation by informing the Board that the IRS created by the LIHTC program by the Tax Reform Act of 1986 to provide alternative funding for low-and moderate-income households. In New Mexico, LIHTC Program is administered by New Mexico Mortgage Finance Agency (MFA). For 9% LIHTC, states receive a finite allocation of tax credits each year, allocated on a per capita basis (approx. \$5-6M per year in NM), which makes them highly competitive. She then referenced MFA's vision, "All New Mexicans will have quality affordable housing opportunities." She stated hardest to serve areas are typically the most expensive to serve. The IRS Code recognizes this and provides a boost to eligible basis to allow for more credit eligibility for some of the harder to serve areas. States also have the authority to apply the boost to serve the needs of the state. The IRS code also requires that the standard of construction for any affordable units meet the quality of market rate housing construction. Turner then reviewed the Program Overview and Allocating Agencies' Responsibilities, which outlined the agency's underwriting responsibility in order to allocate tax credits and referencing that MFA is tasked with the allocation of Low-Income Tax Credits through the Qualified Allocation Plan (QAP). She then went over the Past and Current Measures MFA has taken with regards to cost containment, their effectiveness and the impact on development. All materials discussed will become a part of the official board study session packet.

Rebecca Velarde reviewed affordable housing data and studies pertinent to the discussion. Velarde referred to the GAO and NCSHA/Abt national studies commissioned to examine LIHTC project costs and referred to the MFA Novogradac study completed in 2014, which compared costs to surrounding states, including Colorado, Arizona, Texas, Nevada and Utah and reviewed the findings. She also reviewed soft costs and developer fees and presented an internal rate of return (IRR) analysis for one LIHTC project. Member Valdo asked if the IRR calculations could be distributed to the Board. Turner indicated that they were not available at this time but would be provided to the Board as requested.

**MFA Board of Directors Meeting Minutes Study Session – LIHTC/QAP - Cost Studies
April 15, 2020**

Shawn Colbert introduced the panel and lead the discussion. Presenters included Jeff Curry co-owner, JL Gray Co., Felipe Rael executive director, Greater Albuquerque Housing Partnership and Jim Tofel managing member, Development Tofel Dent Construction. Together they have developed over 17,720 units with the vast majority as LIHTC or other affordable communities. Between the three they have over 83 years of combined experience in affordable housing. She then turned it over to the presenters to discuss their experience with affordable housing, the economic impact from these policies and the topic of costs and what they feel should be considered a good project. Member Wurzbarger requested a copy of a report that Tofel made reference to (report was done 4-5 years ago), Turner said she would make it available.

No Actions were taken by the Board during this meeting.

Mr. Hernandez thanked the Board for their attendance, staff for putting this presentation together and the panel for their participation, great partnership and providing feedback.

There being no further business the meeting was adjourned at 2:03 p.m.

Approved: May 20, 2020

Chair, Angel Reyes

Secretary, Izzy Hernandez

Tab 1



NEW MEXICO MORTGAGE FINANCE AUTHORITY
Delegate Meeting Agenda
COVID-19 Actions
May 4, 2020 @ PC 2:30 p.m.

AGENDA ITEMS	ACTION REQUIRED	DELEGATE APPROVAL	BOARD COMMITTEE RECOMMENDED
1 New Mexico Housing Trust Fund Rental Assistance Program NOFA - Sabrina Su, Rebecca Velarde, Patrick Ortiz and Amanda Aragon	Approval	5-0	NO

Board members present:

Chair, Angel Reyes ☐ present ☐ absent ☒ conference call

Vice Chair, Derek Valdo ☐ present ☐ absent ☒ conference call

Policy Committee members present:

Izzy Hernandez ☐ present ☐ absent ☒ conference call

Gina Hickman ☐ present ☐ absent ☒ conference call

Donna Maestas-De Vries ☐ present ☐ absent ☒ conference call

A handwritten signature in black ink, appearing to read "Izzy Hernandez".

items for Approval (if any) require Policy Committee approval only



MEMO

TO: MFA Board of Directors

FROM: Sabrina Su, Rebecca Velarde, Patrick Ortiz and Amanda Aragon

DATE: May 20, 2020

SUBJECT: New Mexico Housing Trust Fund Rental Assistance Program NOFA

Background:

The New Mexico Housing Trust Fund (NMHTF) was created in 2005 and was originally funded through state legislative appropriations. Since then, it has provided loans totaling over \$48 million for the new construction or rehabilitation of over 3,500 housing units throughout New Mexico. In addition to over \$20 million in state legislative appropriations, the NMHTF has been funded by principal and interest payments on loans made, as well as investment interest on fund balances.

Due to the COVID-19 pandemic, MFA expects many affordable housing tenants to have difficulty paying rent. The current NMHTF Notice of Funding Availability (NOFA) does not permit activities that are not “directly attributable and traceable to the development, acquisition, construction and/or rehabilitation of affordable housing projects.” However, the NMHTF Act and Rules do not have such restrictions, and our counsel, Ellie Werenko, has interpreted the Act and Rules to allow the use of these funds for rental assistance to tenants residing in properties with affordability restrictions monitored by MFA.

The MFA Board adopted the COVID-19 Emergency Resolution on April 15, 2020. The resolution authorizes immediate and extraordinary action with delegated authority to Chair, Vice Chair, Executive Director, Deputy Director of Programs and Deputy Director of Finance and Administration (Delegates).

Section 7 of the resolution authorizes the Delegates to allocate existing funds, including but not limited to New Mexico Housing Trust Fund, Land Title Trust Fund, National Housing Trust Fund and HOME program funds in a manner that is consistent with state and federal law, including any current or amended regulatory requirements, to meet the demands of the public health emergency that exists.

On April 30, 2020, the Policy Committee approved the NMHTF Rental Assistance Program Notice of Funding Availability (NOFA) to support affordable housing tenants that have seen a reduction in income due to the COVID-19 pandemic. On May 4, 2020, the NMHTF Advisory Committee recommended that the NOFA be adopted by MFA and the Delegates also approved the NOFA. It was released on that same day.

Discussion:

The attached NOFA describes the application process, eligibility criteria and selection criteria for rental assistance awards. Applications will be submitted electronically via an online application and invoicing system developed by the Information Systems Department, and MFA staff will provide an online training session to prospective applicants.

Once applications are received, a scoring committee consisting of Patrick Ortiz, Amanda Aragon, Sabrina Su and Olivia Martinez will assign preliminary scores to all applications based on the scoring criteria in the NOFA. Applications will be ranked, and preliminary awards will be presented to PC for approval. Following PC approval, MFA will obtain preliminary approval from the NMHTF Advisory Committee and the Delegates. Staff will then begin threshold review of each application, starting from the highest ranked and ending with the lowest ranked. Asset Management staff will be the primary reviewers of tenant files to verify household income and assets, while staff outside the Asset Management Department will assist in reviewing property-level documentation. If tenant file review results in a lower or higher rental assistance calculation for an application, that application's score will be adjusted accordingly. Rental assistance awards will be processed as applications' scores are confirmed, from highest to lowest.

If funding remains after the first round, a second funding round will be held, and if funds remain after the second funding round, awardees from the first round may submit requests for a second month of rental assistance. Amendments to the NOFA will be announced for any such future funding opportunities.

Estimated timeline:

- April 30: PC approval of NOFA
- May 4: NMHTF Advisory Committee approval of NOFA
- May 4: MFA Delegates approval of NOFA
- May 4: Release of NOFA
- May 18: Optional training for prospective applicants on online system
- May 25: First round application deadline
- May 27: Scoring Committee ranking of applications
- May 27 through July: MFA threshold review (including review of tenant files), prioritized based on scoring
- June 2: PC approval of preliminary awardees (conditional upon tenant file review)
- June 3: NMHTF Advisory Committee approval of preliminary awardees (conditional upon tenant file review)
- June 3: Delegates approval of preliminary awardees (conditional upon tenant file review)

- June 3: Announcement of second round application deadline (if funds are still available)
- June 10 through July: First round rental assistance payments made as threshold reviews completed in order of scoring
- June 19: Second round application deadline (if funds are still available)

Summary:

Following approval by Policy Committee, NMHTF Advisory Committee and the Delegates, MFA released a NMHTF Rental Assistance Program NOFA on May 4, 2020 to support affordable housing tenants living in properties monitored by MFA that have seen a reduction in income due to the COVID-19 pandemic.

New Mexico Housing Trust Fund Rental Assistance Notice of Funding Availability (NOFA) and Application

Introduction and Background

The New Mexico Housing Trust Fund (NMHTF) was established in 2005 by the New Mexico Housing Trust Fund Act, which designates the New Mexico Mortgage Finance Authority as the administrator and trustee of the NMHTF (MFA). The purpose of the NMHTF is to provide flexible funding for housing initiatives in order to produce significant additional housing investment in the state.

A portion of NMHTF funds will be available under this NOFA to provide short-term rental assistance to eligible tenants of income-restricted properties monitored by MFA who are experiencing financial hardship caused by the COVID-19 pandemic.

Contact Person

Applicants are encouraged to direct questions regarding the New Mexico Housing Trust Fund Rental Assistance Notice of Funding Availability (NOFA) and application to:

Sabrina Su
New Mexico Mortgage Finance Authority
344 Fourth Street SW
Albuquerque, NM 87102
Phone: (505) 767-2249 or toll-free statewide (800) 444-6880
E-mail: ssu@housingnm.org
TTY/Voice: 711, or if no answer
1-800-659-8331 (English) OR 1-800-327-1857 (Spanish)

Application Submission and Due Date

In order to be considered for funding, completed applications must be received no later than 5:00 PM MDT on May 25, 2020 for the first round. Applications must be submitted electronically starting May 18, 2020 via a link that will be posted at http://housingnm.org/asset_management/new-mexico-housing-trust-fund-rental-assistance. All applicants may attend an online training session on application submission to be held on Monday, May 18, 2020 at 10:00 am MDT. Details regarding the online training session will be posted at http://housingnm.org/asset_management/new-mexico-housing-trust-fund-rental-assistance.

If funding is available after the first round, MFA may, in its sole discretion, make additional funding available either through future rounds and/or additional months of rental assistance depending on need as demonstrated by submitted applications and other factors as determined by MFA. Future round application deadlines, if any, will be announced through addendums to this NOFA.

Eligible Applicants

To be eligible to receive NMHTF rental assistance, an applicant must be an owner of an income-restricted property monitored by MFA, as Trustee or otherwise, and must:

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

- Have a functioning accounting system that is operated in accordance with generally accepted accounting principles or have designated an entity that will maintain such an accounting system consistent with generally accepted accounting principles;
- Have (1) no significant financial audit findings, and (2) no significant outstanding or unresolved monitoring findings from any governmental entity, or from the MFA as Trustee or otherwise; or if it has any such findings, it has a certified letter from the governmental entity, MFA as Trustee or otherwise, stating that the findings are in the process of being resolved;
- Not have been suspended, debarred or otherwise restricted by MFA as Trustee or otherwise or any department or agency of the Federal Government or any State government from doing business with such department or agency because of misconduct or alleged misconduct;
- Have among its purposes significant activities related to providing housing or services to persons of low or moderate income;
- Not have defaulted on any obligation covered by a surety or performance bond;
- No mortgage on the property for which applicant is applying for rental assistance is currently in default, assigned to the United States government or foreclosed; and
- There has not been a suspension or termination of payments under any federal rental assistance contract in which the Applicant has had a legal or beneficial interest.

If the applicant is a nonprofit organization, or has a nonprofit member or partner as part of its ownership structure, the nonprofit organization must:

- Have a primary mission to provide housing or housing related services to persons of low or moderate income;
- Provide proof of its 501(c)(3) tax status;
- Provide proof that it is in compliance with the Charitable Solicitations Act NMSA 1978, §57-22-1, et seq. and with the filing requirements by the New Mexico Attorney General's Office under that Act; and
- Have no part of its net earnings inuring to the benefit of any member, founder, contributor or individual.

Eligible Activities

Funds may be used to provide rental assistance, including rental arrears beginning April 1, 2020, but may not be used for utility expenses, late fees or other non-rent charges, or eviction fees (please see "Funding Availability, Terms and Conditions" below for additional details). Such rental assistance may only be provided for tenants who reside in income-restricted properties with regulatory agreements or land use restriction agreements in place that are monitored by MFA and who meet the below eligibility requirements.

Tenant Household Eligibility Requirements

To be eligible for rental assistance under this NOFA, tenant household incomes are limited to 80% of the area median income, adjusted for family size, as determined by the U.S. Department of Housing and Urban Development for the Section 8 Program. Rental assistance may be provided to tenants who (1) are not currently receiving full rental assistance from another program, and (2) are experiencing a reduction in household income due to circumstances related to the COVID-19 pandemic, including:

- Job loss;
- Reduction in compensation;
- Closure of place of employment;

- Loss of clients/customers if self-employed;
- Obligation to be absent from work to care for home-bound school-aged child;
- Requirement to be quarantined based on a diagnosis of COVID-19;
- Requirement to self-quarantine based on a directive of the Governor, the advice of a healthcare provider, the advice or directive of a local or state public health authority or the directive of a law enforcement officer;
- Tenant's belief that self-quarantine is in the best interest of public health and human safety due to an exposure or high-risk activity;
- Being over 65 or having any health condition that places tenant at enhanced risk for COVID-19; or
- Other pertinent circumstances.

Only tenants experiencing a reduction in household income will be eligible. For purposes of determining whether a reduction in income has occurred, enhanced unemployment benefits under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act; P.L. 116-136, herein "CARES Act") must be included in determinations of current household income; however, federal stimulus payments under the CARES Act must not be included in current income.

Tenants residing in any unit in an income-restricted property monitored by MFA are eligible for rental assistance, regardless of whether the unit is income-restricted, as long as the tenant meets the above requirements.

Affordability Period

During the month(s) for which a unit is receiving NMHTF rental assistance, the owner may not charge the household more than 30% of the household's income.

Funding Availability, Terms and Conditions

All awards shall be subject to the availability of funds and applicable law. Up to \$3 million is available for the first round of funding. MFA may, in its sole discretion, make additional funding available depending on need as demonstrated by submitted applications and other factors as determined by MFA.

In the first round of funding, MFA will award no more than one month of rental assistance and will award only the amount of rental assistance that it determines is supported by documentation submitted in the application. If funds remain after the first round, MFA will notify all eligible applicants that a second round will be held, during which additional properties may apply. If funds remain after the second round, MFA will notify all awardees from the first and second rounds that they are eligible to submit recertifications for an additional month or more, depending on fund availability, of rental assistance. In addition, depending on fund availability, awardees from the first and second rounds may be eligible to submit updates to their original applications in order to receive rental assistance for additional units.

Following each round of funding, MFA may, in its sole discretion, amend the NOFA and notify all eligible applicants of the amendment.

There is no cap on the amount that one application can receive. However, MFA, in its sole discretion, may set limits on the amount of NMHTF funding to be awarded per unit and shall award no more per unit than the amount that is equal to the difference between 30% of tenant's income, as determined by MFA, and tenant's rent payment, which amount shall not include any allowance for late fees or other non-rent charges. If, following receipt of an award, a tenant of the awardee receives another form of

rental assistance for the same period, the awardee must notify MFA, and MFA may require that the awardee return the portion of the award that was applied to the tenant's rent.

Evaluation of Applications and Documentation

Applications will be evaluated and scored by MFA staff using the criteria listed below with final selection to be made by MFA pursuant to the delegations of authority adopted by the MFA Board of Directors on April 15, 2020. Staff may contact applicants for clarification of information provided. If funding requests exceed the amount of available funds, the applications will be funded from highest score to lowest until funds are no longer available. In the event of a tie score, staff will recommend approval based on the income level of families served (i.e. the lower the average AMI percentage, the higher the weight), financial need, and other factors as determined by staff. MFA shall enter into agreements with applicants selected for awards. The agreements shall include remedies and default provisions in the event of unsatisfactory performance by an awardee.

Threshold Criteria

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

1. The applicant must meet the eligibility criteria described above under "Eligible Applicants;"
2. The applicant or the applicant's agent must sign the Omnibus Signature Page and Applicant Certification in Appendix B; and
3. The application must provide sufficient documentation of household income and loss of income due to COVID-19 for all tenants for whom rental assistance is being requested, and the applicant must certify that all tenants meet eligibility requirements, as described in Appendix A.

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

Scoring Criteria

Applicants meeting all threshold requirements will be scored based on the following:

1. Five points: Applicants certifying that they have halted and will not resume non-payment eviction actions, issuances of three-day notices for nonpayment of rent and terminations of month-to-month leases for the duration of, and consistent with the terms of, New Mexico Supreme Court Order No. 20-8500-007 staying the execution of writs of restitution issued for non-payment of rent and to the extent applicable, are in compliance with the temporary moratorium on evictions required by Title IV of the CARES Act.
2. Five points: Applicants certifying that they have maintained and will continue to maintain staffing, maintenance and services at the same level as those in 2019.
3. Two points: Applicants providing a narrative description of efforts that they have made to assist tenants, such as waiving late fees and other non-rent charges, notifying tenants that it will assist them with payment plans and notifying tenants of available benefits and services for which tenants can apply.

- Up to three additional points: Applicants providing documentation of these efforts, such as copies of notifications provided to tenants.
4. Up to five points: Applicants demonstrating financial need as follows:
- One point: total amount of monthly award/monthly budgeted property operating expenses and debt service = 20% or below
 - Two points: total amount of award/monthly budgeted property operating expenses and debt service = 21% to 40%
 - Three points: total amount of award/monthly budgeted property operating expenses and debt service = 41% to 60%
 - Four points: total amount of award/monthly budgeted property operating expenses and debt service = 61% to 80%
 - Five points: total amount of award/monthly budgeted property operating expenses and debt service = 80% or above

Application Format and Instructions to Applicants

All applications must include the items in the application checklist in Appendix A, as applicable, and must be submitted electronically starting May 18, 2020 via a link that will be posted at http://housingnm.org/asset_management/new-mexico-housing-trust-fund-rental-assistance. Applicants may attend an online training session on application submission to be held on Monday, May 18, 2020 at 10:00 am MDT. Details regarding the online training session will be posted at http://housingnm.org/asset_management/new-mexico-housing-trust-fund-rental-assistance.

Award Notice

MFA shall provide written notice of awards via e-mail to all awardees in June and July. The award shall be contingent upon signing a Rental Assistance Agreement. Upon receiving notice of an award, the awardee must notify all tenants awarded rental assistance of the amounts awarded and the months to which the assistance applies. Proof of such notice must be provided to MFA prior to execution of the Rental Assistance Agreement.

Applicants not receiving awards will also be notified via e-mail in June and July. Upon receiving such notice, the applicant must notify all tenants for whom rental assistance was requested of the outcome of the application.

Protest

Any applicant who is aggrieved in connection with this NOFA or the award of an agreement pursuant to this application process may protest to MFA. The protest must be written and addressed to the Contact Person. The protest must be delivered to MFA within fifteen (15) calendar days after the notice of award or decline. Upon the timely filing of a protest, the Contact Person shall give notice of the protest to all applicants who appear to have a reasonable prospect of being affected by the outcome of the protest. The applicants receiving notice may file responses to the protest within seven (7) calendar days of notice of protest. The protest and responses to the protest shall be reviewed by a committee appointed by the MFA Board Chair. In the discretion of the Board Chair, and pursuant to the Emergency Resolution adopted by MFA's Board of Directors on April 15, 2020, the committee shall either make a final determination, or shall make a recommendation to the MFA Board of Directors regarding the disposition of the protest. Applicants or their representatives shall not communicate with MFA Board of Directors or staff members regarding any proposal under consideration, except when specifically permitted to present testimony to

the committee appointed by the MFA Board Chair. A proposal will be deemed ineligible if the applicant or any person or entity acting on behalf of applicant attempts to influence members of the Board of Directors or staff during any portion of the review process, or does not follow the prescribed application and protest process.

Appendix A: NMHTF Rental Assistance Application Checklist

Appendix B: Omnibus Signature Page and Applicant Certification

Appendix C: Self-Certification of Income Loss Due to COVID-19

Appendix D: Applicant's Certification of Moratorium on Eviction-Related Actions

Appendix E: Applicant's Certification of Maintenance of Staffing, Property Maintenance and Services

Appendix F: Additional NOFA Provisions

Appendix A: NMHTF Rental Assistance Application Checklist

Applications are due May 25, 2020 at 5:00 pm MDT and must be submitted electronically starting May 18, 2020 via a link that will be posted at http://housingnm.org/asset_management/new-mexico-housing-trust-fund-rental-assistance. Applicants may attend an online training session on application submission to be held on May 18, 2020 at 10:00 am MDT. Details regarding the online training session will be posted at http://housingnm.org/asset_management/new-mexico-housing-trust-fund-rental-assistance.

Item #	Items required to meet threshold criteria
1	Omnibus Signature Page and Applicant Certification (Appendix B)
2	Audited financial statements for property's last fiscal year
3	Budget (annual or monthly) for property, showing operating expenses and debt service
4	Certificate of Good Standing or Certificate of Existence for ownership entity
5	<p><i>For nonprofit owners, including nonprofit members or partners of the ownership entity, only:</i></p> <ul style="list-style-type: none"> a. Proof of 501(c)3 status b. Proof of compliance with the Charitable Solicitations Act, NMSA 1978, §57-22-1 et seq. and the filing requirements of the New Mexico Attorney General's Office under that Act c. Certification that no part of its net earnings inure to the benefit of any member, founder, contributor or individual
6	Current rent roll for all units in property
7	Entry of tenant information for all tenants for whom rental assistance is being requested into online application system
8	<p>Tenant file for each tenant for whom rental assistance is being requested. Each tenant file must include the items below, including signatures of the head of household, all adults over the age of 18, and an authorized property management representative:</p> <ul style="list-style-type: none"> • Tenant self-certification of income loss due to COVID-19 (see Appendix C for sample); • Tenant Income Certification (TIC); • Income verification documents as described in http://housingnm.org/assets/content/Appendix D - Exhibit 4-3 4-4.pdf, and affidavits/certifications as needed, samples of which can be found at http://housingnm.org/asset_management/lihtc-compliance-plan-appendix; • Asset verification documents such as those described in http://housingnm.org/assets/content/Appendix D - Exhibit 4-3 4-4.pdf, and affidavits as needed, samples of which can be found at http://housingnm.org/asset_management/lihtc-compliance-plan-appendix; • Dwelling lease; <p>Important Note: Federal stimulus payments under the CARES Act must <u>not</u> be included in determinations of household income or assets when completing the Tenant Income</p>

	<p>Certification that determines if the household meets the NOFA's 80% AMI or below requirement. When the U.S. Department of Housing and Urban Development (HUD) issues final guidance regarding the temporary federal enhancement to unemployment insurance provided by the CARES Act, which <u>will</u> affect the Tenant Income Certification, MFA will provide notification at http://housingnm.org/asset_management/new-mexico-housing-trust-fund-rental-assistance. No matter the determination of HUD, enhanced unemployment benefits under the CARES Act <u>must</u> be included in determinations of current household income for purposes of determining whether a reduction in income has occurred and thus the tenant self-certification of income loss due to COVID-19 can be signed, while federal stimulus payments under the CARES Act must <u>not</u> be included.</p>
	Items required to meet scoring criteria
9	<p>Applicant's certification that it has halted and will not resume non-payment eviction actions, issuances of three-day notices for nonpayment of rent and terminations of month-to-month leases for the duration of, and consistent with the terms of, New Mexico Supreme Court Order No. 20-8500-007 staying execution of writs of restitution issued for non-payment of rent and to the extent applicable are in compliance with the temporary moratorium on evictions required by Title IV of the CARES Act. (Appendix D)</p>
10	<p>Applicant's certification that it has maintained and will continue to maintain staffing, maintenance and services at the same level as those in 2019 (Appendix E)</p>
11	<ul style="list-style-type: none"> a. Narrative description of efforts that applicant has made to assist tenants, such as waiving late fees and other non-rent charges, notifying tenants that it will assist them with payment plans and notifying tenants of available benefits and services for which tenants can apply b. Documentation of these efforts, such as copies of notifications sent to tenants

**Appendix B: NMHTF RENTAL ASSISTANCE OMNIBUS SIGNATURE PAGE
and APPLICANT CERTIFICATION**

_____ (“Applicant” as that term is further defined below) is submitting an application (“Application”) to the New Mexico Mortgage Finance Authority as Trustee (“MFA”) for the New Mexico Housing Trust Fund (NMHTF) Rental Assistance program pursuant to the New Mexico Housing Trust Fund Notice of Funding Availability and Application (the “NOFA”). In conjunction with this Application, Applicant herewith certifies that:

1. Applicant understands and agrees that it is executing this NMHTF Rental Assistance Omnibus Signature Page & Application Certification (the “Certification”) as part of its Application, that MFA is entitled to rely on Applicant’s representations and certifications contained herein in conjunction with the Application, and that any misrepresentation by Applicant contained in this Certification or in any part of the Application may be cause for MFA, in MFA’s sole discretion, to reject the Application, to revoke or rescind any reservation or award of NMHTF funds to Applicant that may have been made pursuant to the NMHTF NOFA.
2. Applicant understands and agrees that the signature(s) below of its authorized representative(s) constitute an “omnibus” signature that is applicable to every document, certification, and assurance that must be executed or submitted in connection with its Application. By signing this Certification, Applicant hereby acknowledges that it has read the NOFA and all forms required to be submitted with its Application and hereby certifies that its signature(s) on this Certification shall apply with equal force to each and every document, certification, schedule, or other assurance that is or must be made by Applicant in conjunction with its Application.
3. Applicant will abide by all applicable Federal and State of New Mexico laws and all applicable statutory, regulatory, and judicially created rules and guidelines.
4. All information contained in Applicant’s Application submitted of even date herewith is accurate and complete and contains no misstatements of fact.
5. Applicant certifies that:
 - (a) it is organized under state, local, or tribal laws and is in good standing, as applicable;
 - (b) it has a functioning accounting system that is operated in accordance with generally accepted accounting principles or has designated an entity that will maintain such an accounting system consistent with generally accepted accounting principles;
 - (c) it has (i) no significant financial audit findings, and (ii) no significant outstanding or unresolved monitoring findings from any governmental entity, or from the MFA as Trustee or otherwise; or if it has any such findings, it has a certified letter from the governmental entity, MFA as Trustee or otherwise, stating that the findings are in the process of being resolved;
 - (d) it has not been suspended, debarred or otherwise restricted by MFA, as Trustee or otherwise, or any department or agency of the Federal Government or any State government from doing business with such department or agency because of misconduct or alleged misconduct, nor is it delinquent on any debt or non-tax judgment lien;
 - (e) it has among its purposes significant activities related to providing housing or services to persons of low or moderate income;
 - (f) it has not defaulted on any obligation covered by a surety or performance bond;

- (g) no mortgage on a project listed on such certificate is currently in default, assigned to the United States government or foreclosed;
 - (h) there has not been a suspension or termination of payments under any federal rental assistance contract in which the Applicant has had a legal or beneficial interest;
 - (i) if it is a non-profit organization,
 - 1) it has as a primary mission to provide housing or housing related services to persons of low or moderate income;
 - 2) it has 501(c)(3) tax status;
 - 3) it is in compliance with the Charitable Solicitations Act NMSA 1978, §57-22-1, et seq. and with the filing requirements by the New Mexico Attorney General's Office under that Act; and
 - 4) no part of its net earnings inure to the benefit of any member, founder, contributor or individual.
6. Applicant hereby certifies and affirms, as a condition to Applicant's Application, that Applicant has not directly or indirectly entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free competitive bidding in connection with its Application.
7. No political contribution or gift valued in excess of \$250.00 (singularly or in the aggregate) has been made by Applicant or on Applicant's behalf to any elected official of the State of New Mexico who is currently serving, or who has served, on the MFA Board of Directors in the past three (3) years.
8. Except to the extent Applicant operates a property which is monitored by MFA, Applicant has no current or proposed business transaction with MFA or any of its officers or employees, that would constitute a conflict of interest, nor is Applicant aware of any other facts or circumstances that may give rise to a claim of conflict of interest. Further, Applicant certifies that it has no interest, direct or indirect, that would conflict in any manner or degree with the rental assistance it requests in its Application. For purposes of this Certification MFA acknowledges Applicant's interest in receiving rental payments and does not consider the same a conflict of interest.
9. Applicant shall, at all times, conduct itself in a manner consistent with the MFA Code of Conduct. A copy of the MFA Code of Conduct is posted on the MFA website for review at <http://www.housingnm.org/rfp>. Upon request by MFA, Applicant shall disclose information MFA may reasonably request relating to conflicts or potential conflicts of interest.
10. Applicant is an Equal Opportunity Employer and complies fully with all government regulations regarding nondiscriminatory employment practices. Further, Applicant understands that MFA will monitor its performance under and compliance with terms contained in any agreement(s) resulting from its Application and in accordance with the NOFA. Applicant further understands and represents that any agreement it enters into with MFA will be binding in all respects.
11. Applicant will comply with all applicable Federal statutory and regulatory requirements including, without limitation: Title VIII of the Fair Housing Act, Title VI of the Civil Rights Act of 1964, the Equal Credit Opportunity Act, the Age Discrimination Act of 1975, Executive Order 12898, the Americans with Disabilities Act of 1990 and Section 504 of the Rehabilitation Act of 1973.

12. Applicant has not been found by the United States Equal Employment Opportunity Commission, the Department of Housing and Urban Development, the New Mexico Human Rights Commission, or a court of law to be in noncompliance with any applicable civil rights laws.
13. Applicant 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.
14. Applicant agrees that, if it plans to utilize additional financing from other local, state or federal agencies, MFA and those agencies may share applications, forms, information, and related details with each other concerning the Application.
15. Applicant consents to MFA obtaining information from other local, state and federal agencies regarding its performance and compliance with respect to other housing projects that it has developed, owned, or managed and which have received local, state or federal subsidy.
16. The information provided, under penalty of perjury, is true and correct to the best of Applicant's information, knowledge, and belief. Further, as witnessed by the signature(s) below, Applicant certifies that the signor(s) have authority and are competent to legally bind the Applicant to the certifications and assurances made herein. Applicant further understands that the terms "Applicant" in this Certification means the Owner of the property for which rental assistance is sought and includes all individuals, joint ventures, partnerships, corporations, trusts, nonprofit organizations and any other public or private entity that have an ownership interest in Owner, but excludes investors (i.e. limited partners or investor members) for properties with Low Income Housing Tax Credits.

On behalf of Applicant, the person(s) below so certify:

Date: _____

Date: _____

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

[ACKNOWLEDGMENT(S) APPEAR ON THE NEXT PAGE(S)]

ACKNOWLEDGMENTS:

STATE OF)
) ss.
COUNTY OF)

The foregoing instrument was duly acknowledged before me on _____, 20__ by
_____ as _____, of _____.

Notary Public

My commission expires: _____

STATE OF)
) ss.
COUNTY OF)

The foregoing instrument was duly acknowledged before me on _____, 20__ by
_____ as _____, of _____.

Notary Public

My commission expires: _____

Appendix C: Self-Certification of Income Loss Due to COVID-19

Date: _____
Recipient Name: _____
Address: _____
Street City, State Zip Code _____
Phone Number: _____ E-Mail Address: _____

I, _____, hereby certify that my household does not currently receive full rental assistance from another program, and is experiencing a reduction in income due to circumstances related to the COVID-19 pandemic¹, including:

- Job loss;
- Reduction in compensation;
- Closure of place of employment;
- Loss of clients/customers if self-employed;
- Obligation to be absent from work to care for home-bound school-aged child;
- Requirement to be quarantined based on a diagnosis of COVID-19;
- Requirement to self-quarantine based on a directive of the Governor, the advice of a healthcare provider, the advice or directive of a local or state public health authority or the directive of a law enforcement officer;
- Tenant's belief that self-quarantine is in the best interest of public health and human safety due to an exposure or high-risk activity;
- Being over 65 or having any health condition that places tenant at enhanced risk for COVID-19; or
- Other pertinent circumstances.

Ongoing rental assistance is needed for my household and no additional funding sources are available. The undersigned further understand(s) that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of housing assistance.

Signature of recipient

Date

Signature of other adult household member

Date

Signature of other adult household member

Date

¹ Enhanced unemployment benefits under the CARES Act must be included in determinations of current household income for purposes of determining whether a reduction in income has occurred and thus the tenant self-certification of income loss due to COVID-19 can be signed, while federal stimulus payments under the CARES Act must not be included.

Appendix D: Applicant's Certification of Moratorium on Eviction-Related Actions

The undersigned hereby certifies that _____ (Applicant) has halted and will not resume non-payment eviction actions, issuances of three-day notices for nonpayment of rent and terminations of month-to-month leases for the duration of, and consistent with the terms of, New Mexico Supreme Court Order No. 20-8500-007 staying the execution of writs of restitution issued for non-payment of rent and to the extent applicable, are in compliance with the temporary moratorium on evictions required by Title IV of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act; P.L. 116-36, herein "CARES Act").

On behalf of Applicant, the person(s) below so certify:

Date: _____

Date: _____

By: _____

By: _____

Name:

Name:

Title:

Title:

Appendix E: Applicant's Certification of Maintenance of Staffing, Property Maintenance and Services

The undersigned herewith certifies that _____ (Applicant) has maintained and will continue to maintain staffing, property maintenance and services for _____ (property) at the same level as those in 2019.

On behalf of Applicant, the person(s) below so certify:

Date: _____

Date: _____

By: _____

By: _____

Name:

Name:

Title:

Title:

Appendix F: Additional NOFA Provisions

Use of Electronic Versions of this NOFA

This NOFA is being made available by electronic means. If accepted by such means, the applicant acknowledges and accepts full responsibility to ensure that no changes are made to the NOFA. In the event of conflict between a version of the NOFA in the applicant's possession and the version maintained by MFA, the version maintained by MFA shall govern.

Funding Limits and Restrictions

MFA's decision as to whether New Mexico Housing Trust Fund Assistance may be awarded subject to applicable law shall be accepted by any applicant and shall be final.

Incurred Expenses

MFA shall not be responsible for any expenses incurred by an applicant in applying for NMHTF funding. All costs incurred by an applicant in the preparation, transmittal or presentation of any application or material submitted in response to this NOFA will be borne solely by the applicant.

Application Confidentiality

Prior to the application deadline, MFA encourages inquiries and contacts with its Contact Person from potential applicants regarding the NOFA or sound housing project policies and procedures. The MFA shall not disclose any information regarding a proposed application provided during such inquiries and contacts to any third party. After the application deadline and until awards are made and notice given to all applicants, the MFA will not disclose the contents of any application or discuss the contents of any proposal with an applicant or potential applicant, so as to make the contents of any offer available to competing or potential applicants. After awards have been made and notice given to all applicants, all applications shall be available and open to the public for review, pursuant to MFA's Policies and Procedures and provided that tenant Personable Identifiable Information shall first be redacted

Irregularities in Applications

MFA, in its sole discretion, may waive technical irregularities in the form of proposal of any applicant selected for award, provided, however that the date and time of application submission as indicated herein under "Application Submission and Due Date" cannot be waived under any circumstances.

Responsibility of Applicants

If an applicant who otherwise would have been awarded funds is found not to be a responsible applicant, a determination, setting forth the basis of the finding, shall be prepared and the applicant disqualified from receiving the award.

A responsible applicant means an applicant who submits an application that conforms in all material respects to the requirements of this NOFA and the NMHTF application and who has furnished, when required, information and data to support applicant's application, as shall be determined by MFA in its sole discretion, and to otherwise prove applicant's ability to make satisfactory delivery of the rental assistance described in this NOFA.

Code of Conduct

Applicant shall warrant that except to the extent applicant operates a property which is monitored by MFA it has no current or proposed business transaction with MFA or any of its Board members or employees, nor is aware of any other potential conflict which may give rise to a claim of conflict of interest. For purposes of this NOFA MFA acknowledges applicant's interest in receiving rental payments and does not consider the same a conflict of interest. Any violation of this provision, as determined by MFA, will render the agreement void, unless it is approved by the Board of Directors after full disclosure.

Applicant shall warrant that it has no interest, direct or indirect, which would conflict in any manner or degree with the performance of services related to this application. Applicant shall at all times conduct itself in a manner consistent with the MFA Code of Conduct. A copy of the MFA Code of Conduct is posted on the MFA website for review at <http://www.housingnm.org/rfp>. Upon request by MFA, Applicant shall disclose information the MFA may reasonably request relating to conflicts or potential conflicts of interest

Tab 2



NEW MEXICO MORTGAGE FINANCE AUTHORITY
Delegate Meeting Agenda
COVID-19 Actions
May 12, 2020 @ 11:30 a.m.

AGENDA ITEMS	ACTION REQUIRED	DELEGATE APPROVAL	BOARD COMMITTEE RECOMMENDED
1 *CARES Act HOPWA funding recommendations – Gina Bell and Natalie Michelback	Approval	2- 0 3- 0	NO
2 *CARES Act ESG funding plan and award recommendations – John Garcia	Approval	2- 0 3- 0	NO

Board members present:

Chair, Angel Reyes ☐ present ☐ absent ☒ conference call

Vice Chair, Derek Valdo ☐ present ☐ absent ☒ conference call

Policy Committee members present:

Izzy Hernandez ☐ present ☐ absent ☒ conference call

Gina Hickman ☐ present ☐ absent ☒ conference call

Donna Maestas-De Vries ☐ present ☐ absent ☒ conference call

* Coronavirus Aid, Relief, and Economic Security (CARES) Act

items for Approval (if any) require Policy Committee approval only



MEMO

TO: Delegates

FROM: John Garcia, Assistant Director of Community Development
Shannon Tilseth, RAP Program Manager
Jackie Garrity, EHAP Program Manager

DATE: May 12, 2020

SUBJECT: ESG CARES Act Funding Plan

Background:

As part of the Coronavirus Aid Relief and Economic Securities “CARES” Act, MFA received \$4,140,483.00 in Emergency Solutions Grant (ESG) funding from The Department of Housing and Urban Development “HUD”. This award is in addition to the annual amount of \$2,414,702.00 that MFA receives from HUD and the state of New Mexico for the purposes of assisting those experiencing homelessness.

Purpose:

The focus of the program is to assist people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. The allowable activities for this funding are maintaining and updating of the Homeless Management Information System (HMIS), Shelter Operations, Essential Services, Homeless Prevention and Rapid Re-Housing. The program is intended to be used for the most vulnerable populations who meet the eligibility criteria as outlined in the ESG regulation under 24 CFR Part 576.

Discussion:

Funding Distributions:

In an effort to distribute the funds as quickly as possible, the program managers for the Emergency Homeless Assistance Program “EHAP” and the Rental Assistance Program “RAP” strongly believe that it would be in the best interest of the program and MFA to award the funding to the sub-recipients that are currently administering the respective programs thus eliminating the lengthy RFP process. Additionally, it is vital that service providers have experience administering these types of programs especially for Homeless Prevention and Rapid Re-Housing due to the level of technical experience that is required. Selecting qualified service providers in this manner will help to ensure more successful outcomes for those receiving assistance thus reducing the number of people that return to homelessness. Using our existing infrastructure will also help to ensure that the funds are used for their intended purpose. Since HUD has removed the procurement requirement for this funding, it appears that their intent is to also distribute the funding as quickly as possible. Currently, we are unsure how long this funding is available.

ESG CARES ACT AWARD RECOMMENDATIONS - RAP

2020/2021 RAP Sub-recipients	Proposed Service Area	Award	Percentage of Total Award	Program Award	Admin Award	Total	Percent of Admin
Catholic Charities	Bernalillo, Sandoval	\$1,188,000.00	57.81	\$1,030,631.30	\$157,368.70	\$1,188,000.00	13.25
CLNKids	Bernalillo	\$25,000.00	1.22	\$21,688.37	\$3,311.63	\$25,000.00	13.25
Enlace	Bernalillo, Valencia	\$100,000.00	4.87	\$86,753.48	\$13,246.52	\$100,000.00	13.25
HopeWorks	Bernalillo, Valencia	\$350,000.00	17.03	\$303,637.17	\$46,362.83	\$350,000.00	13.25
Mesilla Valley	Dona Ana, Luna & Otero	\$130,000.00	6.33	\$112,779.52	\$17,220.48	\$130,000.00	13.25
San Juan County Partnership	San Juan	\$147,000.00	7.15	\$127,527.61	\$19,472.39	\$147,000.00	13.25
The Life Link	Santa Fe, Rio Arriba, Taos, Los Alamos	\$115,000.00	5.60	\$99,766.50	\$15,233.50	\$115,000.00	13.25
Total		\$2,055,000.00	100.00	\$1,782,783.94	\$272,216.06	\$2,055,000.00	

RAP Allocation	\$2,344,182.56
Unwarded portion of RAP Allocation/percent (12.34%)	\$289,182.56
Balance	\$2,055,000.00
Total Admin Based on Total RAP Allocation	\$310,536.23
Total Admin Based in Sub-Recipient Allocations	\$272,216.06

We have explored the idea of procuring for additional service providers in areas that are not currently represented, specifically for RAP, however after many discussions, we have determined that the selection process would take a significant amount of time and reduce the likelihood that the immediate need could be met. Based on experience, it often takes years for a new sub-recipient to become proficient with the program. Additionally, we have had very little success with service providers who do not typically assist the homeless population and/or have very little experience administering federally funded programs.

The proposed allocations for each activity are as follows:

MFA Administrative Fee - 2.5%	\$103,512.08
NM Coalition to End Homelessness - HMIS	**\$130,000.00
Rapid Re-Housing & Homeless Prevention Program Allocation (RAP)	\$2,033,646.33
RAP Sub-Recipients /Administrative Allocation - 7.5%	\$310,536.23
Shelter Operations & Essential Services (EHAP)	*\$1,562,788.36
Total	\$4,140,843.00

*The EHAP award will be divided as follows: \$500,000.00 is recommended for the EHAP sub-recipients who we are proposing will not receive funding as part of the 2020/2021 award. The remaining amount of \$1,062,788.36 would be offered to the sub-recipients who we will be recommending to receive a 2020/2021 EHAP award.

** The award to NMCEH will cover the costs of a COVID-19 HMIS Data Specialist \$60,000, new reliable HMIS software \$40,000, and conversion costs to the new HMIS software \$30,000.

The following information was collected from our current service providers to determine how to distribute the funds:

RAP – Homeless Prevention and Rapid Re-Housing

- How much funding is your organization able to expend for this program in 1 year?
- Would current staff be able to handle the additional workload, or would you need to increase your staff?
- Are there any other counties, outside of the one in which you reside, that you would realistically be able to serve?
- Would administrative funds be needed to administer this program?
- Additional comments/needs?

Of the nine current RAP sub-recipients, seven responded to the request for information. The feedback received indicated that they can expend approximately **\$2,055,000.00** annually, including program funding and admin fees. Most sub-recipients would need to increase their staff and purchase needed equipment such as computers/laptops, monitors, office furniture, cell phones equipment and transportation. The CARES Act RAP award from the table above is \$2,033,646.33 in program funding and \$310,536.23 in admin for a total of \$2,344,182.56. Subtracting from the total RAP award the amount requested by the sub-recipients would leave a balance of **\$289,182.56.00** in unawarded

funding for RAP which we recommend awarding once it is determined which service providers are able to draw down the funds according to the set benchmarks, if allowable. If needed, funds could be moved to EHAP for Shelter Operations and Essential Services.

Extend RAP Renewal to PY 2021

Because we recommend using our experienced service providers for RAP, staff is also requesting a waiver to the RFP that was approved in the 2016/2017 program year to extend the renewal for an additional year and release an RFP in the 2022/2023 program year instead. Releasing an RFP would put a significant strain on our service providers and may hamper their ability to expend the ESG CARES Act funding in a timely manner due to their capacity limitations.

The maximum amount of administrative funds available for this grant is 10% of total funding. MFA is retaining 2.5% to cover the administrative costs of operating this program and is awarding 7.5% to the RAP program. Typically MFA does not share administrative awards with this program, however without it some sub-recipients may be unable to purchase needed equipment such as laptops, monitors, cell phones, and create additional space thus reducing the likelihood that they will take on the additional funds and that awards will be expended in a timely, effective manner. Program awards are used for rent, security deposits, application fees and salaries associated with housing search and placement and housing stability case management. Admin awards are used for direct and indirect costs associated with delivering the rental assistance program.

CARES Act allocations for the RAP program are included as Exhibit A of this memo packet.

EHAP – Shelter Operations and Essential Services

Eighteen shelters are being recommended to receive awards with EHAP program funds for the upcoming program year. Because the broad range of eligible expenses will remain the same for the ESG CARES Act funding, these shelters have no concerns as to whether they can spend this additional money within the same year as the EHAP program funds. The total ESG CARES Act EHAP award is \$1,562,788.36, however it was decided to set-aside \$500,000.00 for shelters not receiving 2020/2021 EHAP funding, pending board approval. The amount of ESG CARES Act funding we are recommending for these eighteen shelters is **\$1,062,788.36**. Awards for these shelters were determined by the size of each shelter which is based on their number of available beds.

Eight shelters were not eligible to receive funding for the EHAP program for the upcoming program year, pending board approval. As a result, we are suggesting that they be offered a portion of the ESG CARES Act funding that must be spent in its entirety within six months. Since these shelters will not receive the additional EHAP program funding, they were asked to provide a list of specific items that they could spend this money on within

a short amount of time. Their awards were determined based on the information they provided, taking into consideration that it will help to make up for the loss of the EHAP program funding. The amount of ESG CARES Act funding we are recommending for these eight shelters is **\$500,000**.

We are not asking for money to be awarded for admin for the shelters as the EHAP funding is most often spent on direct expenses for the shelter, such as food, supplies, furnishings, gas/maintenance for their vehicle, etc. The larger need for the admin funding is with the RAP program.

Because all other ESG regulations must be followed by every shelter that receives this money, it is recommended that only shelters that currently receive EHAP funding be awarded this additional HUD money. We could be setting additional shelters up to fail (resulting in a possible reallocation of these funds) if we discover after a few months that they do not have the capacity to meet the strict ESG requirements regarding data collection/reporting, client eligibility documentation, policy/procedure requirements, insurance coverages, etc.

CARES Act allocations for the EHAP program are included as Exhibit B of this memo packet.

Tasks and Timeline

Task	Proposed Completion Date
Receive the contract from HUD detailing the requirements of the program	5/01/2020
Complete funding worksheet	5/04/2020
Adjust the current contract templates to correctly reflect ESG CARES Act requirements and provide a copy to legal for review	5/05/2020
Present allocation recommendations to PC	5/07/2020
Present allocation recommendations to Delegates	5/12/2020
Receive approval of contract from legal	5/12/2020
Updates to the Annual Action Plan (required by HUD)	*
Prepare contracts for distribution (dependent on IS timeframe for creating fillable forms and electronic signature set-up)	5/18/2020
Distribute the contracts and schedules to the sub-recipients	5/19/2020
Contracts due from sub-recipients	5/29/2020
QC contracts for completion	6/1/2020
Contracts to DD for signature	6/2/2020
Copy of signed contracts to sub-recipients	6/3/2020
Contract period begins	6/01/2020

*Action plan is currently being reviewed by HUD. CARES Act information will be added when approved.

The timeline above is dependent on the time needed by other departments to complete needed tasks, legal review and the timeliness of the sub-recipients returning the contract in a complete manner.

Summary

Staff requests approval of the ESG CARES Act implementation plan and to award allocations in the amount of \$4,140,483.00 to the current RAP and EHAP service providers, and to award MFA 2.5% of the grant or \$103,512.08 for admin costs, and to award the RAP program 7.5% of the grant or \$310,536.23 for admin costs. Contracts for all service providers will be issued upon the Delegates' approval.

Staff is also requesting a waiver to the 2016/2017 RAP RFP to extend the renewal option for an additional year which we anticipate will alleviate the burden of an RFP and will result in the service providers expending the ESG CARES Act funding in a timely manner.

Exhibit B - Shelter Awards

Eligible Shelters	# Shelter Beds	% of Total Beds	Recommended CARES Act Award
Assurance Home	6	1.09%	\$11,615.17
Barrett Foundation	34	6.19%	\$65,819.32
Center Of Protective Environment (COPE)	24	4.37%	\$46,460.69
Community Against Violence	18	3.28%	\$34,845.52
DreamTree Project	8	1.46%	\$15,486.90
El Refugio	16	2.91%	\$30,973.80
Family Crisis Center	63	11.48%	\$121,959.32
Grammy's House	19	3.46%	\$36,781.38
Hartley House	30	5.46%	\$58,075.87
Haven House	32	5.83%	\$61,947.59
Heading Home	56	10.20%	\$108,408.28
Option, Inc.	11	2.00%	\$21,294.48
People Assisting the Homeless (PATH)	60	10.93%	\$116,151.73
S.A.F.E. House	75	13.66%	\$145,189.67
Samaritan House	10	1.82%	\$19,358.62
St. Elizabeth Shelter	58	10.56%	\$112,280.01
Valencia Shelter Services	17	3.10%	\$32,909.66
Youth Shelters & Family Services	12	2.19%	\$23,230.35
Total: 18	549	100%	\$1,062,788.36

Did Not Qualify for MFA Program Award	Award for Reported Need
Battered Families Services	\$10,000
Crisis Center of Northern New Mexico	\$20,000
Help End Abuse for Life	\$150,000
La Casa	\$200,000
New Day Youth & Family Services	\$45,000
Roswell Refuge	\$45,000
Youth Development, Inc. (YDI)	\$30,000
	\$500,000

Not Eligible
Healing House
Carlsbad Battered Families

Eligible Shelters = \$1,062,788.36
DNQ for Program Award = \$500,000
Total CARES Act Award = \$1,562,788.36

Tab 3



MEMO

TO: Policy Committee

FROM: Natalie Michelback, HOPWA Program Manager

DATE: May 7, 2020

SUBJECT: Housing Opportunity for People with AIDS (HOPWA) CARES Act funding recommendations

Recommendation:

Staff recommends that the Committee approve HOPWA CARES Act funding in the amount of \$146,170 be awarded to Southwest CARE Center in the amount of \$111,314.80, El Camino Real Housing Authority in the amount of \$5,869.12, Alianza of New Mexico in the amount of \$20,215.88 and MFA in the amount of \$8,770.20 in administration fees.

Background:

HOPWA funds are used to provide housing assistance for low-income individuals living with HIV/AIDS and their families. Services can be in the form of Tenant Based Rental Assistance (TBRA), Short Term Rent, Mortgage, and Utility Assistance (STRMU) and Permanent Housing Placement (PHP). TBRA pays a portion of the clients monthly rent, STRMU provides temporary assistance to prevent homelessness and PHP is used to pay for security deposits, utility connection fees and first month's rent.

As part of the Coronavirus Aid Relief and Economic Securities "CARES" Act, the Department of Housing and Urban Development "HUD" awarded HOPWA CARES Act funding to the City of Albuquerque in the amount of \$76,795 and to the State in the amount of \$69,375 for a total of \$146,170.

The HOPWA CARES Act funding allows for certain regulatory waivers which include items such as:

- Admin has been increased from 10% (3% to MFA and 7% to Service Providers) to 16% (6% to MFA and 10% to Service Providers);
- Clients can now provide self-certification of income and credible information on HIV Status;
- Fair Market Rent and Property Standards for Tenant Based Rental Assistance have been waived;
- The amount of time assistance that can be provided for Short Term Rent, Mortgage, and Utility Assistance has been increased from 21 weeks (in a 52-week period) to 24 months;
- The grantee or service provider is able to visually inspect the unit using technology, such as video streaming, to ensure the unit meets HQS before any assistance is provided.

It is important to note that these waivers cannot be used for formula grant funds.

Discussion

It is in the best interest of the program to award the HOPWA CARES Act funding through our existing network of Service Providers.

In order to determine funding allocations, the Department of Health provides MFA the number of persons living with HIV/AIDS with incomes below the federal poverty level. Based on this information the review committee is recommending that the \$137,399.80 in HOPWA funding be awarded as outlined below. Program funds are used to pay for housing services and admin funds are used to pay for staff time dedicated to providing the housing services.

Agency Name	Approved Service Territory	Program Amount	Admin Amount	Total Award
Southwest CARE Center (SWCC)	City of Albuquerque	\$64,969.30	\$7,218.00	\$72,187.30
Southwest CARE Center (SWCC)	Northern Region Counties Served: Bernalillo, San Juan, Taos, Union, Los Alamos, Harding, Sandoval, San Miguel, Rio Arriba, Colfax, McKinley, Mora, Cibola, Santa Fe	\$35,215.50	\$3,912.00	\$39,127.50
El Camino Real Housing Authority (ECR)	Southern Region 1 Counties Served: Valencia, Guadalupe, Socorro, Curry, Torrance, Quay, DeBaca	\$5,283.12	\$586.00	\$5,869.12
Alianza of New Mexico (ANM)	Southern Region 2 Counties Served: Catron, Roosevelt, Sierra, Hidalgo, Dona Ana, Eddy, Lincoln, Grant, Chaves, Luna, Otero, Lea	\$18,194.88	\$2,021.00	\$20,215.88
Total		\$123,662.80	\$13,737.00	\$137,399.80

Summary:

Staff recommends that the Committee approve HOPWA CARES Act funding in the amount of \$146,170 be awarded to Southwest CARE Center in the amount of \$111,314.80, El Camino Real Housing Authority in the amount of \$5,869.13, Alianza of New Mexico in the amount of \$20,215.88 and MFA in the amount of \$8,770.20 of administration fees. Upon Committee approval, contracts will be issued to Service Providers for immediate use of the funds.

Tab 4



NEW MEXICO MORTGAGE FINANCE AUTHORITY

Finance/Operations Committee Meeting

Tuesday, May 12, 2020 at 1:30 p.m.

Webex - call-in information is 1-844-992-4726 (access code): 968 511 295
or you can join the call from the calendar item

Agenda Item	COMMITTEE RECOMMENDED	BOARD ACTION REQUIRED
1 3/31/20 Quarterly Financial Statements (Gina Hickman)	3-0	YES
2 3/31/20 Quarterly Investment Report (Gina Hickman & Cooper Hall)	3-0	YES
3 Waiver of Qualified Allocation Plan (QAP) Language for 4% Credits (Kathryn Turner)	3-0	YES

Committee Members present:

Derek Valdo, Chair

☐ present

☐ absent

☒ conference call

State Treasurer Tim Eichenberg or
Proxy Diana Rosales - Ortiz

☐ present

☐ absent

☒ conference call

Lt. Governor Howie Morales or
Proxy Martina C'de Baca

☐ present

☐ absent

☒ conference call

J. Hernandez

New Mexico Mortgage Finance Authority

Combined Financial Statements
And Schedules

March 31, 2020

NEW MEXICO MORTGAGE FINANCE AUTHORITY
FINANCIAL REVIEW
For the six-month period ended March 31, 2020

COMPARATIVE YEAR-TO-DATE FIGURES (Dollars in millions):

	6 months <u>3/31/2020</u>	6 months <u>3/31/2019</u>	% Change <u>Year / Year</u>	Forecast <u>3/31/2020</u>	Actual to <u>Forecast</u>	Forecast/Target <u>9/30/20</u>
PRODUCTION						
1 Single family issues (new money):	\$190.0	\$119.9	58.5%	\$150.0	26.7%	\$280.0
2 Single family loans sold (TBA):	\$49.1	\$59.2	-17.1%	\$35.0	40.3%	\$70.0
3 Total Single Family Production	\$239.1	\$179.1	33.5%	\$185.0	29.2%	\$350.0
4 Multifamily issues:	\$0.0	\$0.0	0.0%	\$0.0	0.0%	\$20.0
5 Single Family Bond MBS Payoffs:	\$31.2	\$20.0	55.9%	\$23.7	31.6%	\$47.4
STATEMENT OF NET POSITION						
6 Avg. earning assets:	\$1,385.2	\$1,115.0	24.2%	\$1,303.7	6.3%	\$1,432.6
7 General Fund Cash and Securities:	\$95.8	\$100.4	-4.6%	\$82.9	15.5%	\$80.0
8 General Fund SIC FMV Adj.:	\$0.1	(\$0.8)	112.5%	\$0.0	N/A	\$0.0
9 Total bonds outstanding:	\$1,191.3	\$910.4	30.9%	\$1,160.3	2.7%	\$1,277.5
STATEMENT OF REVENUES, EXPENSES AND NET POSITION						
10 General Fund expenses (excluding capitalized assets):	\$8.6	\$7.9	8.9%	\$9.6	-10.4%	\$19.3
11 General Fund revenues:	\$12.7	\$10.5	21.0%	\$11.7	8.5%	\$23.5
12 Combined net revenues (all funds):	\$7.1	\$4.4	61.4%	\$3.3	118.5%	\$6.5
13 Combined net revenues excluding SIC FMV Adj. (all funds):	\$6.7	\$5.2	28.8%	\$3.3	106.2%	\$6.5
14 Combined net position:	\$252.6	\$239.3	5.6%	\$248.8	1.5%	\$252.0
15 Combined return on avg. earning assets:	1.03%	0.79%	30.0%	0.46%	123.6%	0.46%
16 Combined return on avg. earning assets excluding SIC FMV Adj. (all funds):	0.97%	0.93%	4.3%	0.46%	110.9%	0.46%
17 Net TBA profitability:	0.99%	0.89%	11.2%	0.50%	98.0%	0.50%
18 Combined interest margin:	0.90%	1.06%	-15.1%	0.68%	32.4%	0.68%
MOODY'S BENCHMARKS						
19 Net Asset to debt ratio (5-yr avg):	29.90%	30.46%	-1.8%	28.12%	6.3%	28.12%
20 Net rev as a % of total rev (5-yr avg):	11.96%	10.97%	9.0%	10.06%	18.9%	10.06%
SERVICING						
21 Subserviced portfolio	\$1,306.0	\$956.1	36.6%	\$1,312.8	-0.5%	\$1,398.5
22 Servicing Yield (subserviced portfolio)	0.39%	0.39%	0.0%	0.41%	-4.9%	0.41%
23 Combined average delinquency rate (MFA serviced)	9.54%	10.62%	-10.2%	10.50%	-9.1%	10.50%
24 DPA loan delinquency rate (all)	8.67%	8.91%	-2.7%	N/A	N/A	N/A
25 Default rate (MFA serviced-annualized)	1.28%	1.36%	-5.9%	1.50%	-14.7%	1.50%
26 Subserviced portfolio delinquency rate (first mortgages)	9.36%	7.21%	29.8%	N/A	N/A	N/A
27 Purchased Servicing Rights Valuation Change (as of 3/31)	(\$0.1)	\$2.0	-105.0%	N/A	N/A	N/A

Legend:

Positive Trend Caution Negative Trend Known Trend/Immaterial

**NEW MEXICO MORTGAGE FINANCE AUTHORITY
FINANCIAL REVIEW**

For the six-month period ended March 31, 2020

SUMMARY OF NEW BOND ISSUES:

Single Family Issues:

\$120.0 mm 2019 Series F Bonds-New Money (November)
\$70.0 mm 2020 Series A Bonds-New Money (February)

Multi-family Issues:

None

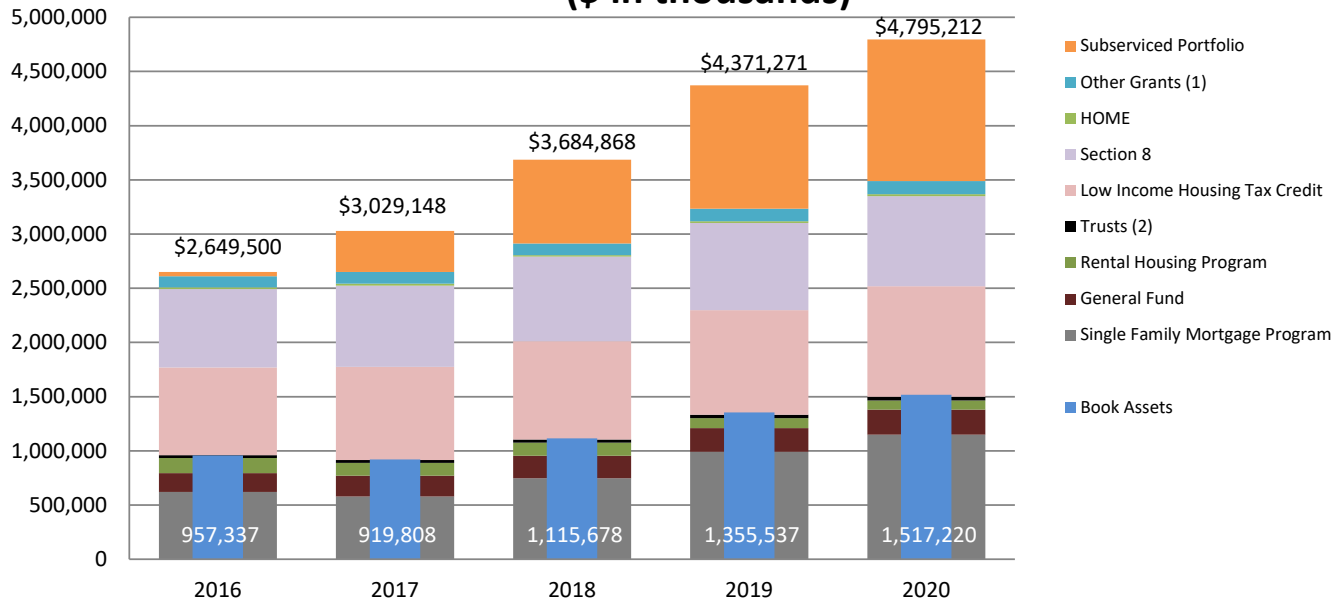
SIGNIFICANT MONTHLY FINANCIAL VARIANCES:

- ▶ Due to decreases in mortgage rates, prepayments are trending higher than last year.
- ▶ Incurred approximately \$1.6 million in cost of issuance for Single Family Mortgage program bond issuance (\$190 million); majority of the expense was paid for through bond premium.
- ▶ Due to market conditions related to the health crisis, the State Investment Council General Fund portfolio is experiencing significant fair market value losses in comparison to this time last year. In February, the General Fund portfolio experienced a fair market decline of (\$1.5) million. Just a reminder that the accounting records are one month in arrears due to SIC reporting timeframes.

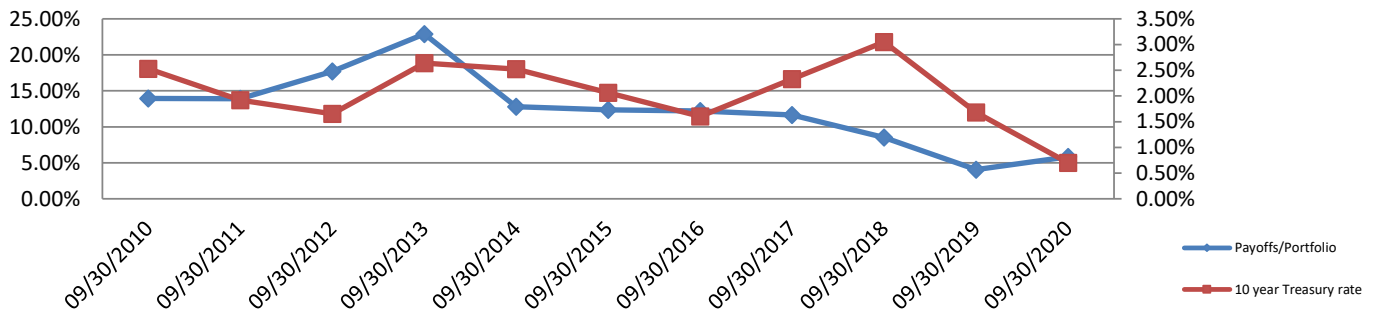
CURRENT YEAR FINANCIAL TRENDS & VARIANCES:

- ▶ Servicing expansion continues to provide additional revenues as the subserviced portfolio and purchased servicing rights asset bases increase.
- ▶ Best execution for the Single Family Mortgage first-time homebuyer loans was moved to TBA loan sales on March 17th due to a disfunctional bond market. In the bond execution the majority of the revenue is earned over time and with TBA loan sales all revenue is received upfront. This strategic change will increase administrative fees. MFA does not anticipate issuing bonds for the remainder of the fiscal year.
- ▶ The subservicing oversight position reports to the Director of Servicing and provides full-time monitoring of loss mitigation activities, collections and foreclosure services provided by MFA's subservicer. They coordinate with the Compliance Officer on risk management strategies and reporting. Staff actively analyzes default trends, quality control reports and portfolio profile characteristics to understand reasons for higher than expected delinquency rates. These delinquencies have an effect on the credit risk associated with MFA's down payment assistance portfolio as well as the financial impacts associated with defaults on the first mortgages themselves. Staff is actively engaged with the subservicer to identify additional delinquency reduction strategies, particularly early intervention strategies to prevent loans from becoming seriously delinquent. The subserviced portfolio is approx. 80% FHA insured loans. The Mortgage Bankers Association quarterly survey as of 12/31/19 indicates that the delinquency rate for FHA loans nationally is 9.08% and for New Mexico 7.67%. 4.49% of MFA's delinquencies in this portfolio are in the 30 to 59 days past due range. Delinquencies are down slightly from last month.
- ▶ Reserve levels for all MFA loan portfolios are deemed adequate.
- ▶ Fair market value for purchased servicing rights as of March 31, 2020 was \$13.4 million, a decrease of approximately (\$0.1) million under cost. GASB requires MFA to utilize "lower of cost or market" accounting for this asset. Due to significant market fluctuations associated with the health crisis, MFA will be recording this decline in fair value in April 2020. Current purchased servicing rights are recorded at a cost of \$13.5 million. Valuations are obtained on a quarterly basis.
- ▶ Based on Moody's issuer credit rating scorecard, MFA's 29.90 percent net asset ratio (5-year average), which measures balance sheet strength, indicates a strong and growing level of resources for maintaining MFA's creditworthiness under stressful circumstances (> 20 percent). The net revenue as a percent of total revenue measures performance and profitability and MFA's 11.96 percent ratio (5-year average) points to high profitability with favorable trends (10-15 percent range). While ratios currently fall within expected thresholds, there are some trends that are affecting these ratios. In future years MFA will see the net asset ratio decline as net revenues will not be increasing at the same rate as bonds outstanding.
- ▶ Moody's Investor Services issued an updated credit opinion on MFA in the spring of 2018. They reaffirmed the Aa3 rating. Comments included strong asset to debt ratio, good profitability and low risk profile due to mortgage-backed security structure, multifamily Risk Sharing Program and no exposure to variable rate debt. Additionally, Moody's reaffirmed the Aaa rating on the single family indenture in the spring of 2019. Moody's will begin updating MFA's issuer credit rating in April 2020.

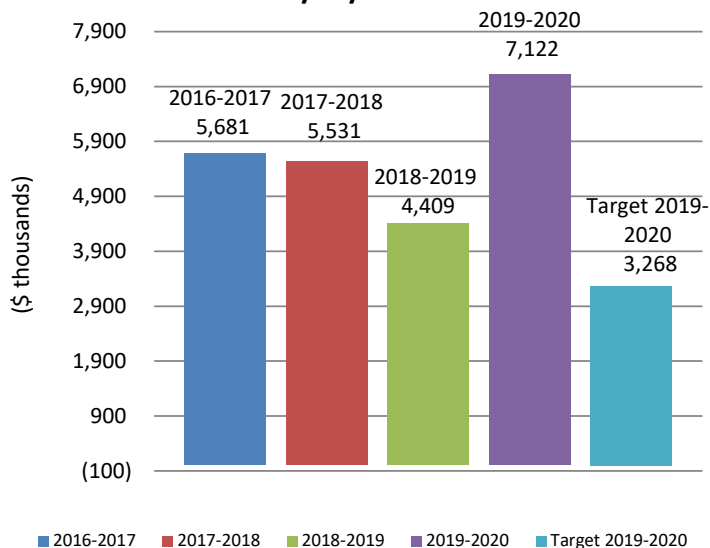
Assets Under Management as of 9/30/2020 (\$ in thousands)



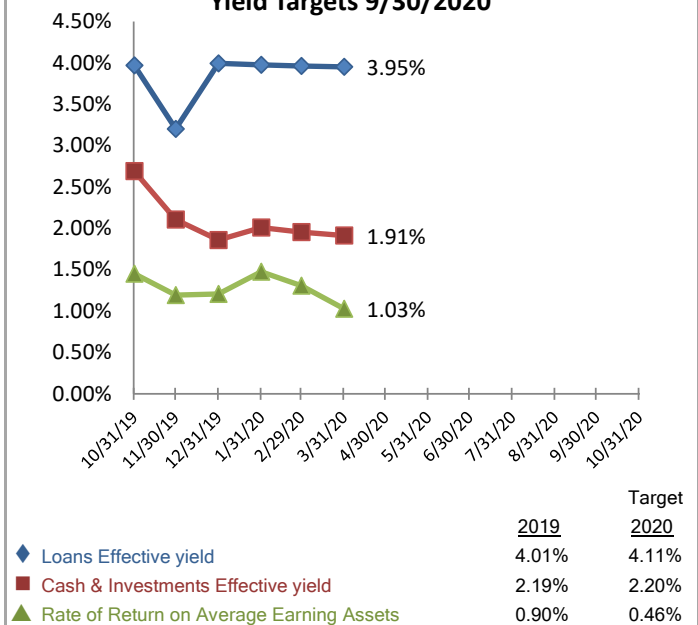
YTD Annualized Payoffs as a Percentage of Single Family Mortgage Portfolio as of 9/30/2020



YTD Excess Revenues over Expenses as of 3/31/2020

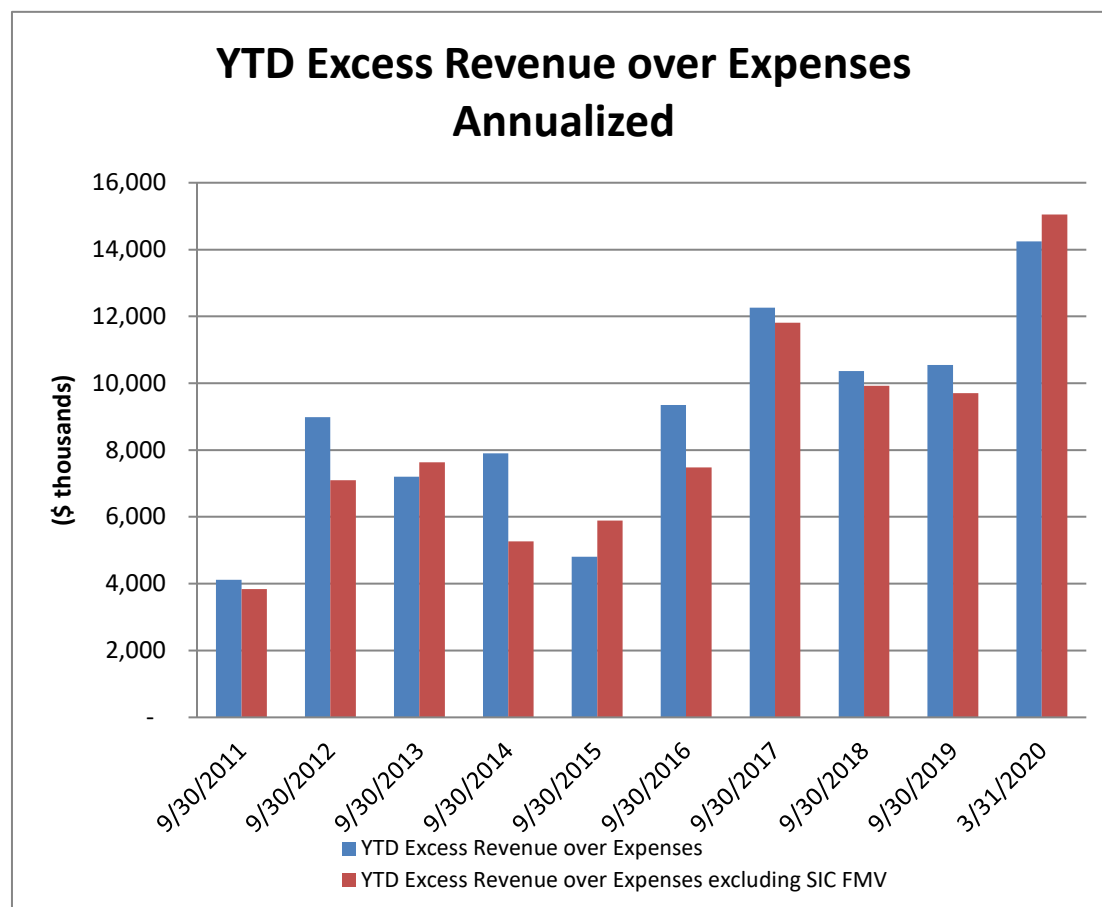
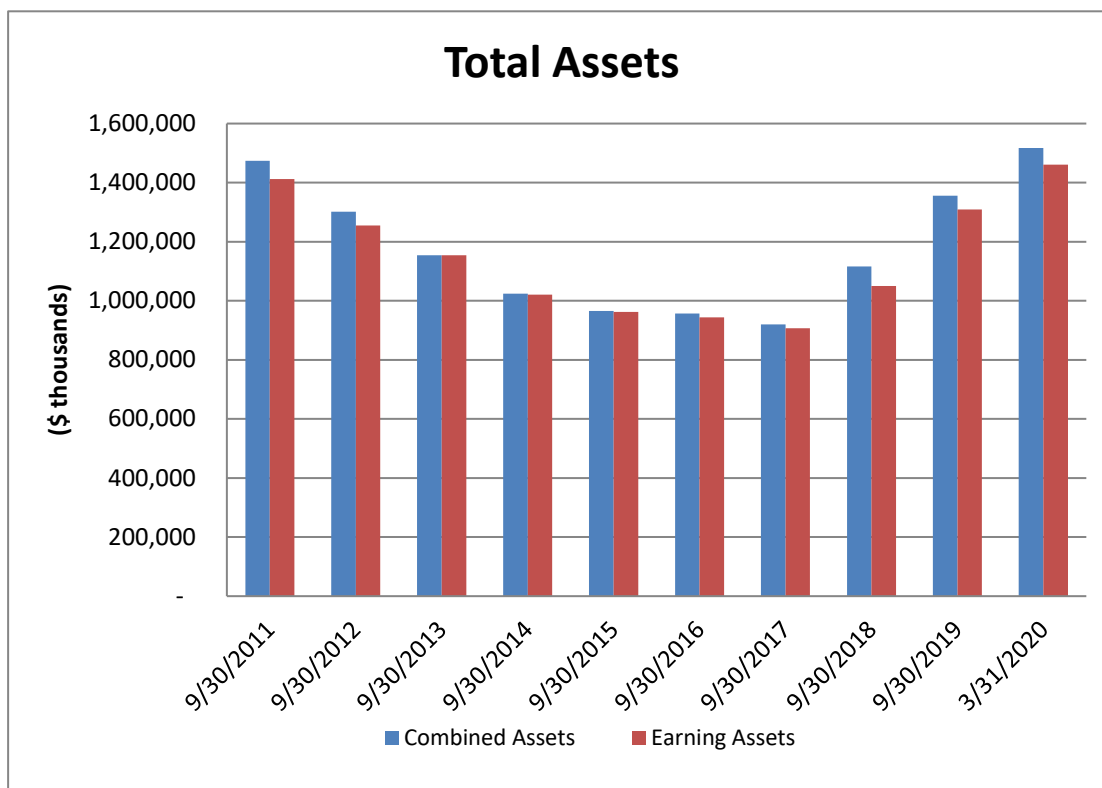


Yield Targets 9/30/2020

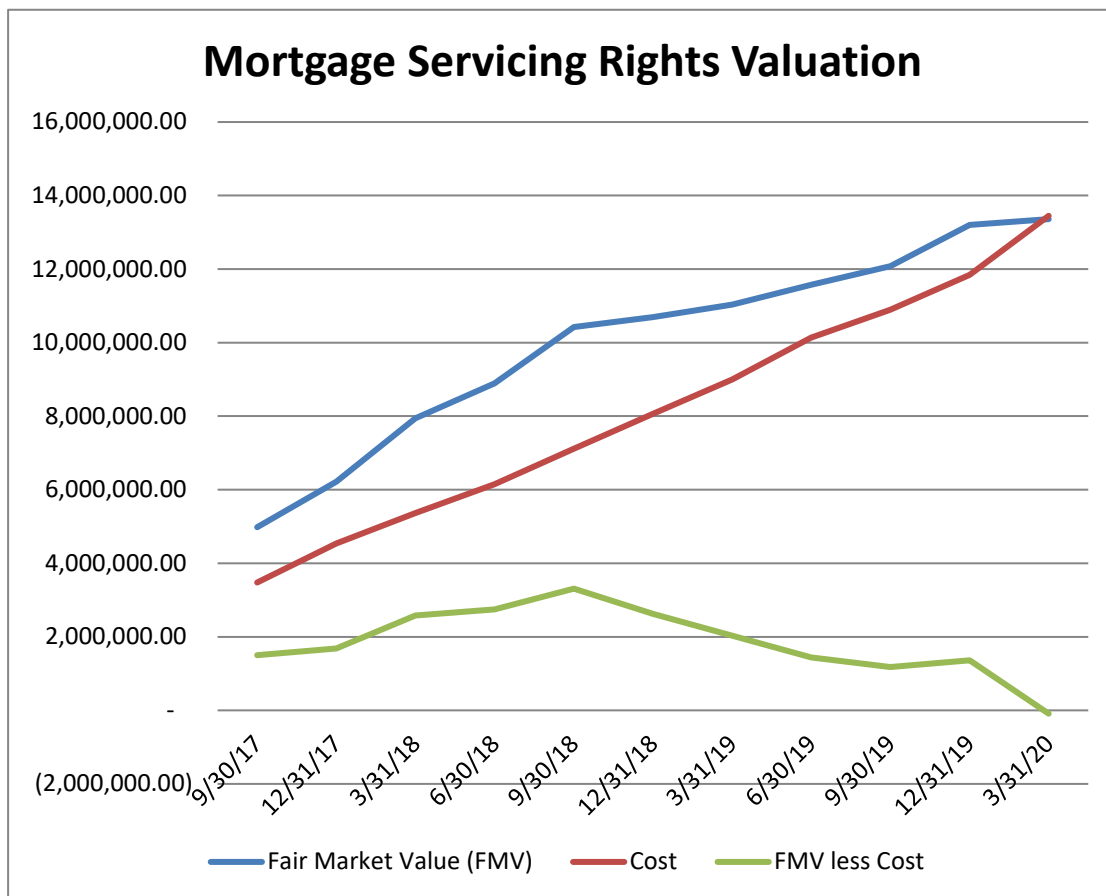
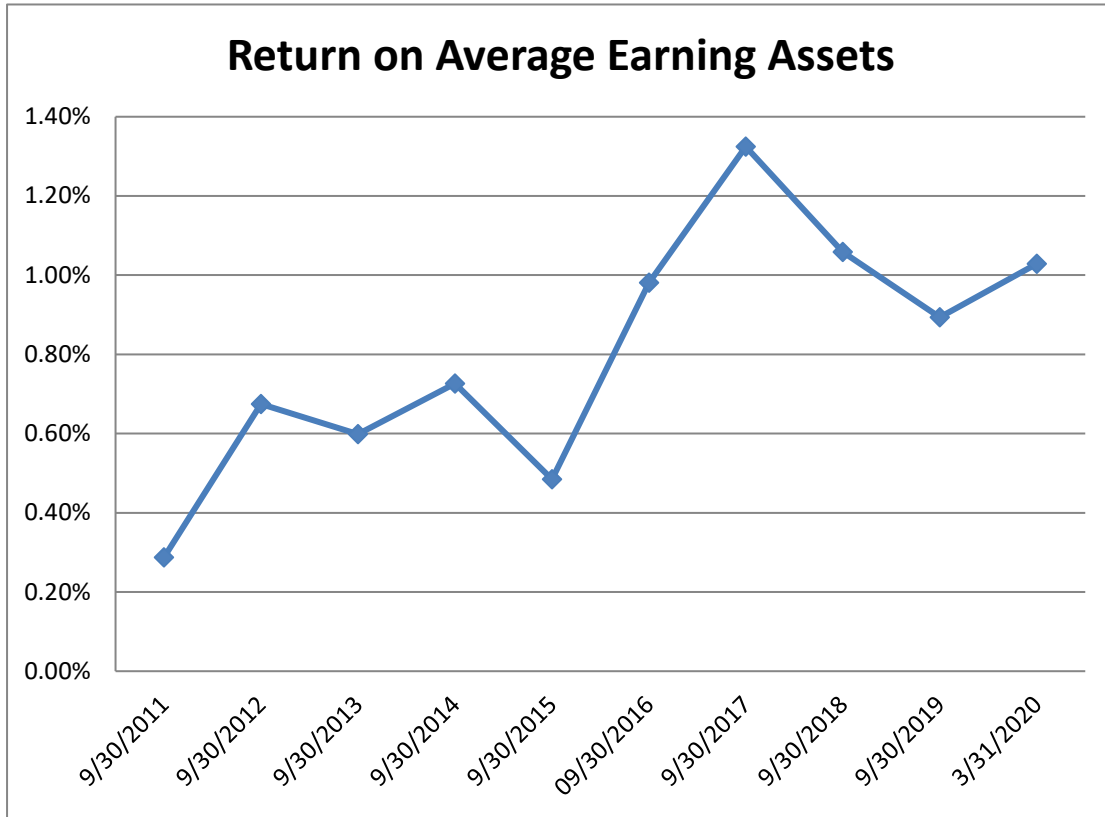


(1) Weatherization Assistance Programs; Emergency Shelter Grant; State Homeless; Housing Opportunities for People With Aids; NM State Tax Credit; Governor's Innovations; EnergySaver; Tax Credit Assistance Program; Tax Credit Exchange; Neighborhood Stabilization Program; Section 811 PRA; Homeownership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

QUARTERLY FINANCIAL GRAPHS



QUARTERLY FINANCIAL GRAPHS



NEW MEXICO MORTGAGE FINANCE AUTHORITY
COMBINED STATEMENT OF NET POSITION
MARCH 2020
(THOUSANDS OF DOLLARS)

	<u>YTD 3/31/20</u>	<u>YTD 3/31/19</u>
<u>ASSETS:</u>		
<u>CURRENT ASSETS:</u>		
CASH & CASH EQUIVALENTS	\$43,867	\$48,345
RESTRICTED CASH HELD IN ESCROW	10,940	10,550
SHORT-TERM INVESTMENTS	500	-
ACCRUED INTEREST RECEIVABLE	4,450	3,732
OTHER CURRENT ASSETS	2,877	2,124
ADMINISTRATIVE FEES RECEIVABLE (PAYABLE)	-	-
INTER-FUND RECEIVABLE (PAYABLE)	0	-
TOTAL CURRENT ASSETS	<u>62,634</u>	<u>64,752</u>
CASH - RESTRICTED	84,331	56,646
LONG-TERM & RESTRICTED INVESTMENTS	68,021	66,690
INVESTMENTS IN RESERVE FUNDS	0	264
FNMA, GNMA, & FHLMC SECURITIZED MTG. LOANS	1,065,395	779,472
MORTGAGE LOANS RECEIVABLE	227,146	244,378
ALLOWANCE FOR LOAN LOSSES	(4,712)	(1,878)
NOTES RECEIVABLE	-	-
FIXED ASSETS, NET OF ACCUM. DEPN	1,149	1,256
OTHER REAL ESTATE OWNED, NET	-	52
OTHER NON-CURRENT ASSETS	-	-
INTANGIBLE ASSETS	12,931	9,054
TOTAL ASSETS	<u>1,516,894</u>	<u>1,220,687</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
REFUNDINGS OF DEBT	326	420
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	<u><u>1,517,220</u></u>	<u><u>1,221,107</u></u>
<u>LIABILITIES AND NET POSITION:</u>		
<u>LIABILITIES:</u>		
<u>CURRENT LIABILITIES:</u>		
ACCRUED INTEREST PAYABLE	\$7,133	\$4,693
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	7,685	9,757
ESCROW DEPOSITS & RESERVES	10,820	10,472
TOTAL CURRENT LIABILITIES	<u>25,638</u>	<u>24,922</u>
BONDS PAYABLE, NET OF UNAMORTIZED DISCOUNT	1,191,340	910,420
MORTGAGE & NOTES PAYABLE	47,509	46,276
ACCRUED ARBITRAGE REBATE	-	-
OTHER LIABILITIES	158	170
TOTAL LIABILITIES	<u>1,264,645</u>	<u>981,789</u>
<u>NET POSITION:</u>		
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	1,149	1,256
UNAPPROPRIATED NET POSITION (NOTE 1)	67,324	61,349
APPROPRIATED NET POSITION (NOTE 1)	184,103	176,713
TOTAL NET POSITION	<u>252,575</u>	<u>239,318</u>
TOTAL LIABILITIES & NET POSITION	<u><u>1,517,220</u></u>	<u><u>1,221,107</u></u>

NEW MEXICO MORTGAGE FINANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE SIX MONTHS ENDED MARCH 2020
(THOUSANDS OF DOLLARS)

	<u>YTD 3/31/20</u>	<u>YTD 3/31/19</u>
<u>OPERATING REVENUES:</u>		
INTEREST ON LOANS	\$24,452	\$20,072
INTEREST ON INVESTMENTS & SECURITIES	1,966	1,909
LOAN & COMMITMENT FEES	1,826	1,431
ADMINISTRATIVE FEE INCOME (EXP)	2,949	2,667
RTC, RISK SHARING & GUARANTY INCOME	33	37
HOUSING PROGRAM INCOME	548	571
LOAN SERVICING INCOME	2,811	2,003
OTHER OPERATING INCOME	-	-
SUBTOTAL OPERATING REVENUES	<u>34,586</u>	<u>28,689</u>
<u>NON-OPERATING REVENUES:</u>		
ARBITRAGE REBATE INCOME (EXPENSE)	-	-
GAIN(LOSS) ASSET SALES/DEBT EXTINGUISHMENT	383	(550)
OTHER NON-OPERATING INCOME	18	5
GRANT AWARD INCOME	25,269	22,054
SUBTOTAL NON-OPERATING REVENUES	<u>25,670</u>	<u>21,509</u>
TOTAL REVENUES	<u>60,256</u>	<u>50,198</u>
<u>OPERATING EXPENSES:</u>		
ADMINISTRATIVE EXPENSES	7,147	6,429
INTEREST EXPENSE	20,189	16,078
AMORTIZATION OF BOND/NOTE PREMIUM(DISCOUNT)	(1,355)	(1,064)
PROVISION FOR LOAN LOSSES	329	582
MORTGAGE LOAN & BOND INSURANCE	-	-
TRUSTEE FEES	71	52
AMORT. OF SERV. RIGHTS & DEPRECIATION	680	314
BOND COST OF ISSUANCE	1,577	1,310
SUBTOTAL OPERATING EXPENSES	<u>28,638</u>	<u>23,702</u>
<u>NON-OPERATING EXPENSES:</u>		
CAPACITY BUILDING COSTS	182	69
GRANT AWARD EXPENSE	24,143	22,018
OTHER NON-OPERATING EXPENSE	171	-
SUBTOTAL NON-OPERATING EXPENSES	<u>24,496</u>	<u>22,087</u>
TOTAL EXPENSES	<u>53,134</u>	<u>45,789</u>
NET REVENUES	7,122	4,409
OTHER FINANCING SOURCES (USES)	0	-
NET REVENUES AND OTHER FINANCING SOURCES(USES)	<u>7,122</u>	<u>4,409</u>
NET POSITION AT BEGINNING OF YEAR	<u>245,454</u>	<u>234,909</u>
NET POSITION AT TD 3/31/20	<u><u>252,576</u></u>	<u><u>239,318</u></u>

NOTES TO FINANCIAL STATEMENTS

(For Informational Purposes Only)
(Thousands of Dollars)

(Note 1) MFA Net Position as of March 31, 2020:

UNAPPROPRIATED NET POSITION:

\$ 34,655	is held by Bond Program Trustees and is pledged to secure repayment of the Bonds.
\$ 32,216	is held in Trust for the NM Housing Trust Fund and the NM Land Title Trust Fund.
\$ 453	held for New Mexico Affordable Housing Charitable Trust .
<u>\$ 67,324</u>	Total unappropriated Net Position

APPROPRIATED NET POSITION: GENERAL FUND

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

\$ 112,961	for use in the Housing Opportunity Fund (\$101,559 in loans plus \$11,402 unfunded, of which \$2,878 is committed).
\$ 28,445	for future use in Single Family & Multi-Family housing programs.
\$ 2,052	for loss exposure on Risk Sharing loans.
\$ 1,149	invested in capital assets, net of related debt.
\$ 12,909	invested in mortgage servicing rights.
<u>\$ 12,842</u>	for the future General Fund Budget year ending 9/30/20 (\$24,100 total budget less \$11,258 expended budget through 03/31/20.)
<u>\$ 170,358</u>	Subtotal - General Fund

APPROPRIATED NET POSITION: HOUSING

By actions of the Board of Directors on December 7, 1999, Housing assets have been appropriated as follows:

\$ 14,893	for use in the federal and state housing programs administered by MFA.
<u>\$ 14,893</u>	Subtotal - Housing Program
<u>\$ 185,251</u>	Total appropriated Net Position
<u>\$ 252,576</u>	Total combined Net Position at March 31, 2020

Total combined Net Position, or reserves, at March 31, 2020 was \$252.6 million, of which \$67.3 million was pledged to the bond programs, Affordable Housing Charitable Trust and fiduciary trusts. \$185.3 million of available reserves, with \$95.8 million primarily liquid in the General Fund and in the federal and state Housing programs and \$89.5 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.

HOUSING OPPORTUNITY FUND

March 31, 2020

TOTAL General Fund Dollars Allocated: \$ 112,961,194 Outstanding: at an average yield of 5.38%

	Primero	Primero PRLF	Primero Working Capital	Partners SF 1st Mortgage	Build It Guaranty	DPA Mortgages	HERO 1st Mortgages	Emerging Markets	MF Access	Total
Original Allocation	\$5,824,041	\$0	\$350,000	\$6,838,000	\$2,500,000	\$34,810,739	\$10,000,000	\$1,550,000	\$32,143,000	\$94,015,781
Transfers	(\$4,579,000)	\$925,000	(\$350,000)	(\$3,091,000)	(\$2,500,000)	\$22,985,820	(\$7,775,820)	(\$1,550,000)	(\$4,065,000)	\$0
3rd Party Award	\$3,363,000	\$4,125,000				\$11,457,413				\$18,945,413
Current Allocation	\$4,608,041	\$5,050,000	\$0	\$3,747,000	\$0	\$69,253,973	\$2,224,180	\$0	\$28,078,000	\$112,961,194
Funded/ Committed	3,511 \$20,052,318	136 \$1,991,834	n/a \$35,000	252 \$13,344,575	105 units \$0	18,045 \$107,596,308	63 units \$9,258,705	None \$0	1,649 \$31,522,224	23,761 units \$183,800,964
Repayments	\$15,267,919	\$159,254	\$35,000	\$9,910,719	\$0	\$43,695,795	\$7,034,525	0	\$3,261,587	\$79,364,799
Available	(\$176,357)	\$3,217,420	\$0	\$313,144	\$0	\$5,353,460	(\$0)	\$0	(\$182,637)	\$8,525,029
Subsidy/ Unit	\$5,711	\$14,645.84	n/a	\$52,955	\$0	\$5,963	\$146,964	n/a	\$19,116	\$7,735
Outstanding & Yield	505 \$3,440,208 2.78%	136 \$1,776,711 3.00%	0 \$0 0.00%	153 \$3,433,856 0%	None \$0 0%	10,890 \$62,423,065 5.66%	19 \$2,224,180 5.23%	None \$0 n/a	1,649 \$28,260,637 5.95%	13,352 \$101,558,657 5.38%
Collateral	1st or 2nd mtg on SF or MF development	1st or 2nd mortg on MF development	1st mortgage on SF rentals	1st mortgage on SF homes	2nd mortgage on SF or MF development	2nd mortgage on SF homes	1st mortgage on SF homes	n/a	1st mortgage on MF development	
AMI Served	53% at 60% or below 47% at 80% or above	Up to 120%	n/a	60% statewide	54% at 60% or below 46% at 80% or above	Until 2003: Up to 80% & 95% Since 2003: M\$VR limits	Up to 140%	n/a	91% at 60% or below 9% at market	
Geographic Distribution	61% Albuquerque, SF & LC MSAs 39% Tribal & Rural	100% Rural	n/a	60% Albuquerque, SF & LC MSAs 40% Rural	15% Albuquerque 85% Rural	84% Albuquerque, SF & LC MSAs 16% Rural	Teachers, Police, Firefighters, Nurses, Military 81% MSA 19% Rural	n/a	43% Albuquerque, SF & Las Cruces MSA 57% Tribal & Rural	
Delinquency Rate	1.99%	0.00%	0.00%	16.99%	0.00%	8.70%	5.26%	n/a	0.00%	6.31%
Default Rate	3.23%	0.00%	0.00%	0.00%	0.00%	7.83%	0.00%	n/a	0.00%	7.67%
Loan Loss Allowance	70,000	-	-	5,145	-	4,479,659	-	n/a	-	4,554,804

GENERAL FUND
Fiscal Year 2019-2020 Budget
For the six months ended 3/31/2020

	One Month Actual	Year to Date Actuals	Year to Date ProRata Budget	Annual Budget	YTD Budget Under/(Over)	Annual Budget Under/(Over)	Expended Annual Budget %
Revenue							
Interest Income	563,899	3,338,193	3,455,091	6,910,183	116,898	3,571,989	48.31%
Interest on Investments & Securities	134,440	906,790	941,108	1,882,217	34,318	975,427	48.18%
Loan & Commitment Fees	11,937	11,937	5,000	10,000	(6,937)	(1,937)	119.37%
Administrative Fee Income (Exp)	694,549	4,971,406	4,222,211	8,444,423	(749,194)	3,473,017	58.87%
Risk Sharing/Guaranty/RTC fees	1,750	33,025	34,715	69,431	1,691	36,406	47.57%
Housing Program Income	30,655	547,999	498,724	1,084,053	(49,275)	536,054	50.55%
Loan Servicing Income	471,854	2,811,342	2,696,063	5,392,126	(115,279)	2,580,784	52.14%
Other Operating Income			750	1,500	750	1,500	
Operating Revenues	1,909,084	12,620,693	11,853,663	23,793,933	(767,029)	11,173,240	53.04%
Gain (Loss) Asset Sale/Debt Ex	(1,467,535)	128,542	(133,875)	(267,750)	(262,417)	(396,292)	-48.01%
Other Non-operating Income	164	704	80	160	(624)	(544)	439.84%
Non-Operating Revenues	(1,467,371)	129,246	(133,795)	(267,590)	(263,041)	(396,836)	-48.30%
Revenue	441,713	12,749,939	11,719,868	23,526,343	(1,030,070)	10,776,404	54.19%
Expenses							
Salaries	384,540	2,339,075	2,702,131	5,396,868	363,055	3,057,792	43.34%
Overtime	3,070	9,859	12,378	24,756	2,519	14,897	39.83%
Incentives	625	103,005	234,523	468,417	131,517	365,412	21.99%
Payroll taxes, Employee Benefits	181,661	1,087,214	1,283,993	2,567,648	196,780	1,480,435	42.34%
Compensation	569,896	3,539,153	4,233,024	8,457,690	693,871	4,918,536	41.85%
Business Meals Expense	61	749	2,530	5,060	1,781	4,311	14.81%
Public Information	9,562	85,653	139,453	278,905	53,799	193,252	30.71%
In-State Travel	2,616	32,914	48,570	97,140	15,656	64,226	33.88%
Out-of-State Travel	10,432	88,711	105,699	211,399	16,988	122,688	41.96%
Travel & Public Information	22,671	208,028	296,252	592,504	88,224	384,476	35.11%
Utilities/Property Taxes	5,723	36,471	36,826	73,652	355	37,181	49.52%
Insurance, Property & Liability	10,758	64,552	63,323	126,646	(1,229)	62,094	50.97%
Repairs, Maintenance & Leases	63,365	435,703	470,211	940,422	34,507	504,718	46.33%
Supplies	6,520	22,020	26,083	52,166	4,063	30,146	42.21%
Postage/Express mail	3,964	19,104	18,396	36,792	(708)	17,688	51.92%
Telephone	510	3,411	10,422	20,843	7,011	17,433	16.36%
Janitorial	2,262	14,800	12,540	25,080	(2,260)	10,280	59.01%
Office Expenses	93,102	596,060	637,800	1,275,601	41,740	679,540	46.73%
Dues & Periodicals	2,485	24,897	25,925	51,850	1,028	26,953	48.02%
Education & Training	1,895	34,127	61,355	122,711	27,228	88,584	27.81%
Contractual Services	91,076	451,550	560,500	1,121,001	108,951	669,451	40.28%
Professional Services-Program	1,500	6,822	29,118	58,236	22,296	51,414	11.72%
Direct Servicing Expenses	334,414	2,124,454	1,634,864	3,269,728	(489,589)	1,145,275	64.97%
Program Expense-Other	-	1,410	7,250	14,500	5,840	13,090	9.73%

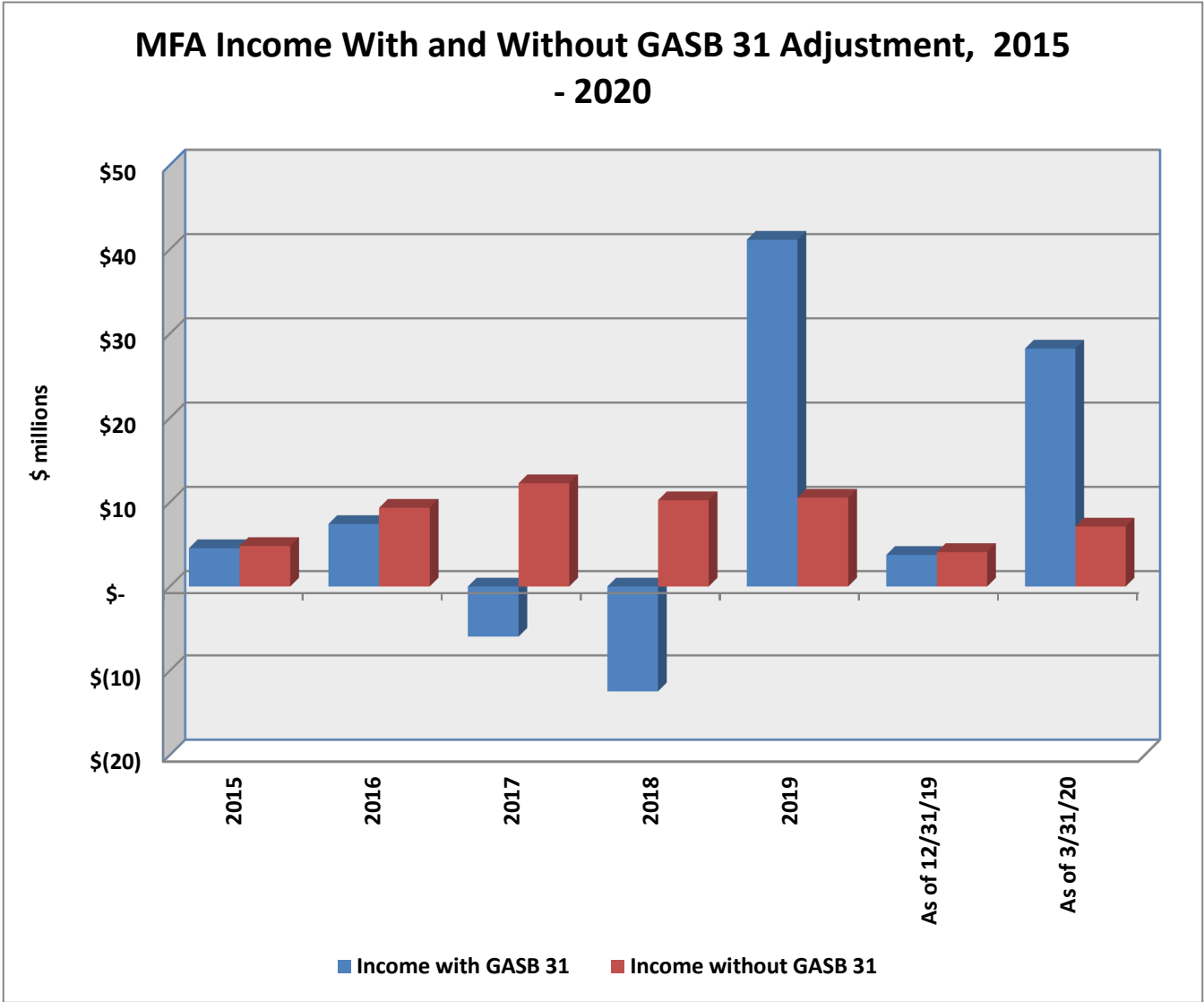
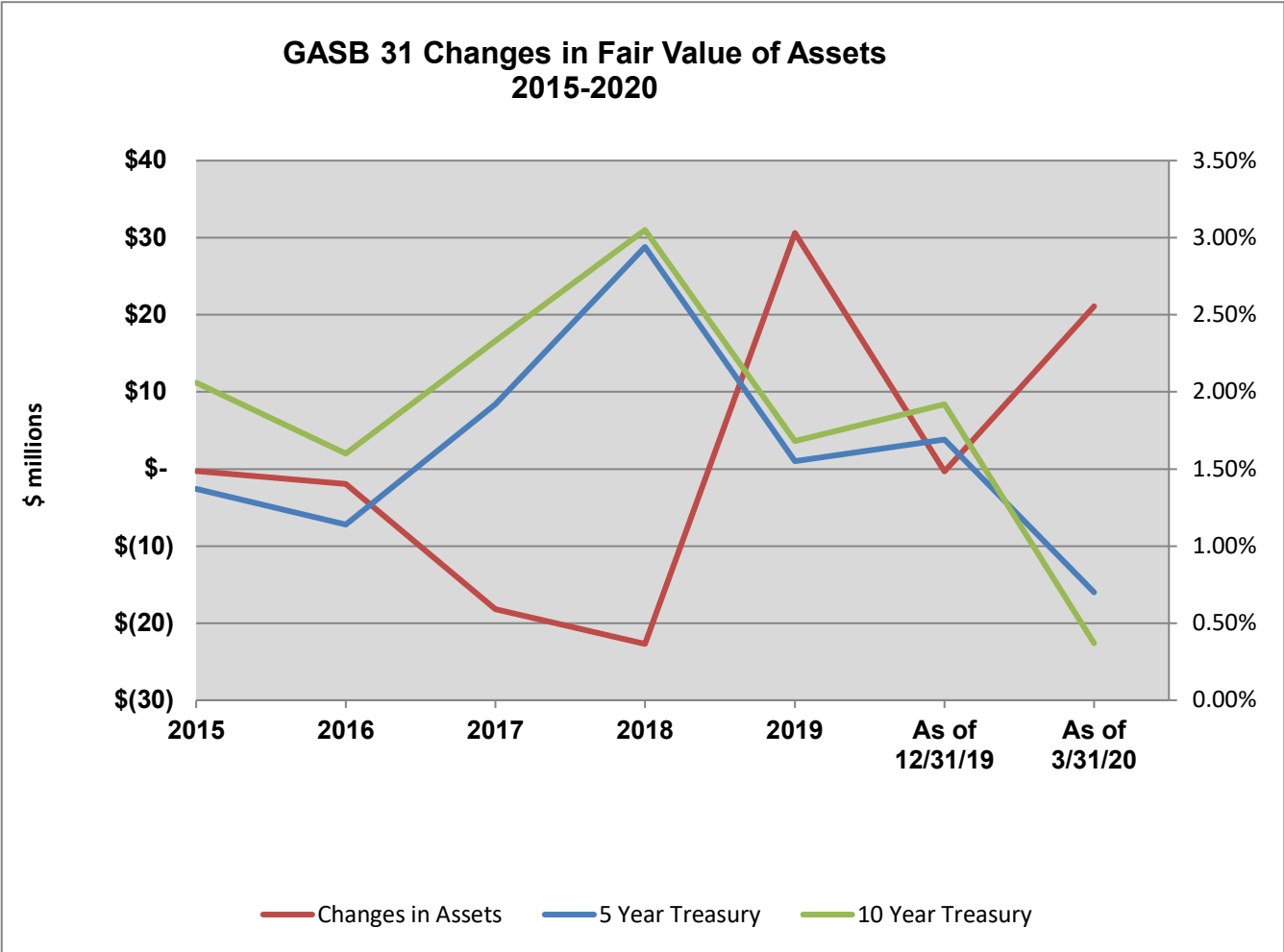
GENERAL FUND
Fiscal Year 2019-2020 Budget
For the six months ended 3/31/2020

	One Month Actual	Year to Date Actuals	Year to Date ProRata Budget	Annual Budget	YTD Budget Under/(Over)	Annual Budget Under/(Over)	Expended Annual Budget %
Other Operating Expense	431,370	2,643,260	2,319,013	4,638,026	(324,247)	1,994,766	56.99%
Interest Expense	51,939	382,132	522,822	1,045,643	140,689	663,511	36.55%
Non-Cash Expenses	451,006	1,008,391	1,183,827	2,384,900	175,435	1,376,509	42.28%
Expensed Assets	18,016	81,472	88,835	177,670	7,363	96,198	45.86%
Operating Expenses	1,638,000	8,458,497	9,281,573	18,572,034	823,076	10,113,537	45.54%
Program Training & Tech Asst	44,964	100,285	275,857	551,715	175,572	451,430	18.18%
Program Development	13,113	81,444	70,900	141,800	(10,544)	60,356	57.44%
Capacity Building Costs	58,076	181,729	346,757	693,515	165,028	511,786	26.20%
Non-Operating Expenses	58,076	181,729	346,757	693,515	165,028	511,786	26.20%
Expenses	1,696,077	8,640,226	9,628,331	19,265,549	988,104	10,625,323	44.85%
Excess Revenue over Expenses	(1,254,364)	4,109,712	2,091,538	4,260,794	(2,018,175)	151,081	96.45%

GENERAL FUND CAPITAL BUDGET
Fiscal Year 2019-2020 Budget
For the six months ended 3/31/2020

	One Month Actual	Year to Date Actuals	Year to Date ProRata Budget	Annual Budget	YTD Budget Under/(Over)	Annual Budget Under/(Over)	Expended Annual Budget %
2690 PURCHASED SERVICING RIGHTS	486,526	2,554,150	1,893,500	3,787,000	(660,650)	1,232,850	67.45%
2950 COMPUTER HARDWARE	-	45,600	92,162	184,324	46,562	138,724	24.74%
2960 SOFTWARE LICENSES	-	17,648			(17,648)	(17,648)	
2920 FURNITURE & EQUIPMENT-10 YR	-	-			-	-	
2930 FURNITURE & EQUIP, 5 YR.	-	-			-	-	
2860 BUILDING	-	-	863,035	863,035	863,035	863,035	0.00%
Capital Budget	486,526	2,617,399	2,848,697	4,834,359	231,298	2,216,960	54.14%

New Mexico Mortgage Finance Authority
Effect of GASB31 on Financials



New Mexico Mortgage Finance Authority
Loan and Credit Line Activity
As of 3/31/2020

Lender	Purpose	Collateral	Board Authorization Date	Authority Limit	Outstanding 12/31/19	Advances	Repayments	Outstanding 3/31/20	Maturity	Interest Rate as of 3/31/20	Interest Payments this quarter
Community Banks	Fund DPA program and assist financial institutions meet CRA requirements	DPA portfolio	March 2018	5,000,000	-	-	-	-	n/a	n/a	
FHLB	Mortgage Backed Security Warehouse, Loans Held for Sale Program	Mortgage loan pipeline	October 2017	60,000,000	31,000,000	111,500,000	107,500,000	35,000,000	10/24/2019	0.70%	131,482
FHLB	Mortgage Backed Security Warehouse, Loans Held for Sale Program & operations	Securities	October 2017	25,000,000	10,000,000	-	-	10,000,000	3/26/2021	2.48%	62,000
USDA-RD	Preservation Revolving Loan Fund Demonstration Program	PRLF mortgage loans	September 2015	2,125,000	-	-	-	-	n/a	n/a	
SBIC	Capitalize Primero Loan Fund	None	April 2014, March 2019	2,500,000	700,000	-	700,000	-	11/30/2023	2.00%	3,578
FHLB	Mortgage Revenue Bond (MRB) Warehousing	MRB Mortgage backed securities	June 2013	30,000,000	-	-	-	-	n/a	n/a	
Wells Fargo	Capitalize Primero Loan Fund	None	October 2011	850,000	850,000	-	-	850,000	11/15/2023	2.00%	4,250
USDA-RD	Preservation Revolving Loan Fund Demonstration Program	PRLF mortgage loans	May 2011	2,000,000	1,726,367	-	67,203	1,659,165	1/20/2042	1.00%	17,689
TOTAL				122,475,000	44,276,367	111,500,000	108,267,203	47,509,165			218,999

Tab 5

**March 31, 2020 Quarterly Investment Review
Agenda for Discussion at Finance Committee Meeting
Meeting Date: May 15, 2020**

For reference:

Minutes of the February 11, 2020 investment discussion during the Finance Committee meeting.

For discussion:

Quarterly Investment Review of MFA General Fund and Housing Trust Fund investments:

- Executive Summary
- Portfolio Reports:
 1. General Fund Investment Policy Compliance Report
 2. General Fund Short and Intermediate-term Portfolio Summary
 3. General Fund Long-term Portfolio Summary
 4. Housing Trust Fund Portfolio Summary
 5. Portfolio Metrics and Economic Indicators

**New Mexico Mortgage Finance Authority
Minutes of Quarterly Investment Review
(Taking place during the Finance Committee May 12, 2020)**

Present: Chair Derek Valdo, MemberProxy Diana Rosales-Ortiz, and Proxy Martina C'de Baca

MFA Staff Present: Izzy Hernandez, Gina Hickman, Donna Maestas-De Vries, Jeff Payne, Cooper Hall, Kathryn Turner, Jeff Payne, Teresa Lloyd, Robyn Powell

Quarterly Review of MFA General Fund investments:

- Report being presented is as of March 31, 2020.
- Compliance Report (Diversification and Asset Allocation): Hickman reviewed the General Fund Investment Compliance Report. She informed the committee that all asset classes are in compliance with the investment policy.
- Portfolio Summary-Short & Intermediate Term Investments: Hickman reviewed asset classes, yields/returns and discussed sector components of the bond ladder. Hickman also mentioned that MFA purchased one new bond security during the quarter due to maturities or calls. Hickman informed the committee that there were two maturities that were reinvested into the Local Government Investment Pool due to lack of quality bond offers.
- Portfolio Summary-Long Term Investments Including State Investment Council Investments: Hickman discussed market values, rates of return and realized gain/loss data for the mortgage backed securities portfolio and the State Investment Council (SIC) funds. Hickman also informed the committee of PFM advice on holding the course with the Long-Term Portfolio.
- Portfolio Summary-Housing Trust Fund: Hickman reviewed market values, rates of return and realized gain/loss data for the Housing Trust SIC fund. She reminded the committee that 100% of the Housing Trust Fund is invested in the Core Bonds Plus Active fund.
- General Fund Investment Portfolio Metrics: Hickman referred committee members to the ratings and interest income information. Hickman also noted the change in economic indicators from the prior year.

- Summary of March 31, 2020 balances and yields/rates of returns:

General Fund:

Asset Class	03/31/2020 Balance	Yield/ Rate of Return
Cash Held for Operations/Warehoused MBS	\$8,293,969	Various
Local Government Investment Pool	6,709,238	1.19%
Bond Ladder	17,058,699	2.11%
MFA's Mortgage Backed Securities-Intermediate Term	8,492,422	5.18%
MFA's Mortgage Backed Securities-Long Term	2,035,272	5.19%
Core Plus Bond Fund-Active (SIC)	8,723,282	-1.10%
Large Cap Index Equity Fund (SIC)	7,568,801	-14.03%
Small/Mid Cap Fund (SIC)	2,521,979	-32.41%
Non-US Developed Markets Fund (SIC)	3,332,154	-19.01
Non-US Emerging Markets Fund (SIC)	939,733	-15.43

*Weighted Average Maturity

Housing Trust Fund:

Asset Class	03/31/2020 Balance	Yield/Rate of Return
Core Plus Bond Fund-Active (SIC)	\$13,427,462	-1.10%

**INVESTMENT REPORT – EXECUTIVE SUMMARY
FOR THE SECOND QUARTER OF FISCAL YEAR 2020**

1. During the second quarter of FY 2020, staff purchased one security for the bond ladder due to a maturity.
2. Due to federal fiscal policy and the Federal Open Market Committee lowering the targeted range of the federal funds rate to 0%-.25% in March, we are starting to experience declines in yields in our fixed income portfolios, excluding the Mortgage Backed Securities asset class.
3. The State Investment Council portfolio is not currently meeting the target yield of 5% as of the second quarter of FY2020. Given current circumstances and economic conditions related to the health crisis and general disruption of capital markets, this was expected. The total portfolio has yielded a loss of (12.47%) fiscal year to date primarily related to fair value depreciation with the Core Plus Bond fund showing the strongest return.
4. The Housing Trust Fund State Investment Council portfolio, which is 100% invested in a core bond fund experienced a return (1.10%).
5. As of the second quarter of FY2020 interest income is 48% of total budgeted interest income. However, with the changing interest rate environment yields are expected to decrease impacting MFA's budget to some degree.
6. Historically the State Investment Council portfolio has performed well when compared to established benchmarks. After the recent shocks to the market, the portfolio is under-performing to those benchmarks for the fiscal year.

7. As of March 31, 2020, MFA's General Fund and Housing Trust Fund balances are as follows:

General Fund:

Asset Class	03/31/20 Balance	Yield/Rate of Return	Benchmark Rate of Return
Cash Held for Operations/Warehoused MBS	\$8,293,969	Various	n/a
Local Government Investment Pool	6,709,238	1.19%	n/a
Bond Ladder	17,058,699	2.11%	2.17%
MFA's Mortgage Backed Securities-Intermediate Term	8,492,422	5.18%	n/a
MFA's Mortgage Backed Securities-Long Term	2,035,272	5.19%	n/a
Core Plus Bond Fund-Active (SIC)	8,723,282	-1.10%	3.33%
Large Cap Index Equity Fund (SIC)	7,568,801	-14.03%	-13.02%
Small/Mid Cap Fund (SIC)	2,521,979	-32.41%	-25.29%
Non-US Developed Markets Fund (SIC)	3,332,154	-19.01	-19.56%
Non-US Emerging Markets Fund (SIC)	939,733	-15.43	-14.55%

*Weighted Average Maturity

Housing Trust Fund:

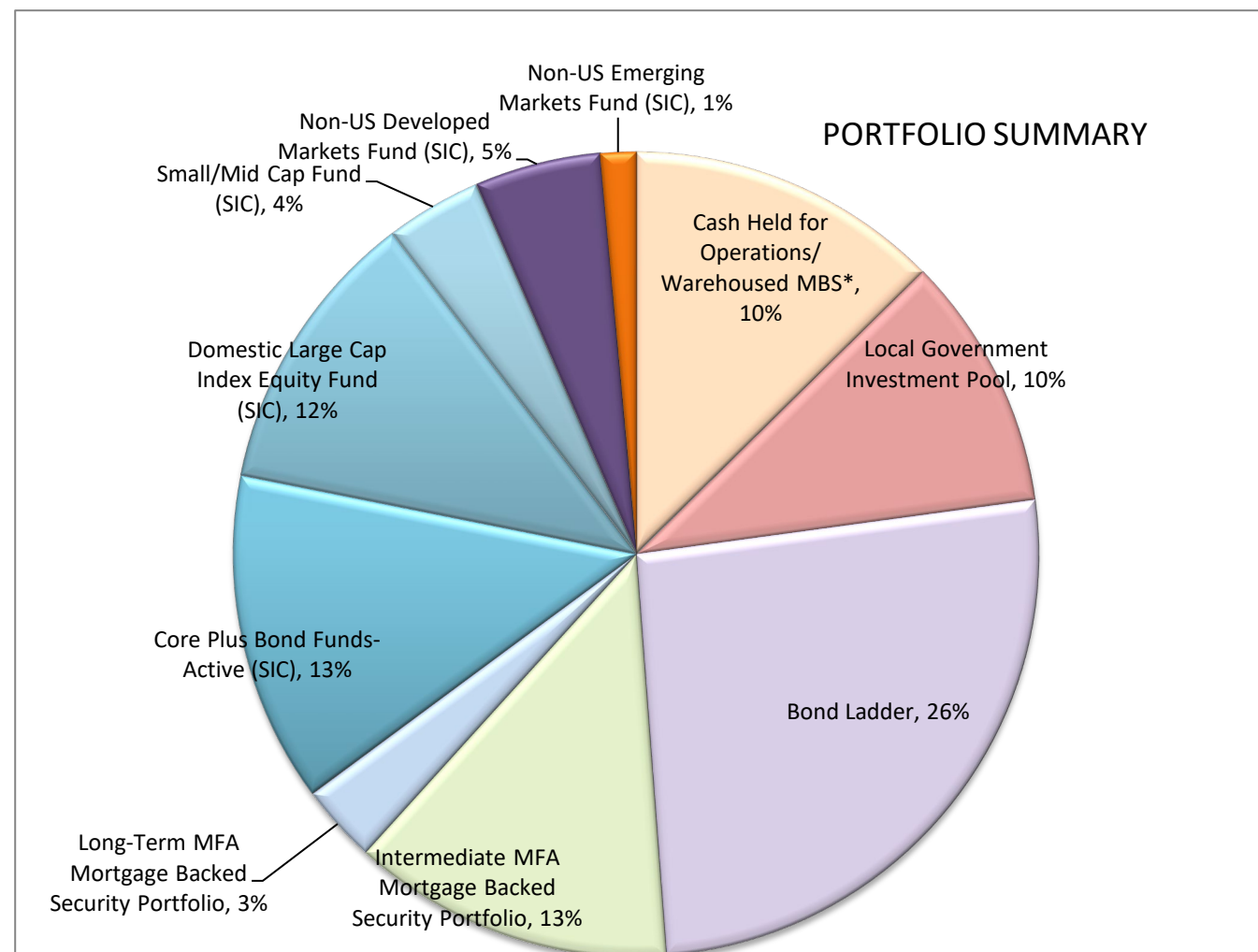
Asset Class	03/31/20 Balance	Yield/Rate of Return	Benchmark Rate of Return
Core Plus Bond Fund-Active (SIC)	\$13,427,462	-1.10%	3.33%



GENERAL FUND INVESTMENT COMPLIANCE REPORT FOR QUARTER 2 (AS OF MARCH 31, 2020)

ASSET CLASS	Policy Requirement Target	Policy Requirement Range	Current Portfolio Carrying Value	Current %	Within \$ Limit Range	Action Plan
Short-Term Investments (Less than 1 year)						
Cash Held for Operations/Warehoused MBS*	14%	9%-19%	\$ 8,293,969	13%	Yes	
Local Government Investment Pool	6%	1%-11%	\$ 6,709,238	10%	Yes	
Intermediate Term Investments (1 to 10 years)						
Bond Ladder	27%	22%-32%	\$ 17,058,699	26%	Yes	
Intermediate MFA Mortgage Backed Security Portfolio	13%	8%-18%	\$ 8,500,191	13%	Yes	
Long-Term Investments (More than 10 years)						
Long-Term MFA Mortgage Backed Security Portfolio	4%	0%-9%	\$ 2,053,256	3%	Yes	
Core Plus Bond Funds-Active (SIC)	12%	7%-17%	\$ 8,723,282	13%	Yes	
Domestic Large Cap Index Equity Fund (SIC)	11%	6%-16%	\$ 7,568,801	12%	Yes	
Small/Mid Cap Fund (SIC)	5%	0%-10%	\$ 2,521,979	4%	Yes	
Non-US Developed Markets Fund (SIC)	6%	1%-11%	\$ 3,332,154	5%	Yes	
Non-US Emerging Markets Fund (SIC)	2%	0%-7%	\$ 939,733	1%	Yes	
			<u>\$ 65,701,302</u>	<u>100.00%</u>		

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



SIC FUND ALLOCATION

	Policy	Actual
SIC Core Plus Bond-Active	33%	38%
SIC Large Cap Index Equity	31%	33%
Small/Mid Cap Index	14%	11%
Non-US Developed Markets	17%	14%
Non-US Emerging Markets	5%	4%

BOARD ACTIONS

August 2005 - approved General Fund Investment
February 2008 - aproved new Large Cap Index ETF Pool
Jauary 2009 - approved Revision to Investment Policy
October 2010 - Approved Revision to Investment Policy
May 2011 - Approved revision to Investment Policy
April 2012 - Approved revision to Investment Policy
April 2013 - Approved revision to Investment Policy
April 2016 - Approved revision to Investment Policy
October 2017 - Approved revision to Investment Policy

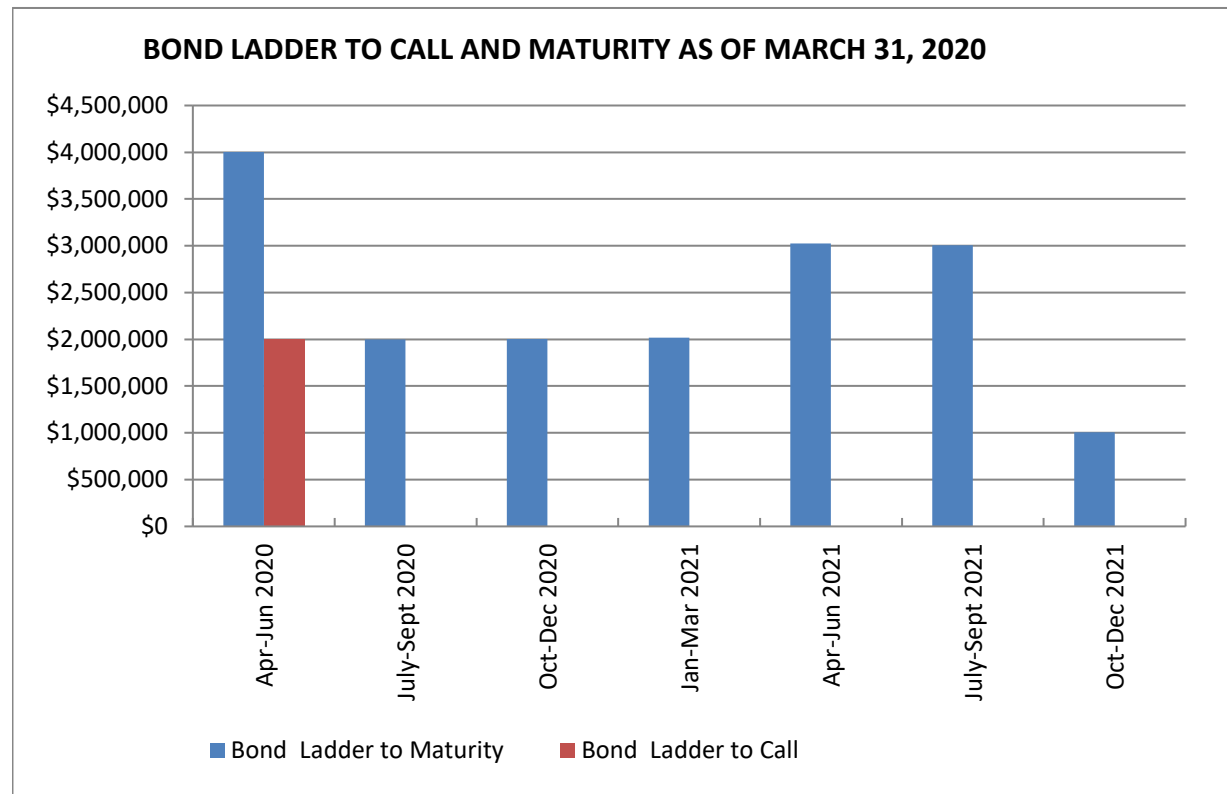


PORTFOLIO SUMMARY - Short & Intermediate Investments

General Fund	Book Value YTD/Quarter 2 as of 3/31/2020	Book Value YTD/Quarter 2 as of 3/31/2019	Unrealized Gain/Loss YTD/Quarter 2 as of 3/31/2020	Yield to Maturity YTD/Quarter 2 as of 3/31/2020	Yield to Maturity YTD/Quarter 2 as of 3/31/2019
Short-Term					
Cash Held for Operations/Warehoused MBS*	\$ 8,293,969	\$ 7,019,719	N/A	Various	Various
Local Government Investment Pool	\$ 6,709,238	\$ 6,690,174	N/A	1.19%	2.46%
Intermediate-Term					
Bond Ladder	\$ 17,058,699	\$ 18,069,547	\$ 229,781	2.11%	1.94%
MFA Mortgage Backed Security Portfolio	\$ 8,500,191	\$ 8,246,742	\$ 606,244	5.18%	5.28%
Yield to Maturity for Intermediate-Term Investments				3.18%	2.98%
Total Short & Intermediate Term	\$ 40,562,097	\$ 40,026,182	\$ 836,025		

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

**Weighted average maturity.



BOND LADDER SECTOR ALLOCATION

	Book Value	% of Total Dollars
Fannie Mae	\$ 2,000,026	12%
Federal Farm Credit Bank	\$ 4,008,547	23%
Federal Home Loan Bank	\$ 10,049,664	59%
Freddie Mac	\$ 1,000,463	6%
Total	\$ 17,058,699	100%

INVESTMENTS PURCHASED IN THE SECOND QUARTER OF FY 2020

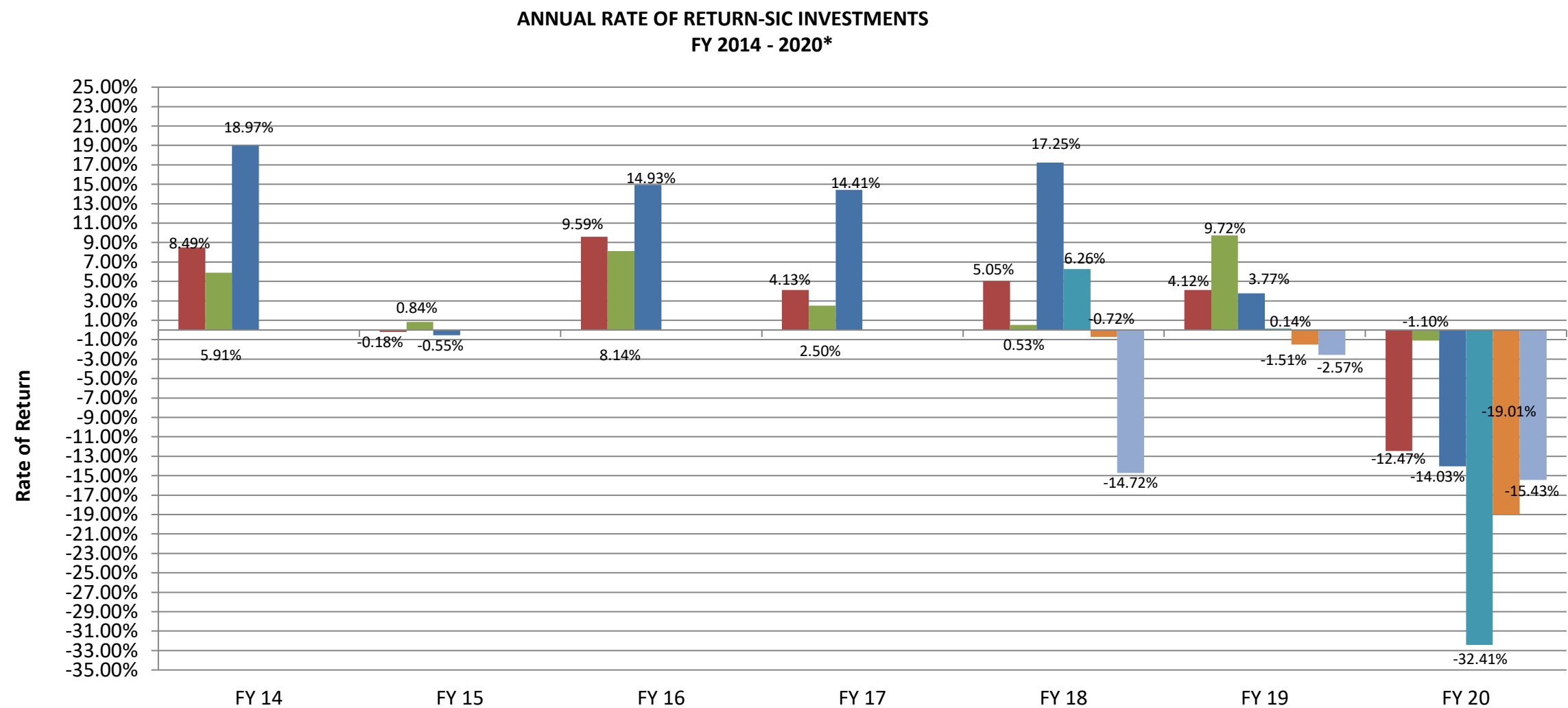
Date Purchased	Security	Interest Rate	YTM/YTC	Dollar Amount
1/17/2020	FHLB	1.875%	1.555%	\$ 1,000,000

PORTFOLIO SUMMARY - Long Term Investments Including State Investment Council Investments

General Fund	Book/Market Value YTD/Quarter 2 as of 3/31/2020	Book/Market Value YTD/Quarter 2 as of 3/31/2019	Unrealized/Realized** Gain/Loss YTD/Quarter 2 as of 3/31/2020	Rate of Return YTD/Quarter 2 as of 3/31/2020 *	Rate of Return YTD/Quarter 2 as of 3/31/2019 *
MFA's Mortgage Backed Securities Portfolio	\$ 2,053,256	\$ 2,582,594	\$ 158,472	5.19%	5.31%
State Investment Council (SIC):					
Core Plus Bond Fund-Active	\$ 8,723,282	\$ 8,352,611	\$ (261,379)	-1.10%	4.28%
Domestic Large Cap Index Equity Fund	\$ 7,568,801	\$ 8,244,746	\$ (1,231,834)	-14.03%	-1.73%
Small/Mid Cap Fund	\$ 2,521,979	\$ 3,278,000	\$ (988,706)	-32.41%	-6.33%
Non-US Developed Markets Fund	\$ 3,332,154	\$ 3,922,899	\$ (743,941)	-19.01%	-4.25%
Non-US Emerging Markets Fund	\$ 939,733	\$ 1,142,868	\$ (173,838)	-15.43%	1.54%
Total State Investment Counsel	\$ 23,085,949	\$ 24,941,124	\$ (3,399,698)	-12.47%	-0.64%
Total Long-Term Investments	\$ 25,139,205	\$ 27,523,718	\$ (3,241,226)		

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

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



*For FY 20 QTR 1



PORTFOLIO SUMMARY - Housing Trust Fund

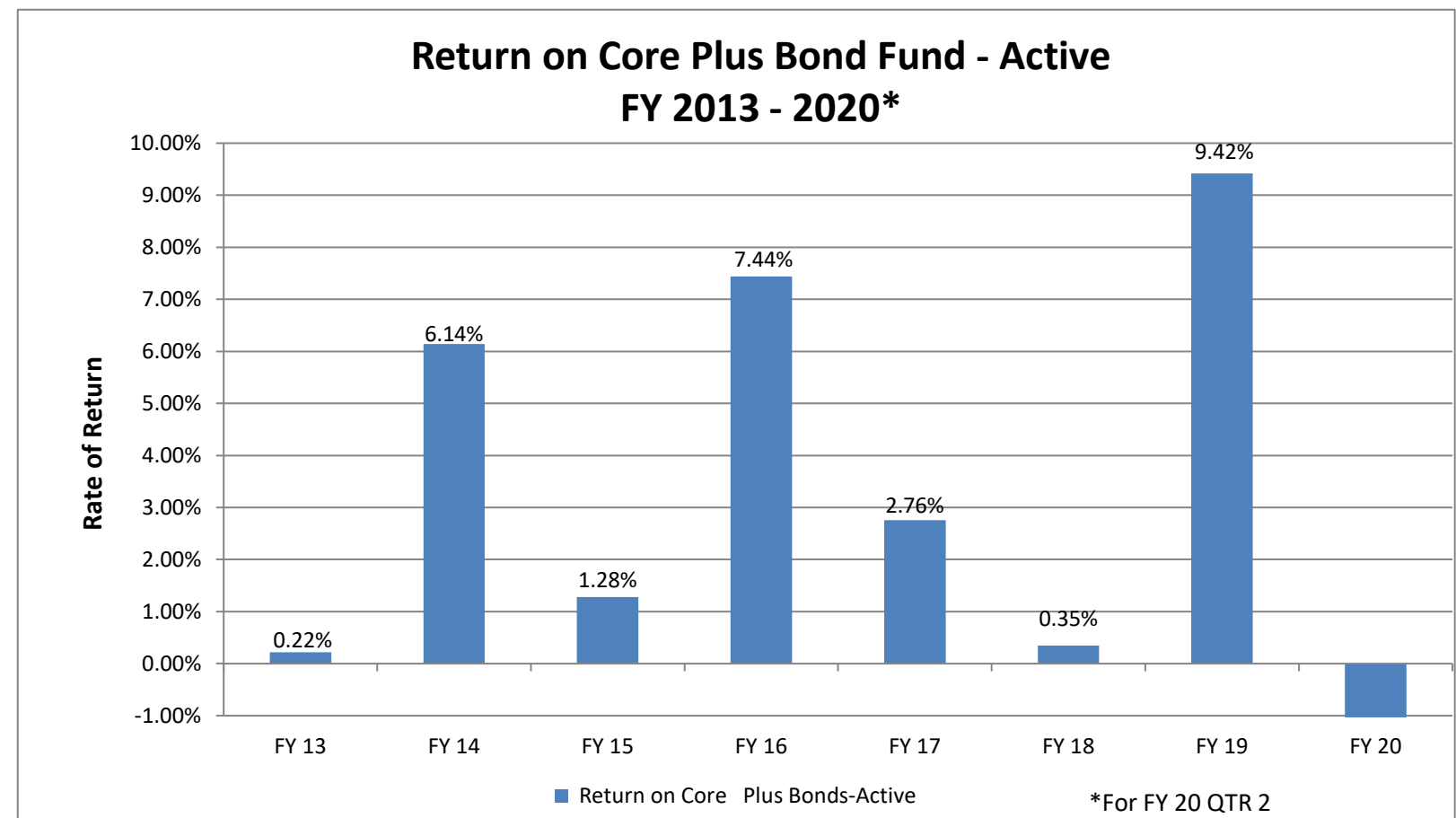
Housing Trust Fund

State Investment Council (SIC):
Core Plus Bond Fund-Active

Total State Investment Council

Market Value YTD/Quarter 2 as of 3/31/2020	Market Value YTD/Quarter 2 as of 3/31/2019	Realized Gain/Loss YTD/Quarter 2 as of 3/31/2020	Rate of Return YTD/Quarter 2 as of 3/31/2020	Rate of Return YTD/Quarter 2 as of 3/31/2019
\$ 13,427,462	\$ 13,381,446	\$ (397,690)	-1.05%	3.98%
\$ 13,427,462	\$ 13,381,446	\$ (397,690)	-1.05%	3.98%

SIC FUND ALLOCATION		
SIC Core Plus Bond-Active	100%	100%





GENERAL FUND INVESTMENT PORTFOLIO - METRICS

Asset Class	S&P Rating	Moody's Rating	Annual Interest Income (Budget) FY2020	Actual Annual Interest Income YTD/Quarter 1 3/31/2020	Interest Income Earned of Total Budget YTD/Quarter 1 3/31/2020	Yield to Maturity/ Rate of Return YTD/Quarter 1 3/31/2020	Benchmark Yield/Rate of Return	Benchmark
Cash Held for Operations/Warehoused MBS	N/R	N/R	\$ 440,306	\$ 77,102	18%	Various	N/A	N/A
Local Government Investment Pool	AAAm	N/R	\$ 103,537	\$ 40,115	39%	1.19%	N/A	N/A
Bond Ladder			\$ 251,680	\$ 126,013	50%	2.11%	2.17%	BofA Merrill 1-3 Yr Agency
Fannie Mae	N/R	Aaa/Stable						
Federal Farm Credit Bank	N/R	Aaa/Stable						
Federal Home Loan Bank	N/R	Aaa/Stable						
Freddie Mac	N/R	Aaa/Stable						
MFA Mortgage Backed Security Portfolio	N/R	Aaa/Stable	\$ 544,345	\$ 286,996	53%		N/A	N/A
Intermediate Term	AA+	Aaa/Stable				5.18%		
Long-Term	AA+	Aaa/Stable				5.19%		
State Investment Council			\$ 436,500	\$ 314,633	72%	-12.47%		
Core Plus Bond Fund-Active	N/R	N/R				-1.10%	3.33%	Barclays US Agg Total Return Value
Large Cap Index Equity Fund	N/R	N/R				-14.03%	-13.02%	Russell 1000 Index-US Large Cap Equity
Small/Mid Cap Fund	N/R	N/R				-32.41%	-25.29%	Average ⁽¹⁾
Non-US Developed Markets Fund	N/R	N/R				-19.01%	-19.56%	Average ⁽²⁾
Non-US Emerging Markets Fund	N/R	N/R				-15.43%	-14.55%	MSCI Emerging Markets Index (Net)
			\$ 1,776,368	\$ 844,860	48%			

Economic Indicators

	3/31/2020	3/31/2019
Federal Funds Rate	0.08%	2.43%
Consumer Price Index (yoy)	1.50%	1.90%
Unemployment Rate	4.40%	3.80%
Real GDP (yoy)	-4.80%	3.20%
DJIA*	-22.73%	0.82%

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

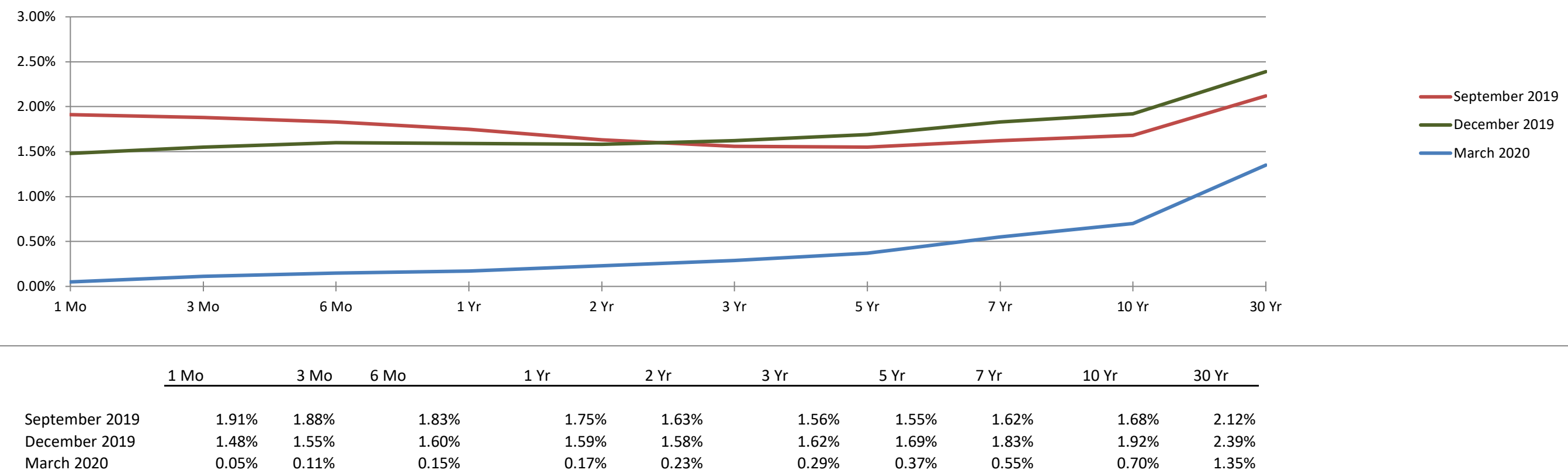
(1) Average of the following benchmarks:

Russell Mid Cap Index
Russell 2000 Value Index
Russell 2000 Index

(2) Average of the following benchmarks:

MSCI EAFE Net Total Return US Index
MSCI AC World Index EX USA Value Net Total Return
MSCI ACW EX US Small Cap Index
MSCI World Ex US IMI Index (net)

US Treasury Yield Curve: Current, 1 Month Ago, 3 Months Ago, 6 Months Ago



Source: U.S. Department of the Treasury

Tab 6



MEMO

TO: MFA Board of Directors
via Policy Committee on May 5, 2020
and via Finance Committee on May 12, 2020

FROM: Kathryn Turner, Tax Credit Program Officer

DATE: April 27, 2020

RE: Waiver of QAP language for 4% projects

RECOMMENDATION:

Staff recommends approval of a waiver of the language currently in the Qualified Allocation Plan to lock in the dollar amounts generated by the percentage caps for builder profit, builder overhead, general requirements, and developer fee at application for 4% tax credit projects. These percentages would remain required caps at the final underwriting (at 8609 issuance), but the dollar amounts would be able to float with the actual costs of construction.

BACKGROUND:

Ceja Vista is a 2019 4% LIHTC project, located in Albuquerque, NM. The project submitted an application in 2019 under the 2019 QAP, and we issued a final determination letter on August 22, 2019. This project will create 154 low income units and will serve seniors. It will be directly next to an existing 4% project, Valle de Atrisco Apartments, which applied under the 2017 QAP and completed construction in fall of 2019. The developer, DBG, is the owner and operator of both projects.

At the time of the Ceja Vista application, the developer utilized construction costs from the existing Valle de Atrisco project to develop the construction budget, however, since Valle de Atrisco applied for credits in 2017, MFA's Mandatory Design Guidelines have kept up with changing compliance and best practices with regards to HERS sizing and energy efficient design and construction methods. An unanticipated result came into play when the HERS rating became part of the ANSI Code last fall, changing the way this score is calculated and making it harder (more expensive) to achieve the ratings required by our design standards. The city of Albuquerque also recently made changes to their building and fire codes that increased costs for this project. These changes and improvements were not incorporated into Ceja Vista's original application for 4% credits. Additionally, as

we have seen across the state, labor shortages, material cost volatility and other issues have increased construction costs quickly and dramatically.

Regardless of the costs of construction, MFA has certain best practice caps on builder and developer fees. According to the QAP, builder profit may not exceed 6 percent of construction costs, builder overhead may not exceed 2 percent of construction costs and general requirements may not exceed 6 percent of construction costs, if there is no identity of interest present. Where an identity of interest exists between or among the Developer/Project Owner, builder (e.g. the general contractor), design professionals and/or subcontractors, builder profit shall not exceed 4 percent of construction costs. However, in the 2019 QAP a paragraph was added to the QAP in Section IV.D.2.a., which states:

The maximum Builder fees are **locked in at Initial Application**. For LIHTC purposes, any amount of fee that exceeds the lesser of the limits established at Initial Application or the percentage limitations **will be excluded from the Project's Eligible Basis** when calculating the tax credit allocation. (*emphasis added*)

DISCUSSION:

While on the surface, this would seem to be a valid, cost containment measure, there are a series of reasons that this is not a good policy to maintain for 4% projects.

1. These increased costs are real costs to the project and should be basis eligible. All application numbers are educated projections and are not actual costs. While we require a contractor to sign off on the construction numbers, they are not typically looking at final construction drawings, nor are they always able to account for future cost increases. It is not until 8609 issuance, where real numbers can be ascertained. To lock any fee in at application is to arbitrarily cap the project based on a best guess. Those fees will be paid by the developer, whether MFA takes it out of basis or not.
2. The efficient use of tax credits scoring criteria and other caps in the QAP place hard caps on the tax credits that will be issued to 9% projects which results in most 9% projects having excess eligible basis and receiving less tax credits than they are eligible for under the Code. While construction costs may increase, the project is unable to increase the number of tax credits allocated due to the competitive nature of the 9% tax credits and the limited amount of credits available. In contrast, basis amounts are always in flux for 4% applications until 8609, when the project is actually "awarded" the credits, based on the basis presented in their cost certification. Until that point, there is no allocation, just a determination that the project is eligible for 4% credits.
3. While we believe that locking in the cap on developer fee at application for 9% credits remains a best practice, for 4% applications, this fee should be locked in at the issuance of 8609, once all the real costs are calculated and the actual amount of the tax credit allocation is determined.

4. Unlike 9% applications, given the floating 4% credit rate and tie to market conditions, projects need all the basis they could acquire in order to generate the most equity possible, and even still, these projects are quite difficult to do. It is in everyone's best interest to make sure we are not artificially capping basis, when additional basis would create additional equity within the parameters of the IRS Code.
5. Since New Mexico is fortunate enough to have an abundant supply of 4% tax credits, steps were taken in the 2019 QAP to make this a more attractive option for securing additional affordable housing projects. One of these steps was to remove two of the caps on developer fees that exist for 9% projects, the per unit and maximum dollar limits. Allowing 4% projects to use the actual construction costs at 8609 issuance to calculate the developer and builder fees would allow for additional eligible basis and additional tax credit equity for these projects.

In this case, the project has requested that we waive the requirement to "lock-in" the amounts of these fees at application, and accept that while the amount may increase due to cost increases, the limitations on the percentages in basis will remain at 6% (or 4%) for builder profit, 2% for builder overhead, 6% for general requirements, and 14% for developer fees. Again, locking in the fee amounts at application needlessly restricts the generation of basis, which is based on real, CPA-approved costs incurred.

We have already made a note to recommend this change in the 2021 QAP, but for the purposes of this Ceja Vista request, and all 4% applications submitted subject to the 2019 and 2020 QAPs, staff recommends we waive this practice of locking in the construction cost and developer fee amounts at application and just adhere to the existing percentage caps.

SUMMARY:

Staff recommends approval of a waiver of the language to lock in the amounts generated by the percentage caps for builder profit, builder overhead, general requirements, and developer fee at application for 4% tax credit projects. These percentages would remain required caps at the underwriting at 8609 issuance, but the dollar amounts would be able to float with the actual costs of construction.

Tab 7



NEW MEXICO MORTGAGE FINANCE AUTHORITY
Contracted Services/Credit Committee Meeting
Tuesday, May 12, 2020 @ 10:00 am
MFA – Albuquerque

To dial in to the conference call dial: MFA (Abbott Hall) Webex join the meeting from the calendar or call
[1-844-992-4726](tel:1-844-992-4726) (access code) 961 495 923

AGENDA ITEM	COMMITTEE RECOMMENDED	BOARD ACTION REQUIRED
1 MFA Building Renovation: Construction Services Request for Proposals (RFP) (Izzy Hernandez)	3-Ø	YES
2 General Counsel Legal Services Request for Proposals (RFP) (Izzy Hernandez)	3-Ø	YES
3 Approval of Housing Opportunities for Persons with AIDS Service Providers and 2019/2020 Funding Award (Gina Bell/Natalie Michelback)	3-Ø	YES
4 Request for Proposals (RFP) for Architectural Review and Construction Inspection Services (Kathryn Turner)	3-Ø	YES
5 Emergency Homeless Assistance Program – Award Recommendations (Jackie Garrity/John Garcia)	3-Ø	YES
6 Approval of 2019/2021 Department of Energy Annual and Master State Plans (NM Energy\$mart) (Troy Cucchiara)	3-Ø	YES
7 New Mexico Affordable Housing Charitable Trust - 2018 Rehab Federal Veterans Allocations (Amy Gutierrez/John Garcia)	3-Ø	YES
8 Questions/Comments from Committee	✓	NO

Committee Members present:

Rebecca Wurzburger, Chair	<input type="checkbox"/> present	<input type="checkbox"/> absent	<input checked="" type="checkbox"/> conference call
Attorney General Hector Balderas or Sally Malavé	<input type="checkbox"/> present	<input type="checkbox"/> absent	<input checked="" type="checkbox"/> conference call
Rosalyn Nguyen Chafey	<input type="checkbox"/> present	<input type="checkbox"/> absent	<input checked="" type="checkbox"/> conference call



MEMO

TO: MFA Board of Directors

Through: Contracted Services/Credit Committee May 12, 2020

Through: Policy Committee May 5, 2020

FROM: Izzy Hernandez

DATE: May 20, 2020

SUBJECT: Request for Proposals for MFA Building Remodel – Construction Services

Recommendation:

Staff recommends approval of the Request for Proposals for MFA Building Remodel, Construction Services.

Background:

On September 18, 2019 the Board approved the FY 2019-2020 General Fund Budget which included a line item for building renovation.

The last major MFA renovation was completed in 2001 when we had 54 employees. In 2017 we renovated the main entry primarily to enhance security. As MFA has grown, we've modified floor plans and added cubicles to accommodate our office needs.

With the growth in our funding, programs, servicing and production our staff has gradually increased to 81 as of May 1, 2020. We anticipate growing to 93 before the end of the year by filling some vacancies, new staff additions and temporary staffing due to COVID-19 impacts. We currently have 85 office spaces available.

Discussion:

The proposed building plans would give us an additional 13 office spaces for a total of 98 office spaces and 10-12 telecommuting stations. The renovations include 2 offices, 11 cubicles, 1 conference room, 2 huddle rooms, 1 interview room, 1 fireproof room, break room enhancements and room for two telecommuting areas to accommodate approximately 10-12 staff. The renovation includes significant improvement to our basement where we gain most of the office spaces.

Cherry/See/Reames Architects, PC has been serving as the architect, will serve on the proposal review committee and will oversee the construction on our behalf.

The RFP will be released on May 25, 2020 and responses are due on July 1, 2020.

Scoring Criteria

Criteria	Maximum Points
1. Evidence of Offeror's Ability to Perform the Work: a. profiles of the technical competence and experience of the principal(s); b. any subcontractor(s) identified in the response	35
2. Past performance in terms of cost control, quality of work, and compliance with performance schedules.	15
3. Base Bid Proposal not including NMGRT and capability to provide services in a timely manner	50
4. Interviews, if held	50
Maximum Points	100, or 150 if interviews are held

Summary:

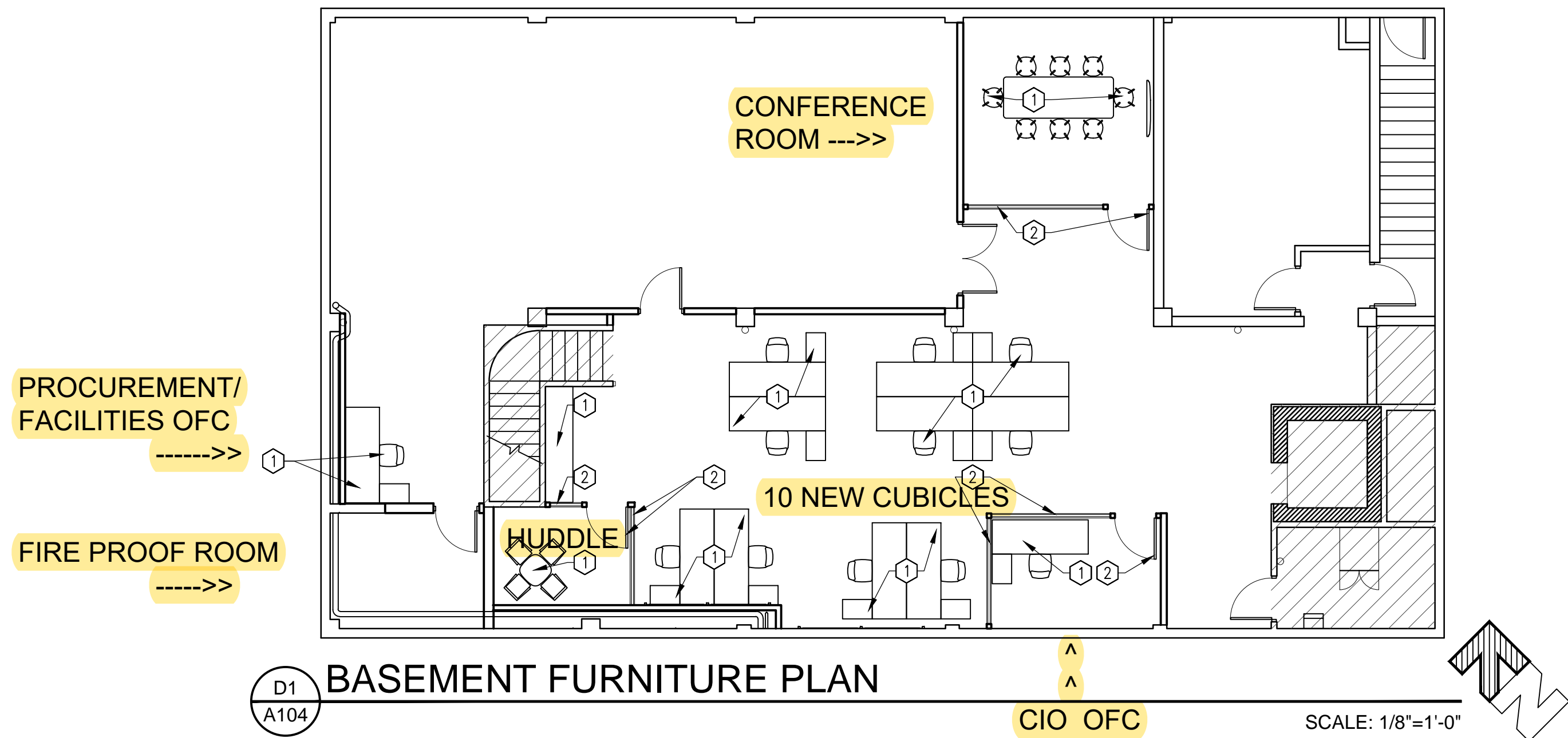
Staff requests approval of the RFP for MFA Building Remodel, Construction Services. Remodeling will result in 13 additional office spaces for a total of 98 office spaces. The renovations include 2 offices, 11 cubicles, 1 conference room, 2 huddle rooms, 1 interview room, 1 fireproof room, break room enhancements and room for two telecommuting areas to accommodate approximately 10-12 staff.



MARK	DATE	DESCRIPTION
ISSUE:		
MANAGEMENT BLOCK		
PROJECT NO: MFA		
CAD DWG FILE: MFA - A101.dwg		
DRAWN BY: RCB		
CHECKED BY:		
COPYRIGHT: Cherry/See/Reames PC		

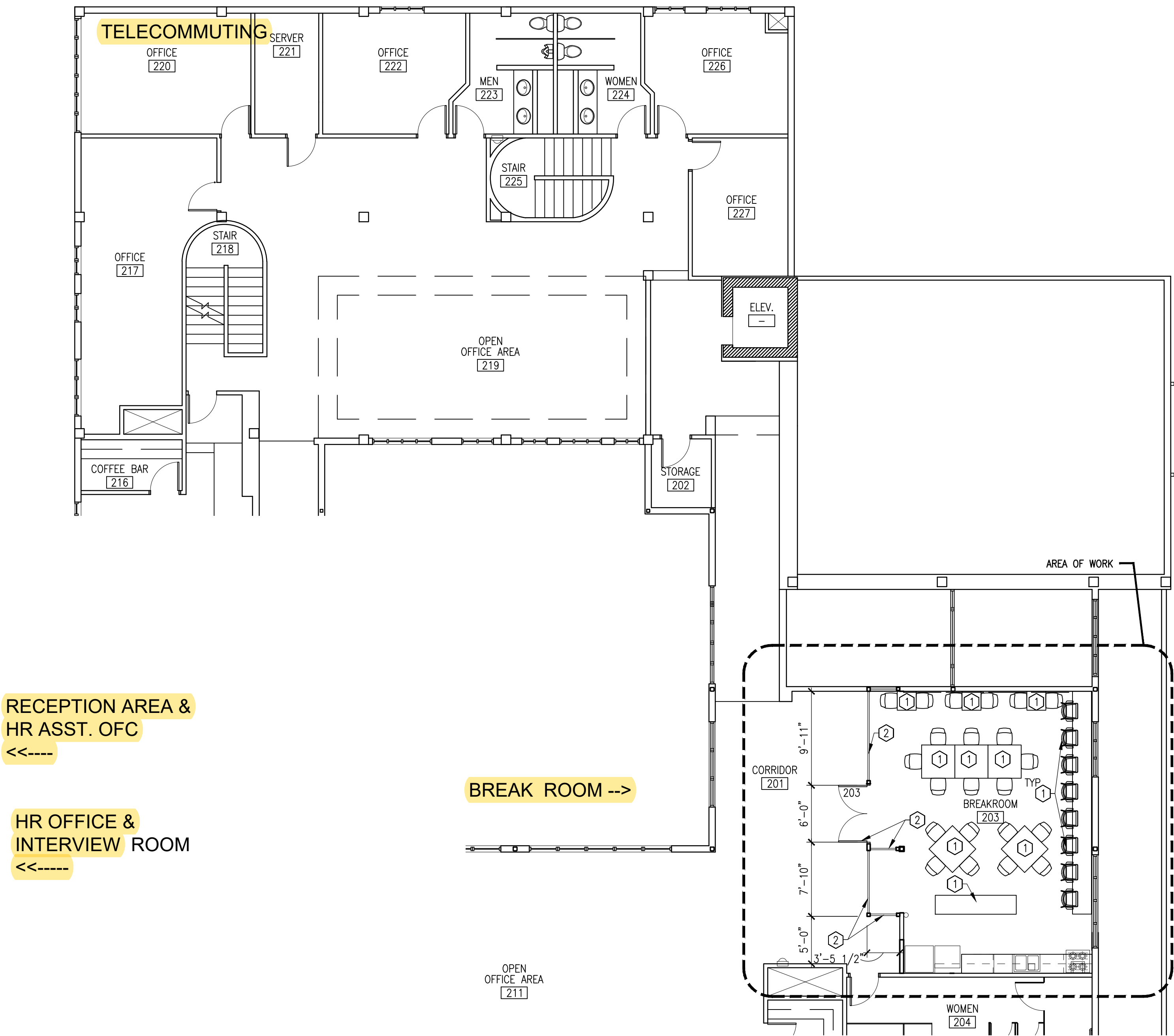
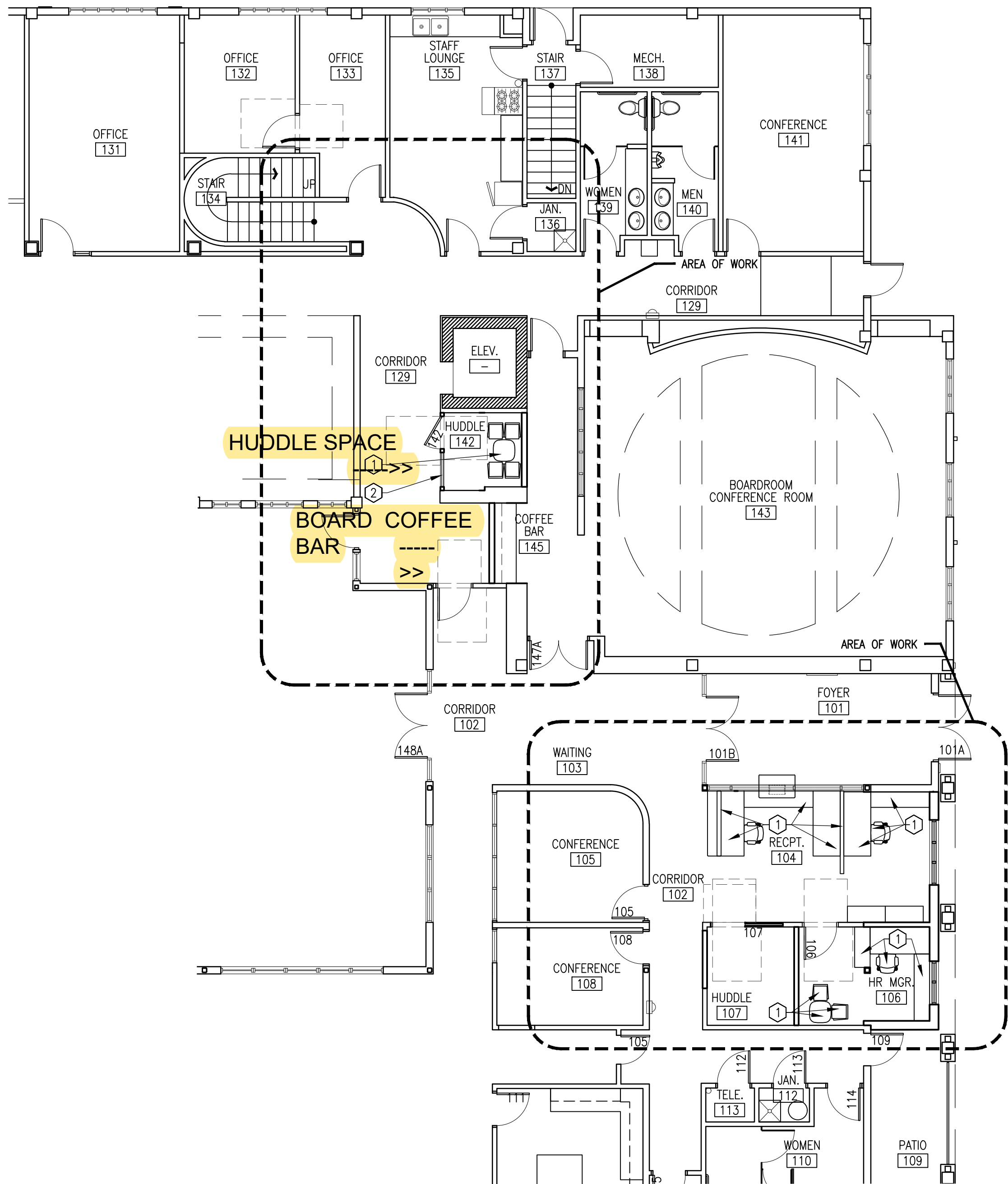
TITLE OF SHEET
FURNITURE PLAN

SHEET NUMBER
A - 104
SHEET 10B OF 40



- GENERAL SHEET NOTES
- A. FURNITURE TO BE PROVIDED BY BUSINESS ENVIRONMENTS.
B. IZZY - WILL THE CONTRACTOR ORDER THE FURNITURE AS PART OF THEIR WORK, OR WILL MFA ORDER IT DIRECTLY FROM BUSINESS ENVIRONMENTS? REFER TO SHEET A-001 FOR GENERAL ARCHITECTURAL INFORMATION.

- KEYED NOTES
1. FURNITURE BY BUSINESS ENVIRONMENTS.
2. MODULAR WALL SYSTEM AND DOOR BY BUSINESS ENVIRONMENTS.



**New Mexico Mortgage Finance Authority
Request for Proposals and Qualifications
To Provide Construction Services**

Part I: Background & General Information

Introduction

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

Purpose

The purpose of this Request for Proposals (RFP) is to solicit proposals, in accordance with the New Mexico Mortgage Finance Authority Procurement Policy, from qualified general contractors, which by reason of their skill, knowledge, and experience are able to furnish construction services to MFA to renovate portions of MFA’s headquarters.

RFP and Construction Documents Made Available to Potential Offerors

Proposal Documents (RFP, construction drawings, & specifications) may be obtained at Albuquerque Reprographics upon payment of \$100.00 for each complete set. CHECKS SHOULD BE MADE PAYABLE TO NM MORTGAGE FINANCE AUTHORITY. Incomplete sets will not be issued. A compact disc containing the RFP documents only is available for a fee of ten dollars (\$10) at Albuquerque Reprographics. The successful Offeror will receive a refund of his deposit, and any unsuccessful Offeror who returns the Proposal Documents in good and complete condition within fifteen (15) days of the Proposal Submission will also receive a refund of this deposit. No deposits will be returned after the fifteen-day period.

RFP & Construction Documents may be reviewed at the following locations after the COVID-19 restrictions are lifted. In the meantime, Albuquerque Reprographics can make the plans available online. Contractors will be able to view the plans, but not download them from the ARI plans website.

Design Professional of Record:	Cherry/See/Reames Architects, P.C.
Address:	220 Gold Avenue SW
	Albuquerque, NM 87102
Telephone:	(505)842-1278

1. Construction Reporter, 1609 Second Street NW, Albuquerque, NM 87102
Telephone: (505)243-9793
2. McGraw Hill Construction, Dodge Co., 1615 University Boulevard NE, Albuquerque, NM 87102
Telephone: (505)243-2817

Questions and Answers

Questions pertaining to this RFP and application, including those regarding the selection process and those regarding technical construction issues, must be submitted to the Design Professional's offices via email (rbellum@cherryseereames.com) or fax ((505)766-9269). All questions must be submitted prior to the deadline listed in the "Sequence of Selection Process Events" chart below. The design professional will respond to all questions submitted by addenda by the release of last addendum date listed in the "Sequence of Selection Process Events" chart below.

Proposal Submission

The original and three (3) copies of a proposal must be received by MFA at its office, located at 344 Fourth Street S.W., Albuquerque, NM 87102, by no later than Wednesday, July 1, 2020 at 2:00 p.m., Mountain Time. Proposals shall be in sealed envelopes marked "Response to RFP to Provide Construction Services."

Bid Proposals are to be submitted on the forms provided with the Bid Proposal documents (see "Part V: Proposal Format and Instructions to Offeror" and "Appendices"). Fill in all required blanks legibly, in ink or by typewriter. Any alteration must be initialed by the individual signing the Bid Proposal. Sums shall be expressed in both words and figures. In the event of a discrepancy between the two, the words will govern. Bid Proposals shall be signed with the name and title/position of the person or persons authorized to bind the Offeror to a contract.

The Bid Proposal shall contain an acknowledgement of receipt of all addenda. Space is provided on the Bid Proposal form ("Appendix D"). Bid Proposals in which acceptance is in some manner restricted or conditioned by the Offeror will be reviewed by the Owner. If the limitations imposed are not in the best interest of Owner or are prejudicial to other Offerors, the Bid Proposal will be rejected.

Bid Proposals will be received by MFA. Bid Proposals received after the time and date established will not be accepted and shall be returned unopened.

Mandatory Pre-Proposal Meeting

Attendance at a pre-proposal meeting is mandatory. The pre-proposal meeting will be conducted at MFA Offices, 344 4th Street SW (on the northwest corner of 3rd St. SW and Lead Ave. SW), 87102 on Tuesday, June 09, 2020 at 9:00 AM local time in the MFA Board Room. All prime/general contractors who intend to submit a proposal for this project must attend this meeting. A tour of the project site will be conducted following the pre-proposal meeting. This meeting provides potential Offerors an opportunity to request clarification about the procurement process and discuss the intent and the specifics of the project with MFA and the design professional.

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Sequence of Selection Process Events

	Event	Responsible Party	Date	Location
1	RFP and Construction Documents Made Available to Potential Offerors	Contract Design professional	05-25-2020	Albuquerque Reprographics, Albuquerque, NM
2	1 st Advertisement of RFP	MFA	05-24-2020	Albuquerque Journal, MFA website
3	2 nd Advertisement of RFP	MFA	05-31-2020	Albuquerque Journal, MFA website
4	3 rd Advertisement of RFP	MFA	06-7-2020	Albuquerque Journal, MFA website
5.	Mandatory Pre-proposal Conference	MFA & Design Professional	06-09-2020 9:00 AM	MFA Offices 344 4 th Street SW, 87102
6.	Submission of Requests for Prior Approval of Product Substitutions	Potential Offerors	06-15-2020 before 12:00 PM deadline	Send to Design Professional's office
7.	Submission of Written Questions	Potential Offerors	06-23-2020 before 12:00 PM deadline	Send to Design Professional's office
8.	Release of Last Addendum Prior to Submission of Proposals	MFA and Design Professional	06-29-2020 5:00 PM deadline	Issued to All Potential Offerors
9.	Submission of Price Proposals – Volume 1 (including both Subcontractors Lists) and of Technical Proposals – Volume 2	Offerors	07-01-2020 2:00 PM deadline	MFA Offices 344 4 th Street SW, 87102
10.	Proposal Evaluation	Evaluation Committee	To be determined	MFA Offices 344 4 th Street SW, 87102
11.	Notice of Finalists (if interviews are held)	MFA	To be determined	
12.	Interviews of Finalists (if interviews are held)	Evaluation Committee	To be determined	MFA Offices
13.	Professional Courtesy Letter	MFA	To be determined	
14.	MFA Board Approval	MFA	07/15/2020 - Tentative	MFA Offices
15.	Notice of Intent to Award	MFA	To be determined	
16.	Contract Negotiations Completed	Successful Offeror	To be determined	MFA Offices
17.	Notice of Award	MFA	To be determined	MFA Offices
18.	Deadline for Protest	Unsuccessful Offerors	five (5) calendar days after the notice of award	MFA Offices 344 4 th Street SW, Albuquerque

Proposal Tenure

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

RFP Revisions and Supplements

If it becomes necessary to revise any part of this RFP or if additional information is necessary to clarify any provision of this RFP, the revision or additional information will be provided by addendum and distributed through the plan houses and posted on the MFA website.

Incurred Expenses

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

Cancellation of Requests for Proposals or Rejection of Proposals

MFA may reject any proposal which is not responsive. The RFP may be canceled, re-advertised, or any or all bids or proposals may be rejected in whole or in part when it is in the best interest of MFA. A determination containing the reasons for cancellation shall be made part of the procurement file.

Evaluation of Proposals, Selection and Negotiation

Proposals will be evaluated, and a final selection made by a Proposal Evaluation Committee of MFA staff and design professional.

MFA's Proposal Evaluation Committee shall select the Offeror whose proposal is 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 negotiations with the other Offeror(s).

Although MFA is exempt from New Mexico's Procurement Code, NMSA 1978, Section 13-1-1 et seq., MFA will follow the procurement process set forth in the Code subject to MFA's Policies and Procedures Manual, Section 3, Procurement Policies.

Supplementary Information Request

MFA reserves the right to contact Offerors after Bid Proposals are submitted in order to clarify any information included in the Proposal. Supplementary Information Requests will be done through email communication.

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.

Owner reserves the right to waive technical irregularities that do not alter the price, quality, or quantity of the project. Owner also reserves the right 1) to reject any or all Bid Proposals or any part thereof; 2) to waive any informality in any

Bid Proposal; and 3) to accept the Bid Proposal that is in the best interest of MFA. It is the responsibility of the Offeror to inquire as to Bid Proposal results and the status of any subsequent award(s). The listed order of alternates, if any, is not prioritized.

Proposal Confidentiality

Offerors or their representatives shall not communicate with MFA's Board of Directors, staff members or construction consultants/agents regarding any proposal under consideration or that will be submitted for consideration, except in response to an inquiry initiated by the Proposal Evaluation Committee. All inquiries, clarifications, or questions shall be issued in writing to the design professional for response in an addendum. (See Questions and Answers section above). A proposal will be deemed ineligible if the Offeror or any person or entity acting on behalf of Offeror attempts to influence members of the Board of Directors, staff, or design professional during any portion of the RFP review process, including any period immediately following release of the RFP.

Until the award is made and notice given to all Offerors, MFA will not disclose the contents of any proposal or discuss the contents of any proposal with an Offeror or potential Offeror, so as to make the contents of any offer available to competing or potential Offerors.

Non-Conforming Proposals

Proposals shall conform in all material respects to the requirements set forth in the RFP. Material respects of a bid include but are not limited to price, quality, quantity or delivery requirements. Proposals will be reviewed, for completeness, format and compliance with the requirements of the RFP. Incomplete proposals shall be considered non-responsive and subject to rejection.

Proposals that are qualified with conditional clauses, alterations, items not called for in the RFP documents, or irregularities of any kind are subject to rejection by MFA, at its option.

If any proposal is deemed non-responsive by the Evaluation Committee, the Offeror will be notified in writing of such determination.

Note that failure to submit a proposal on or before the date and time of proposal submission indicated herein under "Part I Background and General Information, Proposal Submission" will subject the proposal to automatic rejection, of which the Offeror will not be notified in writing.

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 a Offeror who submits a proposal that conforms in all material respects to the requirements of this RFP and who has furnished, when required, information and data to prove that his financial resources, facilities, personnel, reputation and experience are adequate to make satisfactory delivery of the services described in this RFP. The unreasonable failure of an Offeror to promptly supply information in connection with an inquiry with respect to responsibility is grounds for a determination that the Offeror is not a Responsible Offeror.

Protest

Pursuant to MFA's Policies and Procedures Manual, Section 3, Procurement Policies, any Offeror who is aggrieved in connection with this RFP or the award of a contract pursuant to this RFP may protest to the MFA. The protest must be written and addressed to [Isidoro Hernandez]:

Isidoro Hernandez, Executive Director
MFA Offices
344 4th Street SW
Albuquerque, NM 87102

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

- ◆ The protest will be reviewed by the Contracted Services Committee of MFA's Board of Directors, and that committee shall make a recommendation to the full Board of Directors regarding the disposition of the protest.

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

Part II: Minimum Qualifications and Requirements

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

1. An Offeror must, at a minimum, hold a current State of New Mexico general contractor license designation of GB-98 and be licensed to do business in the State of New Mexico.

Part III: Services to be Performed

Services to be provided under and to be incorporated into the contract to be awarded pursuant to this RFP incorporated into the contract to be awarded pursuant to this RFP include, but are not limited to, the following:

The scope of this project includes, to renovate the basement of the building to provide office space, a conference room, and a secure file room. A new mechanical system and electrical lighting, power, and data will be added to serve the basement offices. In the basement, all of the existing fire alarm conduit and devices will be relocated to be set within the depth of the existing exposed structure. On the first floor, there will be a small addition and renovation of the reception and HR manager suite areas, along with a renovation to the existing Boardroom to create a new huddle space and a new coffee bar area. On the second floor, the Breakroom will be renovated and expanded, including the replacement of all casework, and appliances.

Part IV: Evaluation Criteria

MFA shall award the contract for Construction Services to the Offeror whose proposal is most advantageous to MFA. Proposals 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. If, at the discretion of MFA, interviews are held, an additional 50 points will be included for scoring. Please note that a serious deficiency in any one criterion may be grounds for rejection regardless of overall score. [These Criteria and the points accorded each category may change with the RFP in question.]

Criteria	Point Range	Maximum Points
1. Evidence of Offeror's Ability to Perform the Work: a. profiles of the technical competence and experience of the principal(s); b. any subcontractor(s) identified in the response		35
2. Past performance in terms of cost control, quality of work, and compliance with performance schedules.		15
3. Base Bid Proposal not including NMGRT and capability to provide services in a timely manner		50
4. Interviews, if held		50
Maximum Points		100, or 150 if interviews are held

Part V: Proposal Format and Instructions to Offeror

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

1. Letter of Transmittal

Include at least the following information:

- a. Name, address and telephone number of Offeror's main office and name of contact person.
- b. A signature of the Offeror or any partner, officer or employee who certifies that he or she has the authority to bind the Offeror.
- c. Date of proposal.
- d. A statement that the Offeror, if awarded the contract, will comply with the contract terms and conditions set forth in this RFP.
- e. A statement that the Offeror's proposal is valid for ninety (90) days after the deadline for submission of proposals.
- f. Copies of licensing documentation showing that the Offeror is currently licensed by the State of New Mexico to perform general building construction services.
- g. List three similar projects Offeror has completed in the past 5 years. Include name of project, name of project Owner, total construction cost and year completed.
- h. A statement indicating whether or not the Offeror is/was involved in any court judgements, pending litigation, arbitration, and final agency decisions filed within the last 5 years in a construction related matter in which the Contractor, or any officer, was or is party.

- i. A statement indicating if Offeror has been free of any Labor Code violations during the entirety of the past 5 years. (including repeated or willful violations of laws and/or regulations pertaining to the payment of prevailing wages or employment of apprentices of Public Works projects.)
- j. A statement declaring that contractor will comply with Equal Employment Opportunities.

2. Price Proposal – Detailed requirements

- a. Price Proposals shall be presented in the form of a total Base Proposal under a Lump Sum Contract.
- b. A proposal must be submitted on all proposal items, allowances and alternates; segregated proposals will not be accepted. The proposal, bearing original signatures, must be typed or hand-written in ink on the Price Proposal Form.
- c. The Proposal price shall not include state gross receipts or local options taxes. Taxes will be included in the Contracted Amount at prevailing rates as a separate item to be paid by MFA.
- d. Before submitting a proposal, each Offeror shall carefully examine the RFP; shall visit the site of the Work; shall fully inform themselves as to all existing conditions and limitations; and shall include in the proposal the cost of all items required by the RFP. If the contractor observes that portions of the Services to be Performed are at variance with applicable laws, building codes, rules, regulations or contain obvious erroneous or uncoordinated information, the contractor shall promptly notify the Contact Person specified in the RFP and the necessary changes shall be accomplished by addendum.
- e. Permits, Plan Checking Fees, Other Charges - Offerors shall include as part of the Price Proposal all costs incurred for permits relating to this scope of work, as charged by the City of Albuquerque (or any other applicable entity or agency with jurisdiction over the project) for checking Contract Documents prior to obtaining a building permit. Additionally, the Owner will not pay for business licenses, professional affiliations and similar costs of doing business which are the Offeror's obligation to secure and maintain. The cost of all bonding will be paid by the Offeror and will not be paid by the Owner. These costs are to be included in Offeror's Price Proposal. Include an Allowance for City of Albuquerque Permit Fees in the amount of \$4,214.94.
- f. Use of Specified Low Voltage Subcontractor - The successful Offeror shall be required to coordinate with MFA's existing Low Voltage Vendor for all work related to cabling networking, cameras, fire alarms, security systems, sound systems, door access, projectors:

T & A's Low Voltage Special Systems
 367 W. Frontage Rd.
 Algodones, NM 87001
 505-603-0798
 Owner: Tommy Taylor
tnaslowvoltage@gmail.com

3. Proposal Security (Appendix E, Bond Review and Approval Form and Appendix F, Agent's Affidavit)

Offeror shall provide proposal security in the form of a surety bond executed by a surety company authorized to do business in the State of New Mexico in the amount of 5% of the total price proposal, or the equivalent in cash by means of a cashier's check or in a form satisfactory to MFA, which bond or check must accompany Offeror's price proposal.

No Offeror may withdraw his proposal for 45 days after the actual date of the opening the proposals.

By submitting the bid and providing the bid security, Offeror pledges to enter into a binding contract with the MFA and will furnish bonds covering the faithful performance of the contract and payment of all obligations arising hereunder. Should a bidder refuse to enter into such contract or fail to furnish such bonds, if required, the amount of the bid security shall be forfeited to the MFA as liquidated damages, not as penalty.

4. Services performed under this RFP for Construction Services will be provided on a fixed fee basis. A Lump Sum Bid Proposal for the construction services to be performed must be included in this proposal. Please include the following information:
 - A. Whether Offeror's proposed price is the best offered by the firm to any client for a project of the size and scope described herein, in Services to be Performed.
5. MFA requires that Offeror be an Equal Opportunity Employer. Please state that Offeror complies fully with all government regulations regarding nondiscriminatory employment practices.
6. List of Attachments (Offeror to complete all attachments):
 - a. Appendix A – Reference Questionnaire
 - b. Appendix B - Attachment G - Letter from Insurance Carrier
 - c. Appendix C - Combined List of Subcontractors and Assignment of Antitrust Claims by Contractor, Subcontractors, and Suppliers
 - d. Appendix D - Price Proposal for Lump Sum Contract
 - e. Appendix E - Bond Review and Approval Form
 - f. Appendix F - Agent's Affidavit
 - g. Appendix G - Conflict of Interest and Debarment / Suspension Certification Form

Confidential Data

Offerors may request in writing nondisclosure of confidential data. Such data shall accompany the proposal and shall be readily separable from the proposal to facilitate public inspection of non-confidential portions of the proposal. After award, all proposals and documents pertaining to the proposals will be open to the public. Confidential data is normally restricted to confidential financial information concerning the Offeror's organization and data that qualifies as trade secrets under the Uniform Trade Secrets Act, NMSA 1978, Section 57-3A1 et seq.

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

Part VI: Execution of Agreement, Critical Terms, and Payment and Performance Bonds

1. Bond Requirements – Payment Bond and Performance Bond

If awarded the contract, the Offeror shall furnish bonds covering the faithful performance of the contract and payment of all obligations arising thereunder. The amount of the bonds, performance and payment, shall each be equal to 100% of the contract sum. Bonds shall be issued by a surety authorized to conduct business in the State of New Mexico and who is approved in federal circular 570 as published by the U.S. Treasury Department. The cost of the bonds shall be included in the bid.

2. Time of Delivery and Form of Bonds

The Offeror shall deliver the required bonds to MFA no later than seven (7) days following the date of execution of the Contract. If the Work is to be commenced prior thereto in response to a letter of intent, the bidder shall, prior to commencement of the Work, submit evidence satisfactory to MFA that such bonds will be furnished and delivered in accordance with this section. The Offeror shall require the attorney-in-fact who executes the required bonds on behalf of the surety to affix thereto a certified and current copy of the power of attorney.

Code of Conduct

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

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

New Mexico Mortgage Finance Authority

Board Members

Chair – Angel Reyes – Centinel Bank in Taos

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

Treasurer – Rebecca Wurzbarger – Strategic Planning Consultant

Member - Howie Morales - Lieutenant Governor, state of New Mexico

Member - Hector Balderas – Attorney General, state of New Mexico

Member -Tim Eichenberg – Treasurer, state of New Mexico

Member – Rosalyn Nguyen Chafey - Attorney

Management

Isidoro Hernandez, Executive Director

Gina Hickman, Deputy Director of Finance & Administration

Donna Maestas-De Vries, Deputy Director of Programs

APPENDIX A

REFERENCES QUESTIONNAIRE

The New Mexico Mortgage Finance Authority, as part of the RFP process, requires Offerors to submit at least three references from governmental and private entities for whom Offeror has provided construction services, similar to those required herein, within the past three years (2017-2020). The purpose of these references is to document Offeror's experience relevant to the scope of work in an effort to establish Offeror's responsibility.

Offeror is required to send the following reference form to each business reference listed. The business reference, in turn, is requested to submit the Reference Form directly to: Isidoro Hernandez, Executive Director, 344 4th Street SW, Albuquerque, NM 87102 or ihernandez@housingnm.org by Wednesday, **July 1, 2020 at 2:00 p.m.** for inclusion in the evaluation process. The form and information provided will become a part of the submitted proposal. Business references provided may be contacted for validation of content provided therein.

CONSTRUCTION SERVICES RFP

REFERENCES QUESTIONNAIRE FOR:

New Mexico Mortgage Finance Authority Basement, Reception, and Break Room Tenant Improvement

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

Name: Isidoro Hernandez, Executive Director
Address: 344 4th Street SW
Albuquerque, NM 87102
Telephone: (505) 767-2275
Fax: (505) 243-3289
E-mail: ihernandez@housingnm.org

No later than Wednesday, **July 1, 2020 2:00 p.m.**, and must **NOT** be returned to the company requesting the reference.

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

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

1. How would you rate the quality of the construction work provided by _____?
____ (3=Excellent 2=Satisfactory 1=Unsatisfactory 0=Unacceptable)
COMMENTS:

2. How would you rate _____'s ability to complete the work performed for you on schedule?
____ (3=Excellent 2=Satisfactory 1=Unsatisfactory 0=Unacceptable)
COMMENTS:

3. How would you rate _____'s ability to adhere to the initial price quoted to you/budget allocated for the work performed?

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

COMMENTS:

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

COMMENTS:

5. Would you recommend this Offeror's services?

COMMENTS:

Signature

Print Name

Job Title

Company

Phone Number

ATTACHMENT G
GENERAL CONTRACTOR'S STATEMENT OF QUALIFICATIONS

Letter from Insurance Carrier

DOCUMENTATION OF INSURABILITY

**COMBINED
LIST OF SUBCONTRACTORS
and
ASSIGNMENT OF ANTITRUST CLAIMS
by
CONTRACTOR, SUBCONTRACTORS,
SUBSUBCONTRACTORS, and SUPPLIERS**

EXAMPLE TRADES AND SUPPLIERS: SITE WORK, CONCRETE, MASONRY, FRAMING, LUMBER, STEEL, STEEL FABRICATION, ROOFING, EXTERIOR INSULATION AND FINISH, DRYWALL, DOORS, GLASS AND GLAZING, PLASTER, PAINTING, CARPET, RESILIENT, CONVEYING SYSTEMS, HVAC, CONTROLS, PLUMBING, SHEET METAL, ELECTRICAL

1. Subcontractor Listing shall be included with Cost Proposal as a condition of the Proposal and be fully complete with regards to all Subcontractors providing services valued at \$5,000.00 or more, or one-half of one percent of the architect's or engineer's estimate of the total project cost, not including alternates, whichever is greater pursuant to Section 13-4-34, NMSA 1978.

Listing Threshold for this Project: \$41,000.00.

a. Subcontractor Listing shall be expanded after Proposal award, and before Contract, to include major Suppliers and, each entity listed shall be signed by individual empowered to obligate Supplier, Subcontractor, or Subsubcontractor.

b. Subcontractor Listing shall also be expanded after Proposal award by apparent low Offeror if Awarded, and before Contract, to include the Department of Workforce Solutions labor enforcement fund registration number. See the Department of Workforce Solutions web site at www.dws.state.nm.us under "Public Works" for registration form, listings and information.

c. See Instructions to Offerors, Section 00 2113 Paragraph 4.5, Subcontractors, for rules regarding changes in this list after Proposal award.

2. PROJECT NAME: NM Mortgage Finance Authority Basement, Reception and Break Room Tenant Improvement

The undersigned agrees that any and all claims which the firm may have or may incur to it for overcharges resulting from antitrust violations as to goods, services, and materials purchased in connection with the above-referenced project are hereby assigned to the Owner, but only to the extent that such overcharges are passed on to the Owner. It is agreed that the firm retains all rights to any such antitrust claims to the extent of any overcharges not passed on to the Owner, including the right to any treble damages attributable thereto.

Subcontractor Listing

and Assignment of Anti-Trust Claims

*Signature required Upon Notice of Intent to Award

[illegible]

[illegible]

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PRICE PROPOSAL FOR LUMP SUM CONTRACT

Date of Proposal: _____

New Mexico State Contractor's License No. _____

License Classifications: _____

Resident Contractor's Preference Certificate No. _____

Veteran Resident Contractor Preference Certificate No. _____

Percent of preference qualified for: _____ (10% / 8% / 7%).

NOTE: Attach a copy of the valid certificate and documentation to validate percent preference.

NM DOL (Workforce Solutions) Certificate No. _____

Contractor's New Mexico Gross Receipts Tax No. _____

Contractor's Federal Employee Identification No. _____

Project Name: NM Mortgage Finance Authority Basement, Reception and Break Room Tenant Improvement

Proposal of (company name): _____

(Hereinafter called the "Offeror") organized and existing under the laws of the State of New Mexico, doing business as a Corporation, Partnership or Individual. (Circle correct one).

To: NM Mortgage Finance Authority
(hereinafter called "MFA") for:**The construction of NM Mortgage Finance Authority Basement, Reception and Break Room Tenant Improvement**

The undersigned, as an authorized representative for the Offeror named above, in compliance with the Request for Proposals for the construction of a **NM Mortgage Finance Authority Basement, Reception and Break Room Tenant Improvement**, having examined the drawings and specifications, with related documents, and having examined the site of the proposed work, and being familiar with all of the conditions surrounding the construction of the proposed project, including the availability of labor, materials and supplies, hereby proposes to furnish all labor, materials and supplies, and to construct the project in accordance with the contract documents at the prices stated below. These prices are to cover all expenses incurred in performing the work required under the contract documents, of which this proposal is a part.

The undersigned Offeror's representative also acknowledges receipt of the following Addenda:

Addendum No: _____, dated, _____ Addendum No: _____, dated _____

Addendum No: _____, dated _____ Addendum No: _____, dated _____

PRICE PROPOSAL FOR LUMP SUM CONTRACT

BASE PRICE: The Offeror agrees to perform all work for the construction of the **NM Mortgage Finance Authority Basement, Reception, and Break Room Tenant Improvement** as described in the Project Manual and as shown on the Drawings for the following **Base Price Lump Sum** amount.

(Amounts to be shown in both words and figures. In case of a discrepancy, the amount shown in words will govern, **please print.**) **All sums will exclude NM Gross Receipts Tax.**

The Work to be performed under this Contract shall be commenced not later than ten (10) consecutive days after the date of written Notice to Proceed. Substantial Completion of the **Tenant Improvement** shall be achieved not later than **180** calendar days after the date of written Notice to Proceed, except as hereafter extended by valid written Change Order by the Owner. Substantial Completion of the site work shall be achieved not later than **30** calendar days after the date of written Notice to Proceed, except as hereafter extended by valid written Change Order by the Owner.

Should the Contractor neglect, refuse, or otherwise fail to complete the Work within the time specified, the Contractor agrees to pay to the Owner in partial consideration for the award of this Contract the amount of **One Thousand Dollars (\$1,000.00)** per consecutive day, not as a penalty, but as liquidated damages for such breach of the Contract.

The price basis for this RFP is the price proposed for the Base Price, subject to the availability of funds. MFA may award one or more Price Lots and/or one or more Alternates at the sole discretion of MFA, subject to availability of funds.

BASE PRICE:

(1) Base Price

Total Base Price Lump Sum: _____
 _____ Dollars, (\$_____)

Allowances:

Plan Review, Zoning, and Permit Fees **\$4,214.94**

Subtotal (Base Price plus Allowances): _____

New Mexico Gross Receipts Tax (NMGRT):
(on Subtotal at 7.875%) _____

Base Bid Total (Subtotal plus NMGRT) _____

PRICE PROPOSAL FOR LUMP SUM CONTRACT**ADDITIVE ALTERNATE PRICES**

(2)

Total Additive Alternate No. 1 Lump Sum: _____
 _____ Dollars, (\$ _____)

The Offeror understands that the contract will be awarded in accordance with the provisions of the Request for Proposals and that the Owner reserves the right to reject any or all proposals and to waive any technical irregularities.

The Offeror agrees that this price will be good and may not be withdrawn for a period of ninety-(90) calendar days after the scheduled closing time for receiving price proposals.

Upon receipt of written notice of acceptance of this Price, Offeror will execute the final contract and deliver surety bonds as required by the Request for Proposals within seven calendar days. The PROPOSAL SECURITY attached in the sum of 5% of the amount proposed is: _____

_____ Dollars, (\$ _____)

And will become the property of the Owner in the event the contract and bonds are not executed within the time set forth herein, as liquidated damages for the delay and additional expenses to the Owner caused thereby.

Respectfully Submitted,

By : (Authorized Signature) _____ Date: _____

By : (Same Name, Printed or Typed) _____

Title: _____

Company: _____

Address: _____ Phone: _____

_____ Zip: _____

Fax: _____ Email: _____

(Affix Corporate Seal if proposal is by Corporation)

PRICE PROPOSAL FOR LUMP SUM CONTRACT

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BOND REVIEW AND APPROVAL FORM

THIS FORM MUST BE
ATTACHED TO BOND

REVIEW AND APPROVAL:

This Bond has been executed by a Surety named in the current list of "companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies," as published in Circular 570 (amended) by the Audit Staff Bureau of Accounts, United States Treasury Department.

APPROVED:

Owner's Representative or Governing Authority

Date:

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AGENT'S AFFIDAVIT

<p>THIS FORM MUST BE USED BY SURETY</p>

(To be filled in by Agent.)

STATE OF _____)
) ss.
 COUNTY OF _____)

_____, being first duly sworn, deposes and says that he/she
 is the duly appointed agent for _____
 and is licensed in the State of New Mexico.

Deponent further states that a certain bond given to indemnify the State of New Mexico in
 connection with the construction of _____
 dated the _____ day of _____, 2020 executed by _____
 _____ Contractor, as principal, and, _____
 _____ as surety, signed by this
 Deponent; and Deponent further states that said bond was written, signed, and delivered by
 him/her; that the premium on the same has been or will be collected by him/her; and that the full
 commission thereon has been or will be retained by him/her.

Subscribed and sworn to before me this ____ day of _____, 2020,

 Notary Public

My Commission expires: _____

AGENT'S ADDRESS:

Telephone: _____

Page 1 of 1

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**CONFLICT OF INTEREST AND
DEBARMENT/SUSPENSION CERTIFICATION FORM
TENANT IMPROVEMENT FOR NM MORTGAGE FINANCE AUTHORITY**

CONFLICT OF INTEREST

As utilized herein, the term "Vendor" shall mean that entity submitting a proposal to NM Mortgage Finance Authority in response to the above referenced request for proposals.

The authorized Person, Firm and/or Corporation states that to the best of his/her belief and knowledge: No employee or board member of NM Mortgage Finance Authority (or close relative), with the exception of the person(s) identified below, has a direct or indirect financial interest in the Vendor or in the proposed transaction. Vendor neither employs, nor is negotiating to employ, any NM Mortgage Finance Authority employee, board member or close relative, with the exception of the person(s) identified below. Vendor did not participate, directly or indirectly, in the preparation of specifications upon which the quote or offer is made. If the Vendor is a New Mexico State Legislator or if a New Mexico State Legislator holds a controlling interest in Vendor, please identify the legislator: _____ List below the name(s) of any NM Mortgage Finance Authority employee, board member or close relative who now or within the preceding 12 months (1) works for the Vendor; (2) has an ownership interest in the Vendor (other than as an owner of less than 1% of Vendor's stock, if Vendor is a publicly traded corporation); (3) is a partner, officer, director, trustee or consultant to the Vendor; (4) has received grant, travel, honoraria or other similar support from Vendor; or (5) has a right to receive royalties from the vendor.

DEBARMENT/SUSPENSION STATUS

The Vendor certifies that it is not suspended, debarred or ineligible from entering into contracts with the Federal Government, or any State agency or local public body, or in receipt of a notice or proposed debarment from any Federal or State agency or local public body. The vendor agrees to provide immediate notice to NM Mortgage Finance Authority's Purchasing Department in the event of being suspended, debarred or declared ineligible by any department or agency of the Federal government, or any agency of local public body of the State of New Mexico, or upon receipt of a notice of proposed debarment that is received after the submission of the quote or offer but prior to the award of the purchase order or contract.

CERTIFICATION

The undersigned hereby certifies that he/she has read the above CONFLICT OF INTEREST and DEBARMENT/SUSPENSION Status requirements and that he/she understands and will

comply with these requirements. The undersigned further certifies that they have the authority to certify compliance for the vendor named **and that the information contained in this document is true and accurate to the best of their knowledge.**

Signature:

Name of Person Signing (typed or printed):

Title:

Date:

Name of Company (typed or printed):

Address:

City/State/Zip:

Telephone No:

Fax No.:

Email Address:

Tab 8



MEMO

TO: MFA Board of Directors

Through: Contracted Services/Credit Committee May 12, 2020

Through: Policy Committee May 5, 2020

FROM: Izzy Hernandez

DATE: May 20, 2020

SUBJECT: Request for Proposals for General Counsel Legal Services for the New Mexico Mortgage Finance Authority

Recommendation:

Staff recommends approval of the Request for Proposals for General Counsel Legal Services.

Background:

On June 1, 2015 the MFA Board of Directors approved the selection of the law firm of Sheehan and Sheehan, PA, as MFA's General Counsel. The General Counsel Services Agreement between MFA and the Sheehan firm became effective on August 1, 2015.

The initial term of the General Counsel Services Agreement was for one year, with an option at MFA's discretion to extend the Agreement for a total of four (4) additional one-year periods. The current Agreement has been extended four times and will terminate on August 1, 2020.

Discussion:

As the term of the current General Counsel is ending in August of this year, it is imperative that the MFA Board of Directors have at their disposal a legal counselor to provide advice and counsel, legal services and representation as needed. General Counsel further provides legal services relevant to MFA's business operations regarding employment law matters, bond matters, representation in litigation, and general legal matters affecting the MFA. To assure the uninterrupted provision of necessary legal services, MFA will need to issue a Request for Proposals ("RFP") with sufficient time to allow for the dissemination of the RFP, receipt and review of responses, selection of a recommended candidate, and approval by the Board of the recommended candidate and the proposed contract prior to the termination of the current General Counsel Services Agreement.

Services to be Performed

The services solicited under this RFP are restricted solely to the legal services commonly provided by corporate counsel. Professional legal services required to be provided under and to be incorporated into the contract to be awarded include, but are not limited to, the following:

1. Provide advice and counsel to the MFA regarding internal operations of MFA, the administration of MFA programs, and the implementation of MFA processes and procedures.

2. Attend MFA Board of Directors' meetings, preparatory agenda review meetings prior to Board of Directors meetings and, when required, committee meetings of the Board of Directors, legislative hearings, Executive branch meetings, MFA staff meetings, both in Albuquerque and out of town.
3. Render legal opinions, upon request, concerning issues pertinent to MFA internal operations, programs, commercial transactions, and interagency relations.
4. Advise the MFA in personnel matters and provide representation in litigation involving matters affecting MFA operations.
5. Represent MFA, upon request, in negotiations concerning MFA operations, programs, processes, and procedures.
6. Provide General Counsel Single-Family Mortgage Bond Issuer's Opinion, upon request.

Evaluation Criteria

MFA shall award the contract for General Counsel Legal Services to the Offeror whose proposal is most advantageous to MFA. Proposals shall be scored on a scale of 1 to 100 based on the criteria listed below:

- Experience and Capability - 55
- Responsiveness to MFA and Technical Capabilities - 20
- Fees - 25

Attached for your review is a clean and redlined version of the 2020 Draft RFP for General Counsel Legal Services. The redlined version indicates changes from the 2015 Board approved RFP.

Contract Term

The term of the General Counsel Legal Services Contract shall begin on August 1, 2020 and shall end on July 31, 2023. At the option of the Board, the contract may be extended for two (2) additional one (1) year periods under the same terms and conditions.

Timeline

Date	Activity
May 21, 2020	RFP Published
May 21 – June 17, 2020	Frequently Asked Questions (FAQ) Open
June 19, 2020 @ 5:00 PM	Proposal Submission Deadline
July 15, 2020	Board Award

Proposed changes include:

- changes in dates
- submission methods
- disclosure of political contributions over \$250
- ability to provide detailed status of active assignments

.....

Summary:

Staff requests approval of the RFP for General Counsel Legal Services for the MFA to provide legal assistance, advice and counsel to MFA's Board of Directors, as well as representation in matters impacting the MFA.

New Mexico Mortgage Finance Authority Request for Proposals To Provide General Counsel Legal Services

Part I: Background & General Information

Introduction

The New Mexico Mortgage Finance Authority (“MFA”) is a governmental instrumentality, separate and apart from the state, created by the Mortgage Finance Authority Act, ~~N.M. Stat. Ann. NMSA 1978, Sections 58-18-1, et seq. (1978 to -27 (1975, as amended))~~ for the purpose of financing affordable housing for low- and moderate-income New Mexico residents.

Purpose

The purpose of this Request for Proposals (RFP) is to solicit proposals, in accordance with the New Mexico Mortgage Finance Authority Procurement Policy, from qualified law firms which by reason of their skill, knowledge, and experience are able to furnish professional legal services as General Counsel to MFA (“Offerors”). The services solicited under this RFP are restricted solely to the legal services commonly provided by corporate counsel, and will not include any real estate, multi-family mortgage bond, or multi-family mortgage servicing legal services. ~~An additional RFP will be issued simultaneously for Housing Development and Multi-Family Mortgage Servicing Legal Services. Offerors possessing the minimum qualifications and requirements listed in both RFPs may respond to either or both.~~

Questions and Answers

Questions pertaining to this RFP and application must be submitted via the MFA website at <http://www.housingnm.org/rfp>. Then, under “Current RFP’s,” select “General Counsel Legal Services RFP.” On the General Counsel Legal Services RFP page, select the “General Counsel Legal Services RFP FAQs” link. Questions will be checked on a daily basis. The FAQ will open the day after the RFP issues (May 21, 2020) and will close on ~~April 28, 2015~~ June 17, 2020. To submit your questions, scroll down to the “Ask a question” section, enter your name, email address, and type your question in the “Question” box, type in the two (2) words in the CAPTCHA box and click on “Send my question”. MFA will make every attempt to answer questions within two (2) business days

Proposal Submission

Proposal submissions must be received no later than June 19, 2020 at 5:00 p.m., ~~Mountain Time~~The

Utilize one of the following methods for proposal submission:

Via Email: Send to rpowell@housingnm.org with a subject line of "Proposal to Furnish General Counsel Legal Services". This is the preferred method and hard copies are not required.

Via USPS, FedEx, UPS, or other carrier delivery: the original and ~~six~~(6) copies of a proposal ~~must be received by MFA at our~~delivered to MFA's office located at 344 Fourth Street S.W., Albuquerque, NM 87102 ~~no later than Thursday, April 30, 2015 at 4:00 p.m., ~~Mountain Time~~~~. Proposals shall be in sealed envelopes marked "Proposal to Furnish General Counsel Legal Services.""

Proposal Tenure

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

RFP Revisions and Supplements

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

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

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 ~~Parts~~Part II - Minimum Qualifications and Requirements and Part - III Services to be Performed, below, with final selection to be made by the full Board of Directors.

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

The MFA Board of Directors shall select the Offeror(s) whose proposal(s) is/are deemed to be most advantageous to MFA to enter into contract negotiations with MFA. If a final contract cannot be negotiated, then MFA will enter into negotiations with the other Offeror(s). The agreed-upon draft final contract will then be referred to the Contracted Services Committee of the MFA Board of Directors for its review and recommendation, with final approval to be determined by the full Board of Directors.

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 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.

Until the award is made and notice given to all Offerors, MFA will not disclose the contents of any proposal or discuss the contents of any proposal with an Offeror or potential Offeror, so as to make the contents of any offer available to competing or potential Offerors.

Irregularities in Proposals

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

Responsibility of Offerors

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

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

Protest

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

~~Marjorie A. Martin~~ Robyn Powell, MFA ~~Attorney~~ Compliance Officer, at

New Mexico Mortgage Finance Authority
344 4th Street, SW
Albuquerque, NM 87102

Or

rpowell@housingnm.org

The protest must be ~~delivered~~ submitted to MFA within fifteen (15) calendar days after the notice of award. Upon the timely filing of a protest, the Contact Person shall give notice of the protest to all Offerors who appear to have a substantial and reasonable prospect of being affected by the outcome of the protest. The Offerors receiving notice may file responses to the protest within seven (7) calendar days of notice of protest. The protest process shall be:

- ◆ The protest will be reviewed by the Contracted Services Committee of MFA's Board of Directors, and that committee shall make a recommendation to the full Board of Directors regarding the disposition of the protest.

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

Part II: Minimum Qualifications and Requirements

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

1. All Offerors must be listed in the most recent edition of the Martindale-Hubbell Law Directory with a rating of AV or BV, their firms must be based or have a substantially-staffed office in the State of New Mexico,

they must be licensed in New Mexico, and they must be available for travel both within and outside New Mexico

2. All Offerors must have at least ten (10) years of experience in corporate law, including federal and state laws, rules, and regulations governing non-profit corporations; employment law; and ~~with~~ government and commercial ~~contracts~~contracting. Offerors must also have substantial expertise in New Mexico laws and rules governing municipal and state agencies and instrumentalities.
3. All Offerors must maintain professional liability insurance as outlined in Part VI of this RFP. Award will not be made to any Offeror who is debarred, suspended or subject to a Limited Denial of Participation or otherwise restricted from participating in Housing & Urban Development (HUD) programs.

Part III: Services to be Performed

~~Offerors may respond to this RFP to provide General Counsel Legal services to MFA.~~ As requested by MFA, professional legal services ~~REQUIRED~~required to be provided under and to be incorporated into the contract to be awarded pursuant to this RFP include, but are not limited to, the following:

1. Provide advice and counsel to the MFA regarding internal operations of MFA, the administration of MFA programs, and the ~~conduct~~implementation of MFA processes and procedures, ~~in cooperation with in-house counsel.~~
2. Attend MFA Board of Directors' meetings, preparatory agenda review meetings prior to Board of ~~Director's~~Directors meetings and, when required, committee meetings of the Board of Directors; legislative hearings, Executive branch meetings, MFA staff meetings, both in Albuquerque and out of town.
3. Render legal opinions, upon request, concerning issues pertinent to MFA internal operations, programs, commercial transactions, and interagency relations.
4. Advise the MFA in personnel matters, and provide representation in litigation involving matters affecting MFA operations.
5. Represent MFA, upon request, in negotiations concerning MFA operations, programs, processes, and procedures.
6. Provide General Counsel Single-Family Mortgage Bond Issuer's Opinion, upon request.

Part IV: Evaluation Criteria

MFA shall award the contract for General Counsel Legal Services to the Offeror whose proposal is most advantageous to MFA. Proposals 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 Range	Maximum Points
<p>1. Experience and Capability: Offeror's skill, knowledge and experience with—:</p> <p>a. Corporate law, including federal and state laws, rules, and regulations governing non-profit corporations; and general contract law matters, including federal and state government contracts, state interagency agreements, and commercial contracts;</p> <p>b. New Mexico laws and regulations governing municipal and state agencies and instrumentalities;</p> <p>c. Employment law</p>	<p>0-25</p> <p>0-20</p> <p>0-10</p>	55
<p>2. Responsiveness to MFA and Technical Capabilities: Offeror's ability to deliver responsive, quality legal services and Offeror's availability for consultation and discussion with the MFA or any of its representatives, as evidenced by:</p> <p>a. the designation of a lead attorney, preferably at partner level in the firm, assigned to MFA matters on a high priority basis, who will act as the main contact for MFA's Board of Directors and staff for all communications, including billing, and who will coordinate all aspects of the contractual representation, including direction of the activities of all other attorneys assigned by the firm to represent MFA;</p> <p>b. Offeror's technical support capabilities and availability to be reached by telephone and email during business hours, off hours, weekends, and holidays.</p>	0-20	20

3. Fees: Hourly basis-- hourly rates and other fees and costs.	0-25	25
Maximum Points		100

Part V: Proposal Format and Instructions to Offeror

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

1. Letter of Transmittal

Include at least the following information:

- A. Name, address and telephone number of Offeror and name of contact person.
 - B. A signature of the Offeror or any partner, officer or employee who certifies that he or she has the authority to bind the Offeror.
 - C. Date of proposal.
 - D. A statement that the Offeror, if awarded the contract, will comply with the contract terms and conditions set forth in this RFP.
 - E. A statement that the Offeror's proposal is valid for ninety (90) days after the deadline for submission of proposals.
2. A statement from Offeror that Offeror is listed in the most recent edition of The Martindale-Hubbell Law Directory and possesses a rating of AV or BV; that the Offeror's firm is based or has a substantially-staffed office in the State of New Mexico; and that the Offeror is licensed to practice in New Mexico.
 3. Evidence submitted by Offeror that Offeror retains professional liability insurance which fulfills the requirements set forth in Part VI Professional Liability Insurance of this RFP. Possession of such coverage shall not limit Offeror's potential liability.
 4. A description of New Mexico state agencies, municipalities, financial institutions, for-profit companies, or non-profit organizations represented by Offeror currently or in the last ten years.
 5. Three references for Offeror's work as counsel for a state agency and/or municipality, for-profit company, or non-profit organization.—

6. Names and resumes of the lead attorney and other key personnel including other attorneys, legal assistants and support staff to be assigned to the account. Resumes describing the qualifications of personnel to be utilized in the performance of this contract must show, at a minimum, the person's name, education, position, and total years and types of experience relevant to the performance of the contract.
7. Offeror must provide a detailed description of Offeror's ability to provide legal services as general counsel to the MFA in matters involving: contract law; public law as it applies to municipal and state agencies and instrumentalities; employment law; and the federal and state laws governing non-profit corporations. Explain any experience you have had with the New Mexico Open Meetings Act, Procurement Code, Governmental Conduct Act, Public Records Act, Inspection of Public Records Act and Joint Powers Agreements Act. Detail your expertise in legal matters affecting municipal and state agencies and instrumentalities.
8. For the last ten years, a list and description including the current disposition or status, of any litigation against Offeror or any formal or informal action taken by any bar association, state or federal securities commission, disciplinary board, or other attorney regulatory body against Offeror. Include a statement warranting that the Offeror is not restricted from participation in Housing & Urban Development programs and is not restricted from doing business with regulated entities under the FHFA Suspended Counterparty Program.
9. A detailed description of Offeror's policy regarding the resolution of conflicts of interest which arise out of Offeror's representation of clients with adverse or potentially adverse interests and Offeror's mechanism to ensure that such conflicts do not arise and that if such conflicts do arise, how the Offeror intends to assist ~~the~~ MFA in retaining other counsel to represent ~~the~~ MFA. Please include examples of the implementation of this policy and information regarding whether Offeror has a computerized management information system in place to track possible conflicts of interest.
10. A statement disclosing: (1) any political contribution or gift valued in excess of ~~\$2,500~~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.
11. A detailed description of Offeror's technical capabilities to provide responsive and professional services to the MFA if the contract were awarded to Offeror (e.g., ability to prepare and respond to voluminous documents in a timely manner, expertise of administrative support staff, etc.)
12. Offeror's proposal for delivering services, including organization of responsibilities, work plan, approach, and the availability of personnel for consultation, discussion, and coordination with ~~in-house~~ counsel~~staff~~, and for travel both within and outside the state of New Mexico, as necessary to serve the needs of ~~the~~ MFA.
13. The location of Offeror's main office and the locations of any of Offeror's branch offices. A description and location of the office of professionals who would handle MFA matters.

14. Services performed under this RFP -for General Counsel Legal Services will be provided on an hourly basis. A specific fee schedule for professional legal services must be included in this proposal. Please include the following information:

- A. A list of all Offeror's employees including attorneys, paralegals and support staff who are _____ to work on MFA matters and their specific hourly rates, and if the rate varies by the type _____ of service, the hourly rate for different types of service;
- B. Offeror's minimum billing unit;
- C. Information regarding Offeror's ability to provide detailed monthly billings summarized by subject matter and a sample itemized bill;
- D. Whether Offeror's proposed rates are the best offered by the firm to any client;
- E. A flat rate fee schedule that could be charged for attendance at monthly Board of Director meetings;
- F. A rate schedule for standard expenses such as per page copying charges, facsimile transmissions, overnight mail expenses, and word processing charges; and a description _____ of all other charges that would be billed to ~~the~~ MFA under the contract, such as _____ mileage and travel expenses incurred in accordance with MFA Travel Guidelines and -Procedures; and a statement as to when such miscellaneous charges would be imposed; -and,
- G. A narrative description of the steps routinely taken to ensure that legal representation is provided on a cost-effective basis. Discuss such matters as Offeror's policy with respect to billing for such items as intra-office consultation, research, travel, and unsuccessful attempts to reach people by telephone.
- H. Information regarding Offeror's ability to provide detailed status of active assignments, projects, etc. and a sample report;

15. In preparing Offeror's proposed fee structure, please take note of the following:

- A. ~~The~~ MFA invites the attention of Offeror to ~~the~~ MFA's serious concern about the rising cost of legal services. The control and management of legal costs is the mutual concern of the Offeror and ~~the~~ MFA. ~~The~~ MFA requires quality professional services at a reasonable cost and the performance of only those services necessary. In evaluating bids, ~~the~~ MFA will consider the methods used by the Offeror to avoid services which do not materially contribute to the overall success of the engagement.
- B. Lodging and other travel-related expenses shall be reimbursed by ~~the~~ MFA in accordance with MFA expense reimbursement policies and procedures, as set forth in its Policies and Procedures Manual.
- C. Offeror must absorb the cost of familiarizing itself with ~~the~~ MFA programs, policies and procedures, rules, and regulations, policy and program documents and any other relevant information, which shall be made available for Offeror's review at ~~the~~ MFA's office in Albuquerque. Offeror should expect to devote a considerable amount of time to having its attorneys and paralegals become

familiar with MFA programs, policies and procedures, rules, and regulations. ~~The~~ MFA will not pay for such work. Indicate how much time Offeror expects to devote to familiarizing itself with MFA programs, policies and procedures, rules, and regulations, and provide a timetable for doing so.

D. Offeror must give ~~the~~ MFA at least a three (3) year commitment on the rate schedule offered.

E. Offeror is required to submit itemized billing statements on a monthly basis.

16. ~~The~~ MFA requires that Offeror be an Equal Opportunity Employer. Please state that Offeror ~~_____~~ complies fully with all government regulations regarding nondiscriminatory employment practices.
17. Please provide any other relevant information which will assist ~~the~~ MFA in evaluating Offeror's ability to provide legal services as General Counsel to the MFA.
18. All Offerors should be prepared to provide a formal presentation to and participate in an interview with MFA's Board of Directors at MFA's office in Albuquerque, upon request.

Part VI: 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 (herein "Contractor") shall include, but may not be limited to, terms substantially similar to the following:

Contract Term

The term of the General Counsel Legal Services Contract shall begin ~~upon the expiration of the current General Counsel Legal Services Contract, or~~ on August 1, ~~2015, 2020~~ and shall end on ~~July 31, 2023~~ ~~the first anniversary thereafter~~. At the option of the Board, the contract may be extended for ~~two~~ four (24) additional one (1) year periods under the same terms and conditions. There will be a transition period, as needed, for matters in process at the beginning and the end of the contract term.

Hold Harmless and Indemnity Agreement

Contractor shall hold harmless and indemnify MFA, its members, officers, employees, and agents from and against any and all claims, liabilities, obligations, losses and the like, asserted by any third parties arising from or attributable to Contractor's performance of the services required under the contract. This indemnity and hold harmless agreement shall include reimbursement of all attorney fees, costs and expenses incurred by MFA, members, employees, or agents in defending any such action.

Assignment/Change in Key Contractor Personnel

Contractor shall not assign or transfer any interest in the contract or assign any claims for money due or to become due under the contract (except as security for a bank loan in its ordinary course of its business) without the prior written approval of MFA. Any change to key Contractor personnel, including lead and other attorneys assigned to the contract, shall require prior written notice to and approval by MFA, and amendment to the contract to reflect the change in assigned Contractor personnel.

Subcontractors

Contractor shall not employ a subcontractor (or substantially change the contemplated division of responsibilities with a previously approved subcontractor) without the prior written approval of MFA. Any and all fees or costs incurred by a subcontractor shall be paid by Contractor and shall not be reimbursed by MFA. Contractor shall assume full and complete responsibility and liability for subcontractor's performance of any services which Contractor has delegated to a subcontractor.

Records and Audit

Contractor shall maintain detailed time records indicating the date, time, and nature of services rendered, which shall be subject to inspection by MFA. MFA shall have the right to audit bills submitted to MFA under the General Counsel Legal Services Contract both before and after payment. Payment under the contract shall not foreclose the right of MFA to recover excessive and/or illegal payments.

Budget and Billing

Prior to commencing any matter requiring substantial work, Contractor shall prepare and deliver to MFA a detailed budget of all fees and costs that Contractor anticipates will be necessary to perform the services required for that transaction. A detailed statement of services and an invoice for services provided must be presented before any payment under the contract shall be made. MFA will pay Contractor fees or costs which exceed those indicated in the budget only if such costs are reasonable and result from circumstances which Contractor could not have anticipated at the time Contractor prepared the budget.

Professional Liability Insurance

Each Contractor shall maintain professional liability insurance covering all liabilities and risks inherent in Contractor's performance of the services required under the contract. Each Contractor's insurance policy must provide per claim and aggregate limits of at least two million dollars (\$2,000,000.00), must provide for a per claim/aggregate deductible in an amount reasonable for a firm of Contractor's size and financial condition, and must be in a form acceptable to MFA. Each Contractor must provide MFA with an acceptable certificate of insurance in force at the time of the inception of the contract and at each anniversary date, extension or renewal of the contract, which provides for not less than thirty (30) days' notice to MFA of non-renewal or cancellation.

Contractor shall immediately notify MFA in the event of any cancellations, modifications or changes in the amounts of coverage provided under such professional liability coverage. Failure to have, maintain and continue professional liability coverage in the amount and form specified shall be cause for immediate termination of the contract and shall not require the notice provided for in Part VI Principal Contract Terms and Conditions, Termination of this RFP.

Confidentiality

The relationship between Contractor and MFA shall be that of attorney-client. Any information developed or acquired by or furnished by Contractor in the performance of the contract shall be kept confidential and shall not be made available to any individual or organization not involved in a given transaction without the prior written approval of MFA.

Confidential Data

Offerors may request in writing nondisclosure of confidential data. Such data shall accompany the proposal and shall be readily separable from the proposal to facilitate public inspection of non-confidential portions of the proposal. After award, all proposals and documents pertaining to the proposals will be open to the public. Confidential data is normally restricted to confidential financial information concerning the Offeror's organization and data that qualifies as trade secrets under the Uniform Trade Secrets Act, Section 57-3A1 et seq. NMSA 1978.

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

Code of Conduct

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

Offeror shall provide a statement disclosing any political contribution or gift valued in excess of ~~\$2,500~~\$250.00 (singularly or in the aggregate) made by Offeror or on Offeror's behalf to any elected official of the State of New Mexico currently serving or who has served on the MFA Board of Directors in the last three (3) years.

Offeror shall warrant that it has no interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under any contract entered into with MFA pursuant to this RFP. Offeror shall at all times conduct itself in a manner consistent with the MFA Code of Conduct and MFA's Anti-Harassment Policy. A copy of the MFA Code of Conduct and MFA's Anti-Harassment Policy is posted on the

MFA web site for review at <http://www.housingnm.org/rfp>. Upon request by MFA, Offeror shall disclose information MFA may reasonably request relating to conflict or potential conflicts of interest.

Equal Opportunity Compliance

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

Termination

This agreement may be terminated without cause by MFA upon thirty (30) days written notice. Such termination shall not nullify any obligations already incurred for performance or failure to perform before the date of termination. Upon termination, the MFA Board of Directors may negotiate and award the remaining term(s) of the contract using the proposals submitted in this RFP.

Status of Contractor

The Contractor and its agents and employees are independent contractors performing services for MFA and are not employees of MFA. The Contractor and its agents and employees shall not accrue leave, retirement, insurance, bonding or other benefits afforded to employees of MFA as a result of this RFP.

Amendment

The agreement shall not be altered, changed or amended except by an instrument in writing and executed by both parties. No amendment shall be effective or binding until approved by MFA.

Scope of Agreement

The agreement incorporates all the agreements, covenants and understandings between the parties concerning the subject matter of the agreement and all such covenants, agreements and understandings have been merged into the written agreement. No prior understanding or agreement, verbal or otherwise, of the parties or the agents, shall be valid or otherwise enforceable unless embodied in the agreement.

Applicable Law

The agreement shall be governed by the laws of the State of New Mexico.

New Mexico Mortgage Finance Authority

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~~Vice Chair Angel Reyes—President, Centinel Bank in Taos~~
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Isidoro Hernandez, Executive Director
~~Joseph R. Montoya~~Donna Maestas-De Vries, Deputy Director of Programs
 Gina Hickman, Deputy Director of Finance & Administration

Staff Roster

AFShin Soysan	Izzy Hernandez	Rose Baca-Quesada
Al Radicioni	Jacqueline Boudreaux	Sandra Marez
Angel Candelaria	Jeannette Marquez	Sarah Marinelli
Anita Racicot	Judy Amador	Shannon Tilseth
Barbara Tashkandy	Karen Anderson	Stacy Huggins
Blanca Vasquez	Kathleen Keeler	Stacy Vernon
Carmela Arellano	Kathy Griego	Suzette Chavez
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Dan Foster	Lisa Romero	Troy Cucchiara
Dan Puccetti	Loretta Martinez	Yvonne Reed
Dana Gohr	Marjorie Martin	Yvonne Segovia
Debbie Davis	Mercy Castillo	
Desarey Maldonado	Michael Scott	
Doris Clark	Monica Aboita	
Eric Schmieder	Natalie Michelback	
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Eunice Duran	Pat Rogers	
Felicia Cde Vaca	Patrick Ortiz	
Francina Martinez	Patty Balderrama	
Frankie Salcido	Rebecca Sanchez	
Gina Bell	Rob Jones	
Gina Hickman	Roderick Stokes	

Tab 9



MEMO

TO: MFA Board of Directors

Through: Contract Services - June 9, 2020

Through: Policy Committee – May 7, 2020

FROM: Natalie Michelback, HOPWA Program Manager

DATE: May 20, 2020

SUBJECT: Approval of 2020/2021 HOPWA Service Providers and Awards

Recommendation:

Staff recommends that the Board approve Southwest CARE Center, El Camino Real Housing Authority and Alianza of New Mexico as Service Providers for the HOPWA Program. In addition, staff recommends HOPWA funding in the amount of \$974,280.61 be awarded to the Service Providers and \$30,132.39 of admin to MFA.

Background:

HOPWA funds are distributed by The Department of Housing and Urban Development (HUD) to the City of Albuquerque for assistance within the City of Albuquerque and to MFA for the balance of state. MFA administers both allocations through a memorandum of understanding with the City of Albuquerque.

HOPWA funds are used to provide housing assistance in the form of Tenant Based Rental Assistance (TBRA), Short Term Rent, Mortgage, and Utility Assistance (STRMU) and Permanent Housing Placement (PHP). TBRA pays a portion of the clients monthly rent, STRMU provides temporary assistance to prevent homelessness and PHP is used to pay for security deposits, utility connection fees and first month's rent.

For program year 2020-2021, MFA received \$527,699 in HOPWA funds for housing assistance within the City of Albuquerque and \$476,714 for the balance of state for a total of \$1,004,413. MFA's administrative fees are calculated at 3% for both awards for a total of \$30,132.39 resulting in program funding to Service Providers in the amount of \$974,280.61.

Discussion:

In April 2018 MFA released a HOPWA RFP for program year 2018-2019 with the possibility of renewals until program year 2020-2021. Southwest CARE Center (SWCC), El Camino Real Housing (ECRH) and Southwestern Regional Housing (SWRH) were selected through that RFP process. In December 2019, MFA was informed that SWRH did not want to receive funding for the 2020-2021 program year as they determined the agency does not have the capacity to administer the

program as required by HUD and the administrative fees received do not cover the expenses of managing the program. Based on this change in HOPWA service providers, MFA released an RFP for program years 2020-2021 with the option for extension for PY 2021-2022 through PY 2022-2023.

The HOPWA RFP was approved by MFA's Board of Directors on March 18, 2020 and we received three qualified respondents which are detailed in the below chart.

Agency Name	Area Applied for
Southwest CARE Center (SWCC)	City of Albuquerque and the Northern Region Counties Served: Bernalillo, San Juan, Taos, Union, Los Alamos, Harding, Sandoval, San Miguel, Rio Arriba, Colfax, McKinley, Mora, Cibola, Santa Fe
El Camino Real Housing Authority (ECR)	Southern Region 1 Counties Served: Valencia, Guadalupe, Socorro, Curry, Torrance, Quay, DeBaca
Alianza of New Mexico (ANM)	Southern Region 2 Counties Served: Catron, Roosevelt, Sierra, Hidalgo, Dona Ana, Eddy, Lincoln, Grant, Chaves, Luna, Otero, Lea

An internal RFP review committee consisting of three members reviewed and scored the RFP's independently. The chart below details the categories used to determine the score and the respondents total score.

Category	Maximum Score Possible	SW CARE Center	El Camino Real Housing Authority	Alianza of New Mexico
Organization Capacity	25	23	23	19
Housing Experience	25	25	17	25
Finance	25	25	25	25
Areas to be Served	25	25	20	19
TOTAL	100	98	85	88

In order to determine funding allocations, the Department of Health provides MFA the number of persons living with HIV/AIDS with incomes below the federal poverty level. Based on this information the review committee is recommending that the \$974,280.61 in HOPWA funding be awarded as outlined below:

Agency	Region	Program Amount	Admin Amount	Total Award
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SWCC	City of Albuquerque	\$476,038.03	\$35,830.00	\$511,868.03
SWCC	Northern	\$258,026.55	\$19,421.00	\$277,447.55
ECR	Southern 1	\$38,704.13	\$2,913.00	\$41,617.13
ANM	Southern 2	\$133,313.90	\$10,034.00	\$143,347.90
	Total	\$906,082.61	\$68,198.00	\$974,280.61

Upon Board approval staff will provide contracts to the three agencies for the 2020-2021 program year which begins on July 1, 2020.

Summary:

Staff recommends that the Board approve Southwest CARE Center, El Camino Real Housing Authority and Alianza of New Mexico as Service Providers for the Housing Opportunity for People with Aids (HOPWA) Program. In addition, staff recommends HOPWA funding in the amount of \$974,280.61 be awarded to Service Providers as outlined in the above chart and \$30,132.39 of administration fees to be awarded to MFA for a total of \$1,004,413. Board approval would allow HOPWA Service Providers to receive a one-year contract which will begin on July 1, 2020 with the option for extension for two additional program years 2021-2022 through 2022-2023.

Tab 10



MEMO

TO: MFA Board of Directors

Through: Contracted Services/Credit Committee May 12, 2020

Through: Policy Committee May 7, 2020

FROM: Kathryn Turner

DATE: May 6, 2020

SUBJECT: Request for Proposals for Architectural Review and Construction
Inspection Services for the New Mexico Mortgage Finance Authority

Recommendation:

Staff recommends approval of the Request for Proposals for Architectural Reviews and Construction Inspection Services.

Background:

In 2016, a Request for Qualifications (RFQ) was released to determine qualified architects to review architectural plans as submitted by applicants for LIHTC and other multifamily financing. Two qualified applicants were selected and one alternative was identified. Over the last 4 years, we have utilized these firms to provide architectural reviews and construction inspection services. The majority of the costs associated with this work are reimbursed by the project being reviewed or monitored. In 2019, staff released a new RFQ to revise the list of qualified architects available for projects. The intent was to expand the list and be able to have more choice. After the RFQ was opened, it came to staff's attention that the vendor totals actually exceeded the procurement limit for RFQ processes, and MFA would need to issue an RFP instead. The RFQ was cancelled, and we began work on producing an RFP. This is the first RFP for this type of service and is anticipated to be repeated every 5 years.

Discussion:

We are currently utilizing services from two firms from an RFQ released in August of 2016, Jeebs & Zuzu and Betzler + Company. The 2016 RFQ did not stipulate a time period for the effectiveness of the list of approved firms, but because we have exceeded our vendor total limit per an RFQ, MFA must release an RFP as soon as possible.

Services to be Performed

Services to be provided under this RFP could include, but are not limited to, architectural review and construction inspection services as described below. While the below scope of work summarizes all the work that could be done with MFA, the specific scope of work for each engagement will be memorialized in an engagement letter. Each engagement's scope of work will vary due to project financing sources and

stage of development process. Offerors may submit proposals to perform the entire scope of work, Scope Item II.A alone, or Scope Item II.B alone.

A. Review of Financing Applications Against Design Standards

Time is of the essence for any work performed under this Scope Item II.A, and Offeror must agree to complete any work with respect to this section within three weeks from date of engagement. MFA receives approximately 15 to 20 initial financing applications at the beginning of each competitive LIHTC round and various other applications throughout the rest of the year.

1. MFA Design Standards

Review preliminary plans and specifications within initial financing applications against the then-current MFA Mandatory Design Standards for Multifamily Housing or Single Family Housing.

2. Capital Needs Assessment

Review of Capital Needs Assessment submitted within initial financing applications, if applicable, to determine if all recommended improvements are incorporated into the design, and, if requested, attendance at the pre-award site visit to evaluate Capital Needs Assessment against physical property.

3. National Housing Trust Fund (NHTF) and HOME Property Standards

As applicable, review preliminary plans and specifications within NHTF and/or HOME initial financing applications against the NHTF property standards described in 24 CFR 93.301 and/or the HOME property standards described in 24 CFR 92.251.

4. State of New Mexico Housing Trust Fund (NMHTF) Rehabilitation Standards

As applicable, review preliminary plans and specifications within NMHTF initial financing applications for rehabilitation projects against the NMHTF Rehabilitation Standards.

5. Written Opinion on Standards

- a. Submit a written opinion to MFA as to whether the project conforms to the applicable standards and any variances from these standards, including if the project:
 1. Meets all applicable state and local codes, ordinances, and zoning requirements;
 2. Meets the accessibility requirements of Section 504 of the Rehabilitation Act of 1973, Titles II and III of the Americans with Disabilities Act, the Fair Housing Act, or any other applicable standards; and
 3. Complies with MFA's Mandatory Design Standards, the NMHTF Rehabilitation Standards (if applicable), and NHTF and HOME Property Standards (if applicable).
- b. Submit a written recommendation as to approval or disapproval of overall design and/or specific design elements.

B. Architectural Plan Review and Construction Inspection for Awarded Projects

1. Pre-Construction Activity

- a. Review the following project documentation:
 1. Preliminary plans submitted in initial funding application and approved by MFA compared to construction documentation to determine if the two sets are substantively the same;
 2. Construction documentation (including but not limited to construction documents (plans and specifications), contracts, permits, construction schedule, etc.) to determine if it is adequate, complete, and acceptable;

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3. As needed, review of Phase I Environmental Assessment report, if any, and, if applicable, U.S. Department of Housing and Urban Development (HUD) Environmental Assessment approval to determine if all environmental recommendations, if any, are incorporated into the plans and specifications and construction documentation; and
 4. As needed, review of geotechnical reports, if any, to determine if all engineering recommendations are incorporated into the plans and specifications;
 5. As needed, review of Capital Needs Assessments submitted subsequent to initial application, if any, to determine if all recommendations within the Capital Needs Assessment are incorporated into the plans and specifications.
- b.** Submit a written opinion to MFA as to whether the project conforms to the following standards (if applicable) and any variances to these standards:
6. Substantively similar to the preliminary design approved by MFA as part of the initial financing application;
 7. Meets all applicable state and local codes, ordinances, and zoning requirements;
 8. Meets the accessibility requirements of Section 504 of the Rehabilitation Act of 1973, Titles II and III of the Americans with Disabilities Act, the Fair Housing Act, or any other applicable standards;
 9. Complies with MFA's Mandatory Design Standards, the State of New Mexico NHTF Rehabilitation Standards, and NHTF and HOME Property Standards; and
 10. Incorporates recommendations from HUD Environmental Assessment and geotechnical reports.
- c.** Submit a written recommendation as to approval or disapproval of overall design and/or specific design elements.

2. Construction Period Activity

Due to the complexity of the funding sources it provides, MFA's role may be as a traditional lender, a governmental agency, or both. As such, the Offeror could conduct one or both of Scope Items II.B.2.a and II.B.2.b (inspections may be combined in certain circumstances):

- a.** Conduct three project inspections during project construction for MFA in its role as a governmental agency, including:
1. Review construction progress compared to approved construction documentation to determine if it is adequate, complete, and acceptable.
 2. Submit a written opinion to MFA as to whether the project conforms to the following standards (if applicable) and any variances to these standards:
 - a. Substantively similar to the approved construction documentation approved by MFA;
 - b. Meets all applicable state and local codes, ordinances, and zoning requirements;
 - c. Meets the accessibility requirements of Section 504 of the Rehabilitation Act of 1973 if applicable, Titles II and III of the

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- Americans with Disabilities Act, the Fair Housing Act, or any other applicable standards;
 - d. Complies with MFA's Mandatory Design Standards, NMHTF Rehabilitation Standards, and NHTF and HOME Property Standards; and
 - e. Incorporates recommendations from HUD Environmental Assessment and geotechnical reports.
 - 3. Submit a written recommendation as to approval or disapproval of overall design and/or specific design elements.
 - b. Conduct standard verifications of contractor's monthly application for payment for MFA in its role as lender, including:
 - 1. Conduct monthly inspections throughout construction prior to each construction loan draw. Timing of on-site inspections shall coincide with onsite project meetings between the construction project manager, architect and owner. Construction inspections shall be conducted in order to:
 - a. Review draw requests;
 - b. Determine percent of work completed by line item;
 - c. Determine "value in place";
 - d. Review change orders;
 - e. Inspect stored materials; and
 - f. Review adequacy and completeness of invoices and lien waivers.
 - c. Submit a written report to MFA to address each of the items above within ten (10) calendar days of the date of the onsite field inspection. Written reports shall include a recommendation as to approval or disapproval of each payment request and release of funds, complete with photographs.
- 3. Completion Activity**
- a. Inspect assigned project upon completion of construction.
 - b. Review certificates of occupancy, project architect's certification and all other completion documentation.
 - c. Submit final report within fifteen (15) calendar days of the completion inspection, which must specifically state that the project as built:
 - 1. Conforms to the original plans and specifications (with any changes approved by MFA);
 - 2. Meets all applicable state and local codes, ordinances, and zoning requirements;
 - 3. Meets the accessibility requirements of Section 504 of the Rehabilitation Act of 1973, Titles II and III of the Americans with Disabilities Act, the Fair Housing Act, or any other applicable standards; and
 - 4. Complies with MFA's Mandatory Design Standards, the NMHTF Rehabilitation Standards (if applicable), and NHTF and HOME Property Standards (if applicable).

Evaluation Criteria

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MFA shall award the contract for Architectural Review and Construction Inspection Services to the Offeror whose proposal is most advantageous to MFA. Proposals shall be scored on a scale of 1 to 100 based on the criteria listed below:

Experience and Capability; evaluation of the professional qualifications, background and experience of the Offeror, including:

- Expertise and experience in the development, design, renovation, and construction of multifamily rental and/or single family development projects (up to 30 points); and
- Expertise and experience in development projects financed with MFA funding, federal funding or LIHTCs (up to 20 points)

Work Plan; Evaluation of Offeror's work plan to provide the services (up to 20 points)

Hourly Fees; the Offeror(s) with the lowest average hourly fees will be awarded 20 points. All other Offeror(s) will receive a lower amount of points proportionate to the difference in the average fees.

Capacity; demonstrated ability and capacity to provide the services and meet timing requirements (up to 10 points).

Attached for your review is the 2020 Draft RFP for Architectural Review and Construction Inspection Services.

Contract Term

Once an Offeror has been approved, MFA will issue an award letter. The contract shall terminate 3 years after start date unless earlier terminated pursuant to the terms of the Contract between MFA and Offeror. At the option of MFA's Board of Directors, the contract may be extended for two (2), one (1) year periods under the same terms and conditions.

Timeline

Activity	Date
MFA Published RFP	6/1/2020
RFP FAQ's on Website	6/1/2020
Deadline for Receipt of Proposals	7/1/2020
Deficiency Correction Period Begins	7/2/2020
Deficiency Correction Period Ends	7/9/2020
Preliminary Award Notice Sent to Offeror	7/16/2020
Protest Period Begins	7/16/2020
Protest Period Ends	7/21/2020
Present Award Recommendations to MFA Board	8/19/2020
Final Notification of Awards Upon Board Approval	8/19/2020
Contracts to Offerors	8/26/2020

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Summary:

Staff is recommending approval of the Architectural Review and Construction Inspection Services Request for Proposals (RFP) which would procure highly qualified, capable persons or firms, who by reason of their skill, knowledge, and experience are able to furnish MFA with architectural review and construction inspection services for LIHTC and non-LIHTC, MFA-financed projects, and who desire to be placed on our list of approved providers.

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NEW MEXICO MORTGAGE FINANCE AUTHORITY

REQUEST FOR PROPOSAL

MFA Architectural Review and Construction Inspection Services

Program Year 2020/2021



June 1, 2020



Welcome and thank you for your interest in responding to MFA's Architectural Review and Construction Inspection Services Request for Proposals (RFP). MFA is committed to choosing the best qualified Offerors and this information will provide the best opportunity to do so.

Part I – General Information

The general information part of the RFP provides background information about MFA, general proposal requirements and RFP standards. It is provided to the Offeror for informational purposes only.

Part II – Program-Specific Criteria

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

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

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PART I: GENERAL INFORMATION

1 BACKGROUND INFORMATION

1.1 INTRODUCTION

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

1.2 PURPOSE

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

2 GENERAL PROPOSAL REQUIREMENTS

2.1 PROPOSAL SUBMISSION

All Offeror proposals must be received for review and evaluation by MFA by 4 p.m. Mountain Time on the deadline of the proposal as outlined in Part II Section 8, Timeline of the RFP. Proposals shall be submitted electronically, by uploading to MFA's secure File Transfer Site: <https://mfa.internal.housingnm.org/FileTransferHD/>.

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

2.2 PROPOSAL TENURE

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

2.3 PROPOSAL FORMAT

Proposals should be uploaded as a single, bookmarked PDF to MFA's file sharing site: <https://mfa.internal.housingnm.org/FileTransferHD/>.

In order to utilize the site, Offerors must register for an account and be approved by MFA. In the request, Offerors must select “Architectural Review and Construction Inspection Services RFP” as the “Project”.

Uploaded documents cannot be deleted by the user, if there are duplicate documents, MFA will utilize the most recent upload as the proposal.

2.4 IRREGULARITIES IN PROPOSALS

MFA may waive technical irregularities in the form of proposal of any Offeror selected for award, which do not alter the price, quality or quantity of the services offered. **Note especially that the date and time of proposal submission as indicated herein, in Part II Section 8, Timeline, cannot be waived under any circumstances.**

2.5 EVALUATION OF PROPOSALS

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

MFA does not guarantee and is not obligated to make an award. Awards will be based on availability of funds, Offeror’s demonstrated need, and Offeror’s score on the scoring criteria and/or for any of the other reasons set forth herein.

MFA is exempt from New Mexico’s Procurement Code, NMSA 1978, Section 13-1-1 et seq. MFA will, however, follow the procurement process set forth in the Code subject to MFA’s Policies and Procedures Manual, Section 3, Procurement Policies, and this RFP.

2.6 DEFICIENCY CORRECTION PERIOD

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

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

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

3 RFP STANDARDS

3.1 PROTEST

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

Housing Development Department
Tax Credit Program Officer
New Mexico Mortgage Finance Authority
344 Fourth Street, SW
Albuquerque, NM 87102

3.2 RFP REVISIONS AND SUPPLEMENTS

Should revisions or additional information be necessary to clarify any provision of this RFP, the revision or additional information will be provided to all offerors via MFA's website.

3.3 INCURRED EXPENSES

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

3.4 RESPONSIBILITY OF OFFERORS

Per NMSA 1978, Section 13-1-82. A "Responsible bidder" is a "bidder who submits a responsive bid and who has furnished, when required, information and data to prove that his financial resources, production or service facilities, personnel, service reputation and experience are adequate to make satisfactory delivery of the services, construction or items of tangible personal property described in the invitation for bids."

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

The contract between MFA and the successful Offeror shall include, but will not be limited to, terms substantially similar to the following.

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.

Permitted Subcontractors. 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 two 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.

Payment. 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 MFA and is due to MFA each year at a time to be determined by MFA in its sole discretion.

Termination. If, in the judgment of MFA, the Offeror, for any cause, fails or omits to carry out the Work in an acceptable manner MFA may give notice in writing of such failure or omission and of a reasonable time within which to cure the deficiency. The Successful Offeror shall take corrective measures within such time. The Successful Offeror's failure to comply with such notice and to cure the deficiency as provided in the notice shall subject this Agreement to immediate termination by MFA. In the event of a for-cause termination, MFA shall terminate this Agreement by delivering to Architect a written notice of termination. The effective date of termination shall be the date stated in the notice or, if no date is stated, then the date of delivery of the notice. Upon such termination, Successful Offeror shall deliver to MFA all design plans, construction estimates, drawings, documents, survey books, and all other materials developed under this Agreement. MFA shall then have the right to retain the services of other design professionals to complete Successful Offeror's Work under this Agreement, and shall have no obligation to seek bids for that replacement design professional(s). The cost of completing Successful Offeror's Work under this Agreement shall be paid for by applying the balance of the contract amount remaining on this Agreement at the time of termination. If the cost to complete the Work under this Agreement is less than the remaining contract amount, the remaining contract amount shall be paid to Successful Offeror. If the cost of completing the Work under this Agreement exceeds the contract amount, then Successful Offeror shall pay MFA for the difference between the contract amount and the cost to complete Successful Offeror's Work.

Termination for convenience of MFA. On fifteen (15) business day's written notice to Successful Offeror, MFA may terminate this Agreement in whole or in part for its own convenience in the absence of termination for cause or any default of Successful Offeror. In the event of a termination for convenience, MFA shall terminate this Agreement by delivering to Successful Offeror notice of termination without cause specifying the extent to which performance of Work 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, Successful Offeror shall deliver to MFA all design plans, construction estimates, drawings, documents, survey books and any or all other materials developed under this Agreement. Upon delivery of such notice, Successful Offeror shall have the right to receive payment for services satisfactorily performed to termination date, including reimbursement then due.

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.

Awards to Other Offerors. The Offeror shall not assign or transfer any rights, duties, obligations or interest in or to the proceeds of this Agreement without the prior written approval of MFA. If approved, any assignee will be subject to all terms, conditions and provision of this Agreement. No such approval by MFA of any assignment shall obligate MFA for payment of amounts in excess of the Program Funds. In accordance with 2 CFR 200.213, Offeror shall not make any awards or permit any award (subcontract or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible to participate in Federal assistance programs under Executive Order 12549 and 12689, "Debarment and Suspension."

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.

Licenses/Compliance with Laws and Regulations. 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.

3.5 CANCELLATION OF RFP OR REJECTION OF PROPOSALS

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

3.6 AWARD NOTICE

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

3.7 PROPOSAL CONFIDENTIALITY

Until the award(s) are made and notice given to all Offerors, MFA will not disclose the contents of any proposal or discuss the contents of any proposal with an Offeror or potential Offeror, so as to make the contents of any offer available to competing or potential Offerors.

3.8 CODE OF CONDUCT

No board member or employee of MFA shall have any direct or indirect interest in any contract with the Offeror nor shall any contract exist between Offeror or its affiliate and any MFA board member or employee that might give rise to a claim of conflict of interest. Any violation of this provision will render void any contract between MFA

and the Offeror for which MFA determines that a conflict of interest exists as herein described, unless that contract is approved by the Board of Directors after full disclosure.

Offeror shall provide a statement disclosing any political contribution or gift valued in excess of \$250 (singularly or in the aggregate) made by Offeror or on Offeror's behalf to any elected official of the state of New Mexico currently serving or who has served on MFA's Board of Directors in the last three years.

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

3.9 CONFIDENTIAL DATA

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

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

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PART II: PROGRAM-SPECIFIC CRITERIA

4 PROGRAM BACKGROUND

The Low Income Housing Tax Credit (LIHTC) program was created in the Tax Reform Act of 1986 as an incentive for individuals and corporations to invest in the construction or rehabilitation of low-income housing. LIHTC provides the investor with a dollar-for-dollar reduction in personal or corporate federal income tax liability for a 10-year period for projects meeting the program's requirements.

In January 1997, MFA was designated by Governor Gary Johnson as the Housing Credit Agency (HCA) responsible for administering the LIHTC program in the state of New Mexico and allocating tax credits to eligible New Mexico projects. MFA awards tax credits to projects meeting its Project Selection Criteria and other requirements and monitors existing projects for compliance with the Internal Revenue Service (IRS) Code (IRC) Section 42.

MFA's Housing Development Department administers the allocation of tax credits. Overall responsibility extends to publishing the Qualified Allocation Plan; setting the allocation schedule; reviewing and ranking applications; recommending projects for MFA Board approval; processing carryover allocations; final allocation of tax credits by issuance of IRS Form 8609; annual notification to the IRS of program performance through submission of IRS Form 8610; and providing public information concerning the program.

MFA also provides gap financing for LIHTC and non-LIHTC projects, offering construction and permanent financing for all phases of multifamily and single family affordable housing project developments, including land and building acquisition, infrastructure development, rehabilitation and new construction. These financing sources include federal funds, including the National Housing Trust Fund (NHTF) and the HOME Investment Partnership (HOME) programs.

5 PURPOSE OF RFP

The purpose of this Request for Proposals (RFP) is to invite the submittal of qualification statements, in accordance with MFA Procurement Policy, from highly qualified, capable persons or firms, who by reason of their skill, knowledge, and experience are able to furnish MFA with architectural review and construction inspection services (Offeror) for LIHTC and non-LIHTC, MFA-financed projects, and who desire to be placed on our list of approved providers. The Minimum Qualifications and Requirements for this RFP are outlined in Part II of this RFP, below. Qualification statements must address all elements outlined in the Minimum Qualifications and Requirements of this RFQ.

6 RFP Q&A

Questions pertaining to this RFP must be submitted via the MFA website at <http://www.housingnm.org/rfp> . Under "Current RFPs" select "RFP to Provide Architectural Review and Construction Inspection Services." On the

RFP-specific page, select the “Architectural Review and Construction Inspection Services FAQs” link. Questions will be reviewed on a daily basis. The FAQ will open the day after the RFP is issued and will close on June 24, 2020. To submit your questions, scroll down to the “Ask a question” section, enter your name, e-mail address, and type your question in the “Question” box, type in the two words in the CAPTCHA box, and click on “Send my question.” MFA will make every attempt to answer questions within two business days.

7 CONTRACT TERM

Once an Offeror has been approved, MFA will issue an award letter. The contract shall commence on [START DATE] and shall terminate on [END DATE 3 YEARS AFTER START DATE] unless earlier terminated pursuant to the terms of the Contract between MFA and Offeror. At the option of MFA’s Board of Directors, the contract may be extended for two (2), one (1) year periods under the same terms and conditions.

8 TIMELINE

Activity	Date
MFA Published RFP	6/1/2020
RFP FAQ’s on Website	6/1/2020
Deadline for Receipt of Proposals	7/1/2020
Deficiency Correction Period Begins	7/2/2020
Deficiency Correction Period Ends	7/9/2020
Preliminary Award Notice Sent to Offeror	7/16/2020
Protest Period Begins	7/16/2020
Protest Period Ends	7/21/2020
Present Award Recommendations to MFA Board	8/19/2020
Final Notification of Awards Upon Board Approval	8/19/2020
Contracts to Offerors	8/26/2020

9 MINIMUM QUALIFICATIONS AND REQUIREMENTS

Offerors must meet the basic eligibility criteria specified in the “Minimum Qualifications and Requirements” section of this RFP. In addition responses to the RFP must meet the requirements enumerated below. Waivers to “Proposal Requirements” may be approved by MFA’s Policy Committee. These criteria must be met by all Offerors to be considered for funding. Only those Offerors who meet the following minimum qualifications are eligible to submit a proposal pursuant to this RFQ:

1. Offeror must demonstrate that it has significant, current experience/knowledge in/of the development, design, renovation and construction of medium-to-large scale multifamily rental and/or single family development projects, preferably in New Mexico. Experience with federal housing subsidy programs is preferred. A minimum of three years’ experience with this work.
2. Offeror must be licensed/registered/certified in the state of New Mexico and in good standing pursuant to the relevant licensing laws.

A. Selected Offerors must also meet the following requirements:

1. Offeror or Offeror's family may not have any financial interest in any proposed project or development team¹ or undertaken prior work for a development team of a proposed project that is the subject of an engagement pursuant to this RFQ. Nevertheless, Offeror may still be included on the approved MFA list for architectural review and construction inspection services even if the Offeror has a conflict, but MFA will not engage the Offeror for the project for which the Offeror has the conflict.
2. No Board member or employee of MFA shall have any direct financial interest in any contract with the Offeror, nor shall any contract exist between Offeror or its affiliate with any MFA Board member or employee that might give rise to a claim of conflict of interest. Any violation of this provision will render void any contract between MFA and the Offeror for which MFA determines that a conflict of interest exists as herein described, unless that contract is approved by MFA's Board of Directors after full disclosure.
3. Offeror shall provide a statement disclosing any political contribution or gift valued in excess of \$250 (singularly or in the aggregate) made by Offeror or on Offeror's behalf to any elected official of the state of New Mexico currently serving or who has served on MFA's Board of Directors in the last three (3) years.
4. Offeror shall at all times conduct itself in a manner consistent with MFA's Code of Conduct and MFA's Anti-Harassment Policy. A copy of MFA's Code of Conduct and MFA's Anti-Harassment Policy is posted on the MFA website for review at <http://www.housingnm.org/rfp>. Upon request by MFA, Offeror shall disclose information MFA may reasonably request relating to conflict or potential conflicts of interest.
5. Offeror shall provide 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.
6. Offeror shall be Equal Opportunity Employer and comply fully with all government regulations regarding nondiscriminatory employment practices.

10 COMPENSATION

Fee basis should be an all-inclusive, hourly fee, which should include staff time and "out-of-pocket expenses." Offeror must provide an hourly fee breakdown for each staff position it would propose to use and/or make available to MFA for use as needed. Offeror must also state in their submission how long the Offeror can hold the

¹ "Development Team" includes any person or entity with any ownership or proposed ownership interest in the project, and the proposed builder or subcontractor, management agent, architect, lender, proposed equity investor or other proposed vendor or Offeror with respect to the project.

all-inclusive hourly fee rates with the minimum amount of time being two years from the date of proposal and should address how increases will be negotiated. If selected, contracts with Offerors must reflect the all-inclusive, hourly fee rates proposed.

Billing on the project should occur on a frequency to be negotiated with successful Offeror(s) and will be based on hours spent on the project and associated costs.

11 SERVICES TO BE PERFORMED

Services to be provided under this RFP could include, but are not limited to, architectural review and construction inspection services as described below. While the below scope of work summarizes all the work that could be done with MFA, the specific scope of work for each engagement will be memorialized in an engagement letter. Each engagement's scope of work will vary due to project financing sources and stage of development process. Offerors may submit proposals to perform the entire scope of work, Scope Item II.A alone, or Scope Item II.B alone.

A. Review of Financing Applications Against Design Standards

Time is of the essence for any work performed under this Scope Item II.A, and Offeror must agree to complete any work with respect to this section within three weeks from date of engagement. The MFA receives approximately 15 to 20 initial financing applications at the beginning of each competitive LIHTC round and various other applications throughout the rest of the year.

1. **MFA Design Standards**

Review preliminary plans and specifications within initial financing applications against the then-current MFA Mandatory Design Standards for Multifamily Housing or Single Family Housing. The Design Standards are updated annually and the 2020 Design Standards can be found at <http://housingnm.org/assets/content/16.2020DesignStandards.pdf>, and http://www.housingnm.org/assets/content/Developer/pubMFA_SFDesignStandards_rev.Nov2010.pdf, (together, the "Mandatory Design Standards").

2. **Capital Needs Assessment**

Review of Capital Needs Assessment submitted within initial financing applications, if applicable, to determine if all recommended improvements are incorporated into the design, and, if requested, attendance at the pre-award site visit to evaluate Capital Needs Assessment against physical property.

3. **National Housing Trust Fund (NHTF) and HOME Property Standards**

As applicable, review preliminary plans and specifications within NHTF and/or HOME initial financing applications against the NHTF property standards described in 24 CFR 93.301 and/or the HOME property standards described in 24 CFR 92.251.

4. **State of New Mexico Housing Trust Fund (NMHTF) Rehabilitation Standards**

As applicable, review preliminary plans and specifications within NMHTF initial financing applications for rehabilitation projects against the NMHTF Rehabilitation Standards, which can be found at

http://www.housingnm.org/assets/content/Attachment_A_-_New_Mexico_NHTF_Rehab_Standards.pdf.

5. Written Opinion on Standards

- a. Submit a written opinion to MFA as to whether the project conforms to the applicable standards and any variances from these standards, including if the project:
 - i. Meets all applicable state and local codes, ordinances, and zoning requirements;
 - ii. Meets the accessibility requirements of Section 504 of the Rehabilitation Act of 1973, Titles II and III of the Americans with Disabilities Act, the Fair Housing Act, or any other applicable standards; and
 - iii. Complies with MFA's Mandatory Design Standards, the NMHTF Rehabilitation Standards (if applicable), and NHTF and HOME Property Standards (if applicable).
- b. Submit a written recommendation as to approval or disapproval of overall design and/or specific design elements.

B. Architectural Plan Review and Construction Inspection for Awarded Projects

1. Pre-Construction Activity

- a. Review the following project documentation:
 - i. Preliminary plans submitted in initial funding application and approved by MFA compared to construction documentation to determine if the two sets are substantively the same;
 - ii. Construction documentation (including but not limited to construction documents (plans and specifications), contracts, permits, construction schedule, etc.) to determine if it is adequate, complete, and acceptable;
 - iii. As needed, review of Phase I Environmental Assessment report, if any, and, if applicable, U.S. Department of Housing and Urban Development (HUD) Environmental Assessment approval to determine if all environmental recommendations, if any, are incorporated into the plans and specifications and construction documentation; and
 - iv. As needed, review of geotechnical reports, if any, to determine if all engineering recommendations are incorporated into the plans and specifications;

- v. As needed, review of Capital Needs Assessments submitted subsequent to initial application, if any, to determine if all recommendations within the Capital Needs Assessment are incorporated into the plans and specifications.
- b. Submit a written opinion to MFA as to whether the project conforms to the following standards (if applicable) and any variances to these standards:
 - i. Substantively similar to the preliminary design approved by MFA as part of the initial financing application;
 - ii. Meets all applicable state and local codes, ordinances, and zoning requirements;
 - iii. Meets the accessibility requirements of Section 504 of the Rehabilitation Act of 1973, Titles II and III of the Americans with Disabilities Act, the Fair Housing Act, or any other applicable standards;
 - iv. Complies with MFA's Mandatory Design Standards, the State of New Mexico NHTF Rehabilitation Standards, and NHTF and HOME Property Standards; and
 - v. Incorporates recommendations from HUD Environmental Assessment and geotechnical reports.
- c. Submit a written recommendation as to approval or disapproval of overall design and/or specific design elements.

2. Construction Period Activity

Due to the complexity of the funding sources it provides, MFA's role may be as a traditional lender, a governmental agency, or both. As such, the Offeror could conduct one or both of Scope Items II.B.2.a and II.B.2.b (inspections may be combined in certain circumstances):

- a. Conduct three project inspections during project construction for MFA in its role as a governmental agency, including:
 - i. Review construction progress compared to approved construction documentation to determine if it is adequate, complete, and acceptable.
 - ii. Submit a written opinion to MFA as to whether the project conforms to the following standards (if applicable) and any variances to these standards:
 - a. Substantively similar to the approved construction documentation approved by MFA;
 - b. Meets all applicable state and local codes, ordinances, and zoning requirements;
 - c. Meets the accessibility requirements of Section 504 of the Rehabilitation Act of 1973 if applicable, Titles II and III of the

- Americans with Disabilities Act, the Fair Housing Act, or any other applicable standards;
 - d. Complies with MFA's Mandatory Design Standards, the NMHTF Rehabilitation Standards, and NHTF and HOME Property Standards; and
 - e. Incorporates recommendations from HUD Environmental Assessment and geotechnical reports.
 - iii. Submit a written recommendation as to approval or disapproval of overall design and/or specific design elements.
 - b. Conduct standard verifications of contractor's monthly application for payment for MFA in its role as lender, including:
 - i. Conduct monthly inspections throughout construction prior to each construction loan draw. Timing of on-site inspections shall coincide with onsite project meetings between the construction project manager, architect and owner. Construction inspections shall be conducted in order to:
 - a. Review draw requests;
 - b. Determine percent of work completed by line item;
 - c. Determine "value in place";
 - d. Review change orders;
 - e. Inspect stored materials; and
 - f. Review adequacy and completeness of invoices and lien waivers.
 - c. Submit a written report to MFA to address each of the items above within ten (10) calendar days of the date of the onsite field inspection. Written reports shall include a recommendation as to approval or disapproval of each payment request and release of funds, complete with photographs.

3. Completion Activity

- a. Inspect assigned project upon completion of construction.
- b. Review certificates of occupancy, project architect's certification and all other completion documentation.
- c. Submit final report within fifteen (15) calendar days of the completion inspection, which must specifically state that the project as built:
 - i. Conforms to the original plans and specifications (with any changes approved by MFA);

- ii. Meets all applicable state and local codes, ordinances, and zoning requirements;
- iii. Meets the accessibility requirements of Section 504 of the Rehabilitation Act of 1973, Titles II and III of the Americans with Disabilities Act, the Fair Housing Act, or any other applicable standards; and
- iv. Complies with MFA's Mandatory Design Standards, the NMHTF Rehabilitation Standards (if applicable), and NHTF and HOME Property Standards (if applicable).

12 EVALUATION CRITERIA

Responses must meet the following minimum requirements in order to qualify for further consideration:

1. The response must be complete and legible and must be submitted by the application deadline.
2. Offeror must provide evidence of being licensed/registered/certified in the state of New Mexico and in good standing pursuant to the relevant licensing laws as described in Part III.A.2 of this RFP.
3. Offeror must demonstrate at least three years of experience providing a comparable scope of services contained herein (and as further described in Part III.A.1 of this RFP).

MFA shall select Offerors to be on the list of approved providers that are most advantageous to MFA. Proposals shall be evaluated primarily on experience and fees. Proposals shall be scored on a scale of one to 100 based on the criteria listed below. A minimum score of 70 is required. Please note, however, that a serious deficiency in any one criterion may be grounds for rejection regardless of overall score.

Offeror(s) meeting the minimum threshold requirements and achieving the minimum required Evaluation Criteria score will be placed on MFA's list of approved providers for architectural review and construction services. MFA may select one or more Offerors. Being selected to be placed on MFA's list of approved providers does not guarantee an award of an assignment. MFA may, for cause, remove a selected Offeror from its approved list.

12.1 SCORING CRITERIA

	Point Range	Maximum Points
1. Experience and Capability: Evaluation of the professional qualifications, background and experience of the	0-50	50

Offeror, including: <ul style="list-style-type: none"> Expertise and experience in the development, design, renovation, and construction of multifamily rental and/or single family development projects; and Expertise and experience in development projects financed with MFA funding, federal funding or LIHTCs. 	0-30 0-20	
2. Work Plan: Evaluation of Offeror's work plan to provide the services.	0-20	20
3. Hourly Fees: The Offeror(s) with the lowest average hourly fees will be awarded 20 points. All other Offeror(s) will receive a lower amount of points proportionate to the difference in the average fees.	0-20	20
4. Capacity: Demonstrated ability and capacity to provide the services and meet timing requirements.	0-10	10
Maximum Points (Minimum of 70 points required)		100

13 OFFEROR SUBMISSION INSTRUCTIONS AND FORMAT

Submissions must, at a minimum, contain the following information and shall be organized as follows:

- A. Letter of Transmittal – to include at least the following information:
1. Name, address and telephone number of Offeror and name of contact person;
 2. A signature of the Offeror or any partner, officer or employee who certifies that he or she has the authority to bind the Offeror;
 3. Date of submission;
 4. A statement that the Offeror, if selected to be on the list of approved providers, will comply with the terms and conditions set forth in this RFQ and in any engagement letter;
 5. A statement describing how long the Offeror can hold the all-inclusive hourly fee rates, with the minimum being two years from date of proposal, and how future increases will be negotiated;

6. The location of Offeror's main office and the locations of any of Offeror's branch offices; and
7. Statement as to whether the Offeror is proposing to perform the entire scope of work, Scope Item II.A alone, or Scope Item II.B alone.

B. Disclosures and Certifications

1. Offeror shall provide a 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 currently serving or who has served on MFA's Board Directors in the last three years; (2) any current or proposed business transactions between Offeror and any MFA member, officer or employee; (3) any affordable housing project or development team that Offeror or Offeror's family has a financial interest in or has undertaken prior work for; and (5) any other conflict or potential conflict which may give rise to a claim of conflict of interest, in particular pursuant to Part III.B of this RFQ.
2. Offeror shall provide a statement disclosing any pending investigation, litigation, recent settlements or regulatory sanctions in performing professional services during the past five years involving Offeror's firm or employees or individuals or organizations involved in any third-party agreements or joint venture agreements. Describe any circumstances under which Offeror's firm or any of Offeror's members or employees have been disciplined by any professional licensing, regulatory or ethics entity. Indicate whether Offeror's firm has been involved in any capacity in litigation, investigations or regulatory proceedings involving HUD, the State of New Mexico or any agency thereof.
3. Offeror shall provide MFA with written certification that Offeror is eligible to participate in any and all federal- or state-funded housing programs; is not currently facing disciplinary action by any federal, state or local entity; is not suspended, debarred or excluded from participation in any federal- or state-funded housing program; is not listed as an excluded party on the System for Award Management's list of excluded parties accessed at www.sam.gov; and has not been debarred by MFA.
4. Offeror shall provide MFA with written certification that Offeror has read and shall at all times conduct itself in a manner consistent with MFA's Code of Conduct and MFA's Anti-Harassment Policy.
5. Offer shall provide MFA with a written statement that Offeror is an Equal Opportunity Employer and complies fully with all government regulations regarding nondiscriminatory employment practices.

C. Experience and Capability

1. Statement describing experience and technical capability and capacity to provide responsive and professional services to MFA and to address Evaluation Criterion 1 as described in Part V.B of the RFQ.
2. A description of New Mexico clients for which Offeror has worked or performed services, currently or in the last 10 years.

3. Names and resumes of the key personnel including support staff to be assigned to MFA engagements.
4. Names of at least three references of persons who have worked with the same key personnel proposed.
5. Proof that Offeror is licensed/registered/certified in the state of New Mexico and in good standing pursuant to the relevant licensing laws.

D. Work Plan and Capacity

1. Offeror's proposal for delivering services, including organization of responsibilities, approach, and the availability of personnel for consultation and discussion, as necessary to serve the needs of MFA. Please include steps and time frames to complete all of the tasks described in Part II of the RFQ.
2. Detailed discussion of Offeror's staffing and other elements of its capacity to complete the scope of services specified in Part II of this RFQ.

E. Compensation

Fee basis should be an all-inclusive, hourly fee, which should include staff time and "out-of-pocket expenses." Offeror must provide an hourly fee breakdown for each staff position it would propose to use and/or make available to MFA for use as needed. Offeror must also state how long the Offeror can hold the all-inclusive hourly fee rates with the minimum amount of time being two years. If selected, engagement letters with Offerors must reflect the all-inclusive, hourly fee rates proposed. Please include a statement as to whether the Offeror's proposed rates are the best offered by the firm to any client.

F. Other

1. Offeror must provide proof of professional liability insurance (E&O) or comparable protection with the limit of \$1,000,000 per occurrence.
2. Please provide any other relevant information which will assist MFA in evaluating Offeror's ability to provide the services as described herein to MFA.

Tab 11



MEMORANDUM

TO: MFA Board of Directors

Through: Contracted Services – May 12, 2020

Through: Policy Committee – April 14, 2020

FROM: Jackie Garrity, Emergency Homeless Assistance Program (EHAP)
Program Manager

SUBJECT: 2020-2021 Emergency Homeless Assistance Program – Award Recommendations

Recommendation:

Staff is seeking approval of two items with regards to the Emergency Homeless Assistance Program (EHAP) funding for 2020-2021.

1. MFA is allowed a percentage of both the federal and state awards, for the homeless programs, for admin. We are seeking approval of 7.5% of the federal ESG award and 5% of the state award.

Funding Source	Estimated Award	Recommended Admin
HUD (ESG)	\$1,200,740.00	\$90,055.50 (7.5%)
State Homeless	\$1,215,700.00	\$60,785 (5%)

2. We are seeking approval of the Emergency Homeless Assistance Program final awards, for all eligible shelters, for program year 2020-2021. Final award letters will be sent upon approval from Contracted Services and the MFA Board of Directors.

Background:

MFA administers the Emergency Homeless Assistance Program which is funded through the U.S. Department of Housing and Urban Development's (HUD) Emergency Solutions Grants (ESG) program under the Homeless Emergency Assistance Rapid Transition Housing Act (HEARTH) of 2009 which amends and reauthorizes the McKinney-Vento Homeless Assistance programs and the State of New Mexico's appropriation to the state Homeless Program.

Discussion:

On February 19, 2020, the MFA Board approved an RFP for program years 2020-2021 and 2021-2022, with option to renew for three additional years, through 2024-2025. On February 20, the EHAP RFP was released. Twenty-four (24) proposals were received. Six (6) were denied because they didn't meet the requirements in the RFP.

Shelter Name	Issue	RFP Reference
La Casa (DV)	Did not meet Minimum Qualifications	Section 11, Minimum Qualifications/Requirements, p 13 – <i>Offeror must meet the basic eligibility criteria in order to be considered for funding.</i> Section 2.6, Deficiency Correction Period, p 5 – <i>If deficiency items are provided and the RFP still remains deficient, the proposal will be rejected without any further review.</i>
Crisis Center of Northern NM (DV)	Agency with lowest score located within 46 miles of another DV	Section 12, Evaluation Criteria, p 15 – <i>For shelters located within 70 miles of another shelter serving a similar category of homelessness, (i.e., domestic violence, adult homeless, or youth homeless), the Offeror with the highest overall score will be funded.</i>
Carlsbad Battered Families (DV)	Did not meet minimum score	Section 12, Evaluation Criteria, p 15 - <i>Applications with an overall score below 60% will not be considered for funding.</i>
Roswell Refuge (DV)	Did not meet minimum score	Section 12, Evaluation Criteria, p 15 - <i>Applications with an overall score below 60% will not be considered for funding.</i>
Youth Development, Inc (YDI) (youth)	Did not meet minimum score	Section 12, Evaluation Criteria, p 15 – <i>Applications with an overall score below 60% will not be considered for funding.</i>
Taos Coalition to End Homelessness (Adult)	Did not meet minimum score	Section 12, Evaluation Criteria, p 15 – <i>Applications with an overall score below 60% will not be considered for funding.</i>

The MFA internal review team then scored the eligible proposals based on the following criteria, as it is shown in the RFP:

Performance with Housing Placement: 40%

Agency Experience and Capacity: 20%

Fiscal Accountability: 20%

Compliance with Funders: 20%

Funding Allocations for the 2020/2021 Program Year	
HUD – ESG	\$1,200,740.00
State Homeless	\$1,215,700.00
State of NM - Human Services Department RAP Award	\$50,000.00
Less HUD – ESG Admin 7.5% (MFA Admin)	\$90,055.50
Less State Homeless Admin 5% (MFA Admin)	\$60,785.00
Balance to Allocate	\$2,466,400.00
Allocations for 2020/2021 by Program	
NM Coalition to End Homelessness	\$88,000.00
EHAP	\$948,596.71
RAP	\$817,036.79
COC	\$461,966.00
Total	\$2,466,400.00

The following breakdown is used in an attempt to equalize the awards across all three types of shelters:

Total Estimated EHAP funds: \$948,596.71

50% to DV Shelters = \$474,298.35

25% to Youth Shelters = \$237,149.18

25% to Adult Shelters = \$237,149.18

Awards were determined based on each shelter's score as it compared to the scores of all qualified shelters within that category. For instance, the three (3) youth shelters each received a percentage of the \$237,149.18 based on their prorated scores. This process was followed for the adult shelters and domestic violence shelters as well.

Type	Shelter Name	Location	2019-2020 Award	Proposed 2020-2021 Award	Difference
Youth	Assurance Home	Roswell	\$23,541.18	\$64,996.44	\$41,455.26
Youth	DreamTree	Taos	\$28,082.51	\$88,711.36	\$60,628.85
Youth	Youth Shelters & Family Services	Santa Fe	\$23,119.59	\$83,441.38	\$60,321.79
				\$237,149.18	

Type	Shelter Name	Location	2019-2020 Award	Proposed 2020-2021 Award	Difference
Adult	Heading Home	Albuquerque	\$68,139.10	\$47,169.23	-\$20,969.87
Adult	People Assisting the Homeless (PATH)	Farmington	\$38,640.18	\$55,074.21	\$16,434.03
Adult	Samaritan House	Las Vegas	\$10,956.43	\$59,504.46	\$48,548.03
Adult	St. Elizabeth	Santa Fe	\$59,270.11	\$75,401.28	\$16,131.17
				\$237,149.18	

Type	Shelter Name	Location	2019-2020 Award	Proposed 2020-2021 Award	Difference
DV	Barrett Foundation	Albuquerque	\$0.00	\$36,124.94	\$36,124.94
DV	Center of Protective Environment (COPE)	Alamogordo	\$33,072.25	\$50,765.75	\$17,693.50
DV	Community Against Violence	Taos	\$39,857.70	\$43,790.77	\$3,933.07
DV	El Refugio	Silver City	\$34,823.80	\$43,325.77	\$8,501.97
DV	Family Crisis Center	Farmington	\$48,643.49	\$50,765.75	\$2,122.26
DV	Grammy's House	Artesia	\$23,340.94	\$49,835.75	\$26,494.81
DV	Hartley House	Clovis	\$27,596.96	\$34,729.94	\$7,132.98
DV	Haven House	Rio Rancho	\$26,971.21	\$34,504.09	\$7,532.88
DV	Option, Inc.	Hobbs	\$31,365.55	\$50,765.75	\$19,400.20
DV	SAFE House	Albuquerque	\$78,897.82	\$37,054.94	-\$41,842.88
DV	Valencia Shelter Services	Los Lunas	\$36,603.60	\$42,634.92	\$6,031.32
				\$474,298.35	

Summary:

Staff is requesting approval of 7.5%, **\$90,055.50**, of the total HUD (ESG) award and 5%, **\$60,785**, of the state award for MFA admin. We also seek your approval of the final awards in the amount of **\$948,596.71** for the Emergency Homeless Assistance Program for all eighteen (18) eligible shelters. Final award letters will be sent upon approval from Contracted Services and the MFA Board of Directors.

Total Individuals Assisted in Shelters - PY 2018-2019

Shelter	Location	# Individuals	# Individuals	# Exits to PH
		Projected to Assist	Assisted	
Assurance Home	Roswell	46	48	20
Battered Families Services	Gallup	250	155	21
Carlsbad Battered Families	Carlsbad	150	106	24
Center Of Protective Environment (COPE)	Alamogordo	160	156	124
Community Against Violence	Taos	153	148	113
Crisis Center of Northern NM	Espanola	60	137	32
DreamTree Project	Taos	30	60	7
El Refugio	Silver City	100	122	87
Family Crisis Center	Farmington	305	336	171
Grammy's House	Artesia	135	60	41
Hartley House	Clovis	200	149	86
Haven House	Rio Rancho	300	206	90
Heading Home	Albuquerque	780	760	201
Healing House	Deming	100	138	52
Help End Abuse for Life (HEAL)	Ruidoso	300	167	35
Interfaith Community Shelter	Santa Fe	900	491	12
La Casa	Las Cruces	332	410	111
New Day Youth & Family Services	Albuquerque	50	199	39
Option, Inc.	Hobbs	100	100	97
People Assisting the Homeless (PATH)	Farmington	465	361	77
Roswell Refuge	Roswell	250	114	3
S.A.F.E. House	Albuquerque	750	704	248
Samaritan House	Las Vegas	100	179	81
St. Elizabeth Shelter	Santa Fe	500	546	190
Valencia Shelter Services	Los Lunas	125	166	83
Youth Development, Inc (YDI)	Albuquerque	200	95	21
Youth Shelters & Family Services	Santa Fe	120	127	33
		6961	6240	2099

EHAP Service Area

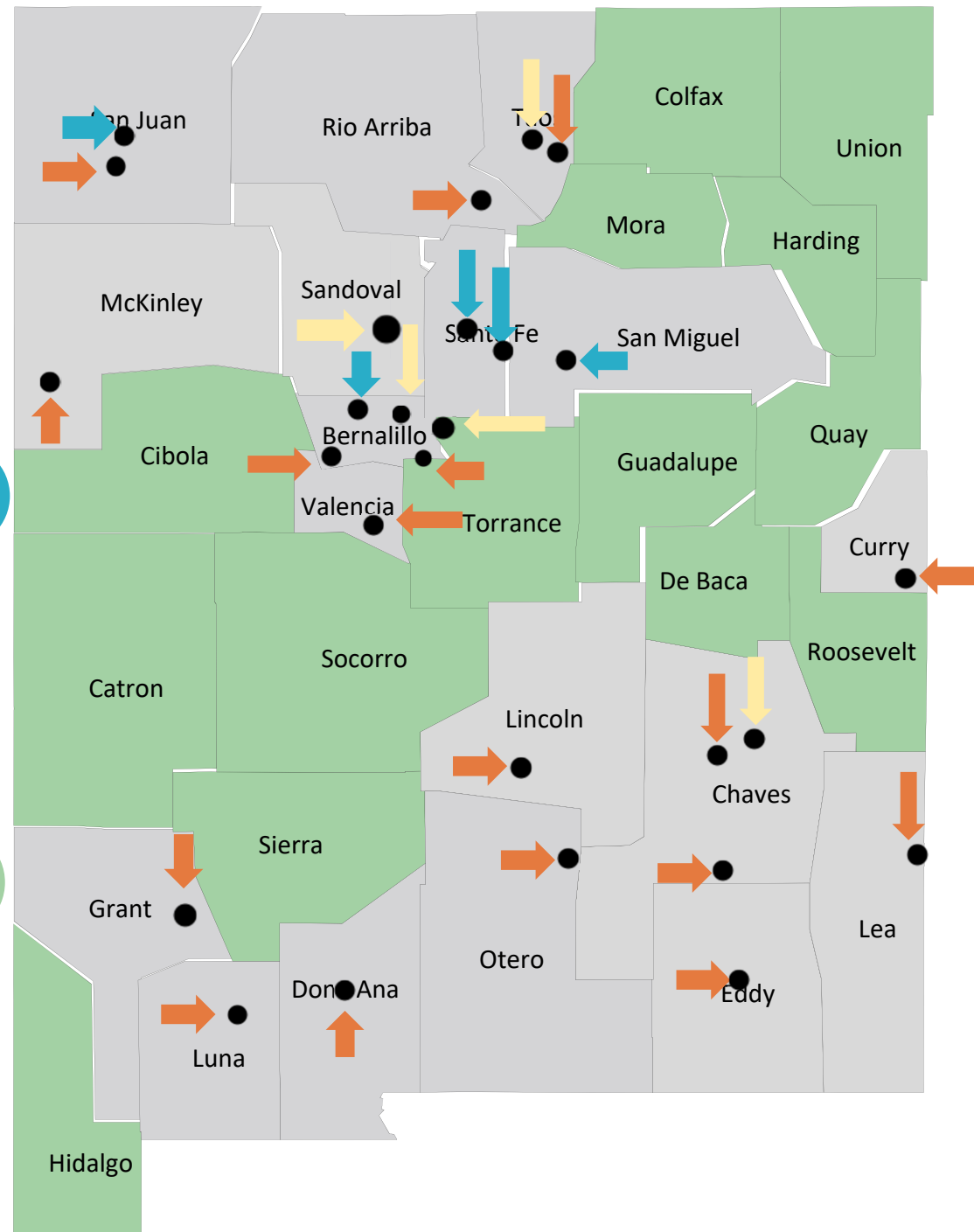
2019-2020

Adult - 5

Youth - 5

Domestic Violence - 17

Service Gaps – No Provider



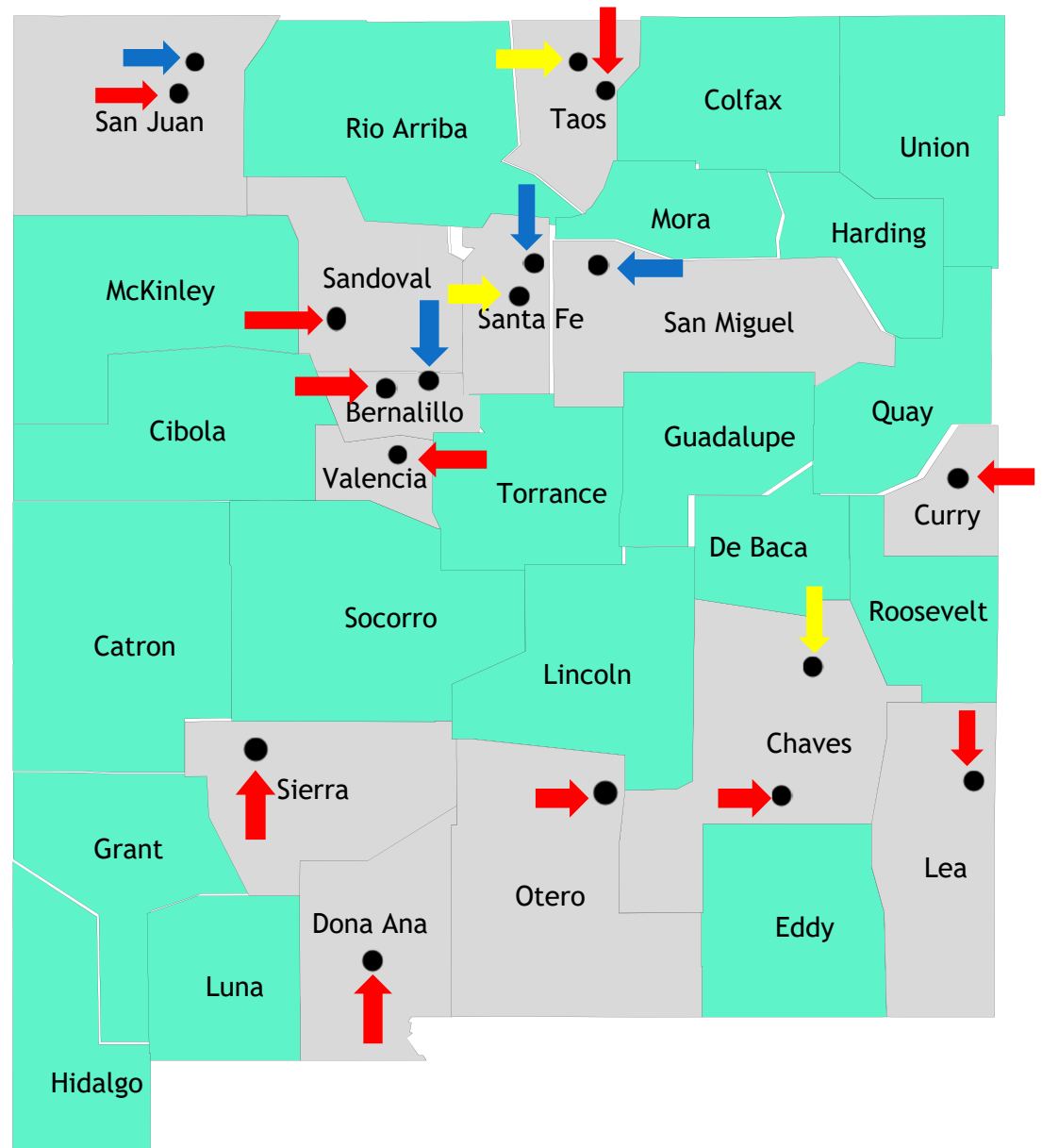
EHAP Service Area 2020-2021

Adult - 4

Youth - 3

Domestic Violence - 11

Service Gaps - No Provider



Slide 8

JG1

Jackie Garrity, 5/4/2020

Youth Shelters Funding for 2020-2021	
Estimated Total EHAP Award	\$948,596.71
25% to Youth Shelters	\$237,149.18

	Funding by Weight of Criteria
Award for Exit Rate	\$94,859.67
Award for Experience/Capacity	\$47,429.84
Award for Audits	\$47,429.84
Award for Compliance	\$47,429.83
Totals	\$237,149.18

Points for % exits /Total Points = % X total "award for exit rate"
Points Exp-Cap/Total Points Exp-Cap = % X "total award exp-cap"
Points for audit/Total Audit Points = % X "total award for audits"
Pts for compliance/total compliance pts = % X "total award for compliance"
Preliminary Awards = F + H + J + L

Youth Homeless Shelters	Points for % Exits to PH
Assurance Home	10
DreamTree	25
Youth Shelters & Family Services	25
Total	60

Total clients served CY19	Award for Exit Rate	Points for Experience & Capacity	Total Award - Experience & Capacity	Points for Audit	Total Award for Audits	Points for Compliance	Total Award for Compliance	Preliminary Awards 2020-2021	2019-2020 Awards	Difference
44	\$ 15,809.95	20	\$17,566.61	20	\$15,809.95	10	\$15,809.94	\$ 64,996.44	\$23,541.18	\$41,455.26
44	\$ 39,524.86	20	\$17,566.61	20	\$15,809.95	10	\$15,809.94	\$ 88,711.36	\$28,082.51	\$60,628.85
126	\$ 39,524.86	14	\$12,296.63	20	\$15,809.95	10	\$15,809.94	\$ 83,441.38	\$23,119.59	\$60,321.79
214	\$ 94,859.67	54	\$47,429.84	60	\$47,429.84	30	\$47,429.83	\$ 237,149.18		

Adult Shelters Funding for 2020-2021	
Estimated Total EHAP Award	\$948,596.71
25% to Adult Shelters	\$237,149.18

	Funding by Weight of Criteria
Award for Exit Rate	\$94,859.67
Award for Experience/Capacity	\$47,429.84
Award for Audits	\$47,429.84
Award for Compliance	\$47,429.83
Totals	\$237,149.18

Points for % exits /Total Points = % X total "award for exit rate"
Points Exp-Cap/Total Points Exp-Cap = % X "total award exp-cap"
Points for audit/Total Audit Points = % X "total award for audits"
Pts for compliance/total compliance pts = % X "total award for compliance"
Preliminary Awards = F + H + J + L

Adult Homeless Shelters	Points for % Exits to PH
Heading Home	10
PATH	10
Samaritan House	25
St. Elizabeth	25
Total	70

Total clients served CY19	Award for Exit Rate	Points for Experience & Capacity	Total Award - Experience & Capacity	Points for Audit	Total Award for Audits	Points for Compliance	Total Award for Compliance	Preliminary Awards 2020-2021	2019-2020 Awards	Difference
820	\$13,551.38	20	\$12,161.50	20	\$13,551.38	10	\$7,904.97	\$47,169.23	\$68,139.10	-\$20,969.87
394	\$13,551.38	20	\$12,161.50	20	\$13,551.38	20	\$15,809.94	\$55,074.21	\$38,640.18	\$16,434.03
202	\$33,878.45	18	\$10,945.35	10	\$6,775.69	10	\$7,904.97	\$59,504.46	\$10,956.43	\$48,548.03
624	\$33,878.45	20	\$12,161.50	20	\$13,551.38	20	\$15,809.94	\$75,401.28	\$59,270.11	\$16,131.17
2,040	\$94,859.67	78	\$47,429.84	70	\$47,429.84	60	\$47,429.83	\$237,149.18		

DV Shelters Funding for 2020-2021	
Estimated Total EHAP Award	\$948,596.71
50% to DV Shelters	\$474,298.35

	Funding by Weight of Criteria
Award for Exit Rate	\$189,719.34
Award for Experience/Capacity	\$94,859.67
Award for Audits	\$94,859.67
Award for Compliance	\$94,859.67
Totals	\$474,298.35

Points for % exits /Total Points = % X total "award for exit rate"

exits /# total clients = "% exit rate"

% exit rate / total exit rate = "award for exit rate"

Points Exp-Cap/Total Points Exp-Cap = % X "total award exp-cap"

Points for audit/Total Audit Points = % X "total award for audits"

Pts for compliance/total compliance pts = % X "total award for compliance"

Preliminary Awards = F + H + J + L

DV Shelters	Poinits for % Exits to PH
Barrett Foundation	25
Center of Protective Environment (COPE)	40
Community Against Violence	40
El Refugio	40
Family Crisis Center	40
Grammy's House	40
Hartley House	25
Haven House	10
Option, Inc	40
SAFE House	25
Valencia Shelter Services	25
Total	350

Total clients served CY19	Award for Exit Rate	Points for Experience & Capacity	Total Award - Experience & Capacity	Points for Audit	Total Award for Audits	Points for Compliance	Total Award for Compliance	Preliminary Awards 2020-2021	2019-2020 Awards	Difference
325	\$ 13,551.38	18	\$8,369.97	20	\$8,623.61	10	\$5,579.98	\$ 36,124.94	\$ -	\$36,124.94
168	\$ 21,682.21	20	\$9,299.97	20	\$8,623.61	20	\$11,159.96	\$ 50,765.75	\$33,072.25	\$17,693.50
172	\$ 21,682.21	17	\$7,904.97	20	\$8,623.61	10	\$5,579.98	\$ 43,790.77	\$39,857.70	\$3,933.07
122	\$ 21,682.21	16	\$7,439.97	20	\$8,623.61	10	\$5,579.98	\$ 43,325.77	\$34,823.80	\$8,501.97
309	\$ 21,682.21	20	\$9,299.97	20	\$8,623.61	20	\$11,159.96	\$ 50,765.75	\$48,643.49	\$2,122.26
75	\$ 21,682.21	18	\$8,369.97	20	\$8,623.61	20	\$11,159.96	\$ 49,835.75	\$23,340.94	\$26,494.81
125	\$ 13,551.38	15	\$6,974.98	20	\$8,623.61	10	\$5,579.98	\$ 34,729.94	\$27,596.96	\$7,132.98
201	\$ 5,420.55	20	\$9,299.97	20	\$8,623.61	20	\$11,159.96	\$ 34,504.09	\$26,971.21	\$7,532.88
123	\$ 21,682.21	20	\$9,299.97	20	\$8,623.61	20	\$11,159.96	\$ 50,765.75	\$31,365.55	\$19,400.20
700	\$ 13,551.38	20	\$9,299.97	20	\$8,623.61	10	\$5,579.98	\$ 37,054.94	\$78,897.82	-\$41,842.88
167	\$ 13,551.38	20	\$9,299.97	20	\$8,623.61	20	\$11,159.96	\$ 42,634.92	\$36,603.60	\$6,031.32
2,487	\$ 189,719.34	204	\$94,859.67	220	\$94,859.67	170	\$94,859.67	\$ 474,298.35		

Shelter Name	Location	Total Score (100 pts possible)	2019-2020 Award	Proposed 2020-2021 Award	Increase / (Decrease)
Youth					
Assurance Home	Roswell	60	\$23,541.18	\$64,996.44	\$41,455.26
DreamTree	Taos	75	\$28,082.51	\$88,711.36	\$60,628.85
Youth Shelters & Family Services	Santa Fe	69	\$23,119.59	\$83,441.38	\$60,321.79
Adult					
Heading Home	Albuquerque	60	\$68,139.10	\$47,169.23	-\$20,969.87
People Assisting the Homeless (PATH)	Farmington	70	\$38,640.18	\$55,074.21	\$16,434.03
Samaritan House	Las Vegas	63	\$10,956.43	\$59,504.46	\$48,548.03
St. Elizabeth	Santa Fe	75	\$59,270.11	\$75,401.28	\$16,131.17
Domestic Violence					
Barrett Foundation	Albuquerque	73	\$0.00	\$36,124.94	\$36,124.94
Center Of Protective Environment (COPE)	Alamogordo	100	\$33,072.25	\$50,765.75	\$17,693.50
Community Against Violence	Taos	87	\$39,857.70	\$43,790.77	\$3,933.07
El Refugio	Silver City	86	\$34,823.80	\$43,325.77	\$8,501.97
Family Crisis Center	Farmington	100	\$48,643.49	\$50,765.75	\$2,122.26
Grammy's House	Artesia	96	\$23,340.94	\$49,835.75	\$26,494.81
Hartley House	Clovis	70	\$27,596.96	\$34,729.94	\$7,132.98
Haven House	Rio Rancho	70	\$26,971.21	\$34,504.09	\$7,532.88
Option, Inc.	Hobbs	100	\$31,365.55	\$50,765.75	\$19,400.20
S.A.F.E. House	Albuquerque	75	\$78,897.82	\$37,054.94	-\$41,842.88
Valencia Shelter Services	Los Lunas	85	\$36,603.60	\$42,634.92	\$6,031.32
Did Not Qualify					
Crisis Center of Northern New Mexico	Espanola	65 = DNQ	\$24,044.86	\$0.00	(\$24,045)
Carlsbad Battered Families	Carlsbad	49 pts = DNQ	\$19,701.53	\$0.00	(\$19,702)
Taos Coalition to End Homelessness	Taos	44 pts = DNQ	\$0.00	\$0.00	\$0
Youth Development Inc (YDI)	Albuquerque	40 pts = DNQ	\$21,339.29	\$0.00	(\$21,339)
Roswell Refuge	Roswell	46 pts = DNQ	\$31,208.91	\$0.00	(\$31,209)
La Casa	Las Cruces	DNQ	\$38,916.63	\$0.00	(\$38,917)
Battered Families Services	Gallup	DNQ	\$14,973.71	\$0.00	(\$14,974)
New Day Youth & Family Services	Albuquerque	DNQ	\$26,142.70	\$0.00	(\$26,143)
Healing House	Deming	DNQ	\$27,084.92	\$0.00	(\$27,085)
Help End Abuse for Life (HEAL)	Ruidoso	DNQ	\$25,721.08	\$0.00	(\$25,721)
Interfaith Community Shelter (did not apply)			\$38,683.02	\$0.00	(\$38,683)
			\$632,922.40	\$900,739.06	\$267,816.66

YELLOW = DNQ - did not attend mandatory training (4)

GRAY = DNQ - did not meet minimum score (4)

ORANGE = DNQ - did not meet minimum qualifications (1)

GREEN = DNQ - 46 miles to similar shelter, low score (1)

BLUE = Eligible (18)

Tab 12



MEMORANDUM

TO: MFA Board of Directors

Through: Contract Services Committee – May 12, 2020

Through: Policy Committee – April 28, 2020

FROM: Troy Cucchiara

DATE: May 20, 2020

SUBJECT: Approval of 2019/2021 DOE Annual and Master State Plan Revision

Recommendation

Approval of the NM EnergySmart 2019/2021 Department of Energy (DOE) Weatherization Assistance Program Annual and Master State Plans.

Background

State Plan Description

The State Plan is the annual application package that is submitted by MFA to the DOE prior to receiving funding for the Weatherization Assistance Program. Every year, the DOE requires each state to submit an application by May 1, that is referred to as the State Plan. The State Plan consists of two sections; the Annual Plan, and the Master Plan.

The Annual Plan includes a detailed breakdown of how the funds will be allocated. The Master Plan describes how the program will be managed overall by the NM EnergySmart Program.

2019-2020 Revision

Due to the COVID-19 crisis, the DOE has provided an option to combine the 2019-2020 funding with the 2020-2021 funding as a revision to the active 2019-2020 State Plan. The NM EnergySmart Program has chosen to utilize this option and revise the existing plan to include the new funding. This revision is reflected in the Annual Plan. The chart below breaks down the funding for each of the two program years and the revision combining both years.

Description	2019/2020	2020/2021	2019/2021 Revision
Total DOE Funding	\$2,232,675.00	\$2,508,160.00	\$4,740,835.00
State Funding	0	\$1,000,000.00	\$1,000,000
Previous Year Carry Over	0	\$65,703.80	\$65,703.80
Total Funding	\$2,232,675.00	\$3,573,863.80	\$5,806,538.80
Statewide Per Unit Average	\$6,017.75	\$6,001.21	\$6,007.22

Total Program Funding

For Program Year 2020/2021 the anticipated funding from all funding sources for the NM EnergySmart Program is **\$7,705,232.80**. The State Plan includes the DOE funding for two years, and state funds totaling \$5,806,538.80 from the Department of Energy, 2019-2020 carry over, and state funds.

Funding Source	2019-2020	2020-2021	State Plan Merge
Department of Energy (2020-2021)	\$2,232,675.0	\$2,508,160.00	\$4,740,835
Carry Over DOE	0	\$65,703.80	\$65,703.80
LIHEAP	\$2,351,250.00	\$2,621,321.00	NA
New Mexico Gas Co.	\$1,298,734.00	\$1,300,000.00	NA
State of New Mexico	0	\$1,000,000.00	\$1,000,000.00
Public Service Company of NM	\$220,250.00	\$165,048.00	NA
Central Valley Electric Coop (CVE)	\$35,000.00	\$35,000.00	NA
Climate Change Leadership Institute (CCLI)	\$10,000.00	\$10,000.00	NA
Total	\$6,147,909.00	\$7,705,232.80	\$5,806,538.80

Funding sources other than DOE referred to as leverage are used to increase the amount of work each home receives and it allows the federal funds to stretch further to weatherize more homes. An explanation of those funding sources are:

- Utility funding such as NM Gas, PNM, and CVE are driven by energy savings and Public Regulation Commission requirements.
- Low Income Heating Energy Assistance Program (LIHEAP) funding is a federal source. Guidelines are based on DOE rules and regulations.
- 2019 legislative state funding (93100 Capital Appropriation Project) is included in the State Plan.
- CCLI is a grant to the program from a Santa Fe based institute

Service Provider Breakdown

For the 2019-2021 funding, the \$5,806,538.80 award to New Mexico from DOE will be allocated as follows:

Category	MFA	Central NM Housing Corp.	Southwestern Regional Housing and CDC	ICAST (Multifamily)	Total
Administration	\$287,041.75	\$168,078.47	\$61,554.93	\$57,408.35	**\$574,083.50
Leverage	\$18,000.00	-	-	-	\$18,000.00
Capital Outlay	\$240,000.00	-	-	-	\$240,000.00
Training & Technical Assistance	\$206,706.00	\$193,024.00	\$167,024.00	\$286,204.00	\$852,958.00
Program Operations	-	\$1,801,396.45	\$664,198.44	\$616,398.72	\$3,081,993.61
Health & Safety	-	\$485,082.93	\$178,517.07	\$165,900.00	\$829,500.00
Financial Audit	-	\$25,000.00	-	-	\$25,000.00
Liability Insurance		\$93,003.69	\$60,000.00	\$32,000.00	\$185,003.69
TOTAL	*\$751,747.75	\$2,765,585.54	\$1,131,294.44	\$1,157,911.07	\$5,806,538.80
Estimated DOE Units		317	125	111	553

** The admin allocation is set at 10% total with MFA receiving 5% and the remaining 5% allocated to our Subgrantees.

Process

The State Plan is subject to a 10-day public comment and review period. It was advertised in 18 statewide New Mexico newspapers and was posted on the MFA website since March 20, 2020. A Weatherization Assistance Program Policy Advisory Committee (WAP PAC) meeting and public hearing was held on March 19, 2020, in the MFA Board Room. No comments were received.

Summary

The NM EnergySmart program helps low-income New Mexicans save money on utility bills. Homeowners and renters who qualify for the program receive an average of \$6,000 in weatherization measures. The Department of Energy is the primary funding source because they set the rules and



regulations for the program and they are the only funding source that provide for vehicles, equipment and a training and technical assistance budget.

In order to receive the funding from DOE, a State Plan must be submitted no later than May 1, 2020. Due to COVID-19, funding reported in for the 2019/2021 combined State Plan is \$5,806,538.80. With the DOE funding, we are projecting that the ICAST will weatherize approximately 111 multifamily statewide units, Central New Mexico Housing will weatherize approximately 317 single family units and Southwestern Regional Housing and Community Development Corporation will weatherize approximately 125 single family units for a total of 553 units.



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This worksheet should be completed as specified in Section III of the Weatherization Assistance Program Application Package.

V.1 Eligibility

V.1.1 Approach to Determining Client Eligibility

Provide a description of the definition of income used to determine eligibility

Definition of income used to determine eligibility:

A dwelling unit shall be eligible for weatherization assistance under this part if it is occupied by a family unit whose income is at or below 200% of the poverty level determined in accordance with criteria established by the Director of the Office of Management and Budget. An individual or family unit whose income is at or below 200% of the poverty level, contains a member who has received cash assistance payments under Title IV or XVI of the Social Security Act or applicable State or local law at any time during the 12 month period preceding the determination of eligibility for weatherization assistance.

The 2018 US Census American Community Survey one year estimates identified 169,988 family households in the state with incomes at or below 200% of the poverty level, the WAP eligibility limit. These households equal 22% of the state's population of households.

Additionally, the 2018 US Census American Community Survey provides other significant findings about persons with incomes at or below the poverty level:

- 234,685 households contain one or more people under 18 years of age;
- Approximately 46,702 households contained children that were under six years of age;

From 2018 US Census American Community Survey regardless of poverty status:

- The number of dwelling units in which the elderly reside was estimated at 240,180;
- The number of dwelling units in which people with disabilities reside was estimated at 311,365.

To be eligible for New Mexico Weatherization Assistance Program services, clients must meet the income criteria outlined in 10 CFR 440.22 or meet a minimum of one of the following criteria as outlined in WPN 19-3:

- Have a gross household income (total annual cash receipts) at or below 200% of the federal poverty level as established by the Director of the Office of Management and Budget (OMB);
- Receive cash assistance payments under Title IV or Title XVI of the Social Security Act or in accordance with applicable State or local law, at any time during the past five years preceding the determination of eligibility. Acceptable programs include:
 - a. Temporary Aid to Needy Families (TANF)
 - b. Supplemental Security Income (SSI)
 - c. Social Security Disability Insurance (SSDI)
 - d. Aid to Needy Disabled (AND)
 - e. Old Age Pension (OAP)
 - f. Supplemental Nutrition Assistance Program (SNAP)

Describe what household eligibility basis will be used in the Program

Eligibility Basis

Before a home is qualified for weatherization, the client must be approved. This approval process begins with receipt of an application. A NM EnergySmart intake staff member reviews applications to ensure that clients qualify for the program. A client will not be qualified unless the following items are provided for the file.

- A completed application
- Income verification criteria listed in WPN 19-4
- Proof of ownership and or landlord sign off
- A current utility bill for gas & electric service

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Proof of income may be in the form of:

- Documented verification from income sources
- Current income tax return
- Copies of pay checks or check stubs

Proof of ownership may be in the form of:

- Evidence of mortgage payments
- Property deeds or proof of tax payment

For renters, rental agreements from landlords must be obtained and accompanied with a landlord agreement. Intake staff also reviews the documentation for demographic information such as:

- Proper identification of head of household
- Other household members are identified as applicable for disability or child status
- Proof of disability (Medical documentation is requested to ascertain disability status)

Documentation proving eligibility must be verified by the agency prior to weatherization, kept in the client file, and made available to MFA upon request.

Eligibility documentation is updated at least annually even if the client is on the waiting list.

Re-weatherization: Homes weatherized on or before September 30, 1994 may be re-weatherized, however homes that have never been weatherized will be prioritized over homes that have been previously weatherized.

Notification:

Applicants are immediately notified of their eligibility status. Ineligible applicants are notified in writing, stating the reason for ineligibility.

Client Appeals Policy:

All Subgrantees shall establish and maintain a policy allowing a client to appeal a denial of service. The policy must be part of the agency's weatherization program manual. In addition, the agency must post the policy on the agency's website, so clients have access to submit a formal appeal for denial of services. The policy must clearly state how the client can initiate the appeal, who will make the determination and the timeline for review.

Steps that should be part of Subgrantee's policy include:

When the agency defers a unit or otherwise denies a client weatherization services, the agency must transmit a formal letter to the client indicating the specific reason(s) for the denial.

If an appeal is received, the agency should have a minimum of a one tier review of the client's application by a staff member in the organization with a supervisory position in the agency hierarchy. The person reviewing the appeal must be someone other than the person who made the initial decision to deny the client services. The reviewer must also be familiar with the regulations regarding eligibility.

The person reviewing the appeal should compare the provisions of the relevant regulation(s) to the application, speak to the agency staff involved in the initial denial, and speak to the client before making a decision.

If a determination is made that the original determination was correct, a formal letter must be sent to the client outlining the determination of the appeal and once again articulating why services were denied. The letter should include the process that took place to confirm the denial.

If the person reviewing the appeal determines the appeal is granted, the client should be provided a letter stating such and detailing when their home will be weatherized. The letter should include the process that took place to confirm the approval.

Describe the process for ensuring qualified aliens are eligible for weatherization benefits

MFA requires Subgrantees to collect proof of a social security number/identity for at least one adult living in the residence. If a social security number is not available for the remaining members of the household, we require a Non-Citizen Immigrant Status for all other members of the household. Immigrants are eligible under the current law referenced on the U.S. Department of Health and Human Services website.

<http://aspe.hhs.gov/hsp/immigration/restrictions-sum.shtml> . In addition, we require a birthdate be provided. The Subgrantee passes the information through our on-line system which has a secure server where the information is encoded. All data is redacted after it has been put into our online system. Our online system scrambles the data for protection of the client.

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V.1.2 Approach to Determining Building Eligibility

Procedures to determine that units weatherized have eligibility documentation

Procedures to determine that units weatherized have eligibility documentation

A dwelling unit is eligible for weatherization assistance if it is occupied by a family whose total income is at or below 200 percent of the poverty income level or if the household contains a member who has received SSI for disability or TANF at any time during the 12-month period preceding the determination of eligibility for weatherization assistance.

In addition, the client must have evidence of mortgage payment, property deed or proof of tax payment to be qualified. For renters, rental agreements from landlords must be obtained and accompanied with a landlord agreement. Both of these documents must be kept in the client file and verified upon monitoring or Quality Control Inspections.

Describe Reweathering compliance

Re-Weatherization

New Mexico does not encourage re-weatherization of homes however if an individual applies for weatherization and their home had been weatherized prior to September 30, 1994 we will allow re-weatherization under the below conditions.

- The Subgrantee must determine that the applicant is eligible
- A DOE approved energy audit must be run on the home
- All health and safety issues must be addressed
- When applicable we use leverage funding instead of DOE funding for any measure that qualifies

Households located in a disaster area would be considered a priority for weatherization as long as the households are eligible and meet one of the priorities established in regulation and are free and clear of any insurance claim resulting from damage incurred from the disaster.

Describe what structures are eligible for weatherization

Eligible Structures

Housing types qualifying for weatherization include single family, multi-family, and mobile homes.

A dwelling unit is eligible for weatherization assistance if it is occupied by a family whose income is at or below 200 percent of the poverty level, contains a member who has received SSI or TANF at any time during the 12-month period preceding the determination of eligibility for weatherization assistance, or is eligible for assistance under the Low-Income Home Energy Assistance Act of 1981.

Non-traditional dwelling units such as shelters or dwelling units sharing a wall with a business will be discussed with the DOE project officer prior to commencement of the project and full caution will be exercised to be sure the particular units are eligible. Weatherization of non-stationary campers and trailers that do not have a mailing address associated with the eligible applicant are not eligible and will not be allowed.

Buildings should be deferred if they have a deficiency in their structure or condition that makes it impractical to weatherize effectively.

Health and safety issues requiring more than what is allowed by WPN 17-7 will be deferred.

The current Health and Safety Plan lists conditions of deferral that include code violations, fuel leaks exceeding the threshold, incidental repairs that cause the cumulative SIR of the building to be less than one, roofing and other structural issues.

If the area is known to have redevelopment plans then weatherization will be deferred until development is complete.

All site built units 45 years old or older will need SHPO clearance and receive approval prior to weatherization.

Describe how Rental Units/Multifamily Buildings will be addressed

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Rental Units

Subgrantees must ensure that single family rentals follow the five points below:

1. Benefits or the services accrue primarily to the low income tenants;
2. The tenants have a way to complain if they feel that the rent has increased as a result of these services and the landlords provide a statement notifying tenants of this procedure;
3. No undue or excessive enhancement shall occur to the dwelling unit;
4. Rent and permission of the building owners are always obtained before commencing work;
5. Rent may not be increased for a minimum of one year unless increases are related to matters other than weatherization work, and a signed statement from the owner stating the above is obtained.

Single Family Rental units qualify for weatherization as long as the landlord agrees to the weatherization and signs a waiver stating that they will not raise the rent on the units for a minimum of one year unless those increases are related to matters other than the weatherization work performed.

To ensure that no undue or excessive enhancements are made to the home, a NEAT or MHEA audit must be run on the home prior to the scope of work being outlined.

The necessary steps that must be taken to ensure proper documentation for weatherizing a single family rental unit include:

- An application must be completed by the client;
- Proof of income must be provided;
- Proof of a lease must be obtained;
- Current copies of the clients gas and electric bills must be obtained;
- Written permission must be obtained from the landlord/agent;
- Subgrantee must obtain certification from the landlord that the rent of the property will remain the same for at least one year following performance of weatherization work;
- MFA will monitor compliance with this policy only to the extent that the 5% to 10% sample monitoring method MFA employs to verify compliance will include rental projects weatherized through the Program.

Multi-Family Rental Units

Multi-Family Rental units qualify for weatherization as long as the clients that are housed in the property qualify for weatherization. The owner/agent must agree to the weatherization, commit to a contribution of 20% of the weatherization materials and sign a waiver stating that they will not raise the rent on the units for a minimum of one year unless those increases are related to matters other than the weatherization work performed.

To ensure that no undue or excessive enhancements are made to the unit, a TREAT or NEAT audit, depending on the building structure must be run on the complex prior to the scope of work being outlined.

The necessary steps that must be taken to ensure proper documentation for weatherizing a multi-family rental unit include:

- Obtain the written permission of the owner or his agent;
- Verify that not less than 66 percent (50 percent for duplexes and four-unit buildings, and certain eligible types of large multi-family buildings) of the dwelling units in the building are eligible dwelling units, or will become eligible dwelling units within 180 days;
- Ensure that the benefits of weatherization assistance in connection with such rental units including units where the tenants pay for their energy through their rent, will accrue primarily to the low-income tenants residing in such units;
- By way of use of the audit, Subgrantee must make certain that no undue or excessive enhancements are made to the units;
- Completed applications must be obtained from each of the clients in the rental units;
- Customer (Property Owner) must fill out applications and all forms to sign for tenants since they have the information on file;
- Current copies of Gas and Electric bills must be obtained from each of the rental units or supplied by the management;
- The multifamily audit process must be followed and include the detailed scope of work, photos, and regular meetings between MFA, Subgrantee, and multifamily building management or owners.

Once the information above is in place, an approval request, in the form of an approved energy audit must be submitted to MFA in order to weatherize multifamily units larger than a 4-plex. A description of the process that determined the measures being installed must be provided with the audit.

Procedures for Owner Contributions are as follows:

- A 20% contribution commitment of the weatherization materials are required from the Owner prior to commencement of the Weatherization Project. The Owner contribution is based on the estimated costs from the energy audit.
- Agreeable to 20% contribution to the projects on a portfolio/program bases.
- Owners have the option of buying down measures if it is determined by use of NEAT or TREAT energy audits that the cost is not a cost effective measure.

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- Owners are not responsible for any additional costs over the written estimate. If the actual (final) cost of the project is higher than the estimate, then the Program will pay the difference;
- For large projects estimated cost for an engineer's estimate of HVAC costs is added to the energy audit costs;
- A memorandum of understanding will be executed between the Owner's representative and Subgrantee prior to the commencement of work;
- The Contract will detail the amount of the Owner contribution;
- The Contract will commit the Owner to certify that he/she will maintain rent at the HUD designated "High Home Rent" levels (Affordable Rent) for a period of one year following performance of weatherization work;
- The Subgrantee is responsible for obtaining the required landlord contribution. The amount of the contribution must be included in the project outline to MFA prior to project approval;
- Landlord 20% contribution received should be applied to supplement the cost of the Project;
- Landlord 20% contributions should be reported on the Statement of Expenditures for the month in which they are received;
- MFA will monitor compliance with this policy as needed. This may include monitoring during unit inspections, technical monitoring, programmatic monitoring, desk monitoring, and upon initial project submittal.

Describe the deferral Process

Deferral Process

There are some situations in which an agency or contractor should not, or may choose not to, weatherize an otherwise eligible unit. In order to deal with such cases, MFA implements the deferral policy for all agencies administering the NM EnergySmart Program. This policy allows weatherization staff to defer services when certain conditions or circumstances exist. Under no circumstances will partial weatherization be allowed. All units reported must be inspected by a Quality Control Inspection (QCI) and determined to be complete. Deferral is allowed under certain conditions; however, an agency should define its intentions at the time a condition occurs. The agency/contractor deferral policy must contain these elements:

Deferral of weatherization services - An agency or contractor may postpone weatherization services under the following conditions:

- A dwelling unit is vacant;
- A dwelling unit is for sale;
- A dwelling unit is scheduled for demolition;
- A dwelling unit proves to be dilapidated or structurally unsound and unsafe. Dilapidated units are classified as those which do not provide decent, safe, and sanitary shelter in their present state and have defects so serious and numerous that the repairs required to revive the structure to standard condition would not be economically feasible;
- A dwelling unit is deemed by the auditor to pose a threat to the health or safety of the crew or contractor;
- A mobile home is improperly installed (for example, without adequate supports);
- A dwelling unit is uninhabitable (for example, a burned-out apartment);
- A dwelling unit is affected by mold and mildew and the area affected is too large for the weatherization crew or contractor to remediate;
- The client is uncooperative with the weatherization agency or its contracted agent, either in demanding that certain work be done, refusing higher priority work which is needed, being abusive to the work crew or contractor, or by being unreasonable in allowing access to the unit. Every attempt should be made to explain the program and the benefits of the work. If this fails, work should be suspended and MFA should be consulted. In such cases, documentation is required;
- Obvious discrepancies are found between the information supplied by the client on the application and observed conditions at the time of weatherization. The agency or contractor must resolve these discrepancies before weatherization work can continue;
- If at any time prior to the beginning of work (work officially begins when the audit is performed) the agency or contractor determines that the client is no longer eligible or personnel believe that circumstances may have changed, the unit shall not be weatherized until updated information can be obtained from the client.

There are health or safety hazards that must be corrected before weatherization services may begin including, but not limited to:

- The presence of animal feces and/or other excrement;
- There are rats, bats, roaches, reptiles or insects present that could cause harm to the crew or other animals or varmints that are not properly contained on the premises;
- Loose dogs;
- Disconnected waste water pipes;
- Hazardous electrical wiring where the cost to repair exceeds the SIR threshold of the home;
- The presence of unsafe levels of mold or mildew;
- Unvented combustion appliances or actionable levels of ambient carbon monoxide;
- There are illegal drugs or illegal activities occurring on the premises;
- The client or owner is physically or verbally abusive to any personnel;
- One or more occupants in a dwelling have been diagnosed with a contagious and life-threatening disease;
- When a person's health may be at risk and/or the work activities could constitute a health and safety hazard, the occupant at risk will be required to take

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appropriate action based on the severity of the risk.

Failure or the inability to take appropriate actions must result in deferral of the weatherization work.
In unusual situations not covered above or where other problems of a unique nature exist, MFA should be consulted.

Procedure:

If an agency or contractor cannot, or chooses not to weatherize a dwelling unit, it must notify the client or owner/authorized agent by use of the Deferral of Services Form which should include:

- The nature and extent of the problem(s) and how the problem(s) relate(s) to the determination not to weatherize the unit;
- Any corrective action required before weatherization services can be initiated;
- A time limit for correcting problems so that weatherization services may be rescheduled, agencies must send the date of anticipated follow-up in writing to MFA;
- The name of the person or entity responsible for correcting the problem(s);
- The right of appeal;
- All documentation justifying the decision to defer services must be kept in the client file;
- Agencies must also keep an updated spreadsheet to track all referrals and deferrals.

V.1.3 Definition of Children

Definition of children (below age): **19**

V.1.4 Approach to Tribal Organizations

☐ Recommend tribal organization(s) be treated as local applicant?

If YES, Recommendation. If NO, Statement that assistance to low-income tribe members and other low-income persons is equal.

Low-income members of an Indian Tribe are eligible to apply for services under this plan. MFA has a staff member dedicated to Indian Housing issues who has been instrumental in our program weatherizing more homes on native lands. Low income members of an Indian tribe will receive benefits equivalent to the assistance provided to other low-income persons within the state.

V.2 Selection of Areas to Be Served

The NM EnergySmart Program is a statewide program serving the 33 counties of New Mexico:

San Juan; McKinley; Cibola; Rio Arriba; Taos; Colfax; Los Alamos; Santa Fe; Mora; San Miguel; Union; Harding; Quay; Curry; Guadalupe; DeBaca; Roosevelt; Sandoval; Bernalillo; Valencia; Torrance; Catron; Grant; Hidalgo; Luna; Socorro; Sierra; Dona Ana; Lincoln; Chaves; Otero; Eddy; and Lea.

The Program also serves the Pueblos of Zuni, Acoma, Laguna, Santa Clara, Ohkay Owingeh, Taos, Picuris, Nambe, Tesuque, Pojoaque, Cochiti, Isleta, Jemez, San Felipe, San Ildefonso, Sandia, Santa Ana, Santo Domingo, Zia, Jicarilla Apache Reservation, and the Mescalero Apache Reservation.

The 2018 US Census American Community Survey was used to compile the data used for the distribution formula. The funding allocations for each county and pueblo are based on the number of households with elderly, young children, disabled and low income occupants, weighted by heating degree days, and follows a similar method as the 10 CFR 440.10 describes for state allocations. The at risk population segments are averaged with the amount of low income households to determine the allocations for each county and pueblo.

DOE, LIHEAP and state funds will be allocated statewide based on an allocation formula. Utility funds will be allocated to the areas served by the participating utility companies

V.3 Priorities

Subgrantees will be required to disseminate information to the general public about the availability of services within 30 days of receipt of the contractual agreement-

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and shall retain proof of such dissemination in their records.

Subgrantees are required to update the waiting lists annually to include written notification to individuals on the waiting list to determine if they still desire services.

Updating will allow the Subgrantees to identify the higher ranking clients regardless of the amount of time on the waiting lists.

Priority among eligible applicants for the receipt of NM Energy\$mart services is established by the NM Energy\$mart Online system, which follows the requirements specified in CFR 440.16 (b). Priority is given to identifying and providing weatherization assistance to:

1. Elderly persons (a person who is 60 years of age or older);
2. Persons with disabilities;
3. Families with children (households with dependents not exceeding 18 years of age);
4. Households with high energy burden.

These categories listed are the only allowable priorities for the NMEnergy \$mart Program. Applicants that have the oldest certification date within the same ranking category may be serviced before other applicants within the same ranking category.

All housing types allowable within this Master Plan are included in the ranking system, however, housing type is not used as a priority.

V.4 Climatic Conditions

New Mexico is the 5th largest of the 50 United States with a total area of 121,599 square miles (121,365 square miles land and 234 square miles covered by water). Within its boundaries, elevations reach as high as 13,161 feet above sea level (Wheeler Peak in Taos County) and as low as 2,842 feet above sea level (Red Bluff Reservoir in Eddy County). The vast land area, variations in local topography and elevation disparities cause measurable differences in climate even within each of the two identified regions.

Likewise, Lawrence Berkley National Laboratories (LBNL) has identified three distinct climactic zones that are independent of the particular heating and cooling demand associated with the region, but still significantly affect the performance of homes within each zone. The Department of Energy has defined three distinct climate zones that cover parts of New Mexico. These climate zones help approximate the performance of a building within each zone due to the effects of heating - cooling demand, precipitation, and relative humidity.

The three zones identified in NM are three (hot dry), four (mixed dry), and five (cold). For the purpose of this analysis, the county seat or most populous city was used to determine the average degree days for each county where available. Data was collected for 12 months to arrive at annual totals.

HEATING DEGREE DAYS Base 68: Zone three has an average of 4,044 HDD; Zone four has 5,443 average HDD; and Zone five has an average of 6,490 HDD.

COOLING DEGREE DAYS Base 70: Zone three has an average of 1,721 CDD; Zone four has 985 average CDD; and zone five has 743 average CDD.

At risk occupants are defined as an occupant that is over the age of 60, has respiratory ailments, allergies, pregnant, or other unique health concerns. The cooling system must be run as an ECM first to determine if the unit is cost effective and Manual J must be used for sizing of the equipment.

Air conditioning system replacement, repair, or installation is allowed in homes of at-risk occupants or where climate conditions warrant. Climate conditions that would warrant this allowance are areas that have an average of 800 CDDs using a base 70. Climate Zone 3, has an average of 1,721 Cooling degree days, and Climate Zone 4, there is an average of 985 CDD; in these climate zones, cooling replacement is allowed using health and safety funds. For the remaining climate zone, medical eligibility from a third party medical professional proving at risk is required for any occupant. The particular area has 800 CDD average or higher, using a base 70.

Some counties are very large in square footage and may have a vast variance in elevation and both heating and cooling degree days. Therefore it is necessary to modify the weather files to a climate that most closely resembles the local area of the individual buildings receiving the weatherization work, and not just the closest city. Due to the variations in climate throughout the state, each energy audit shall be adjusted to most accurately model the climactic conditions of the individual location. Likewise, each energy audit shall indicate the model climate used (either a location included in the DOE approved auditing software, or the HDD base 68 /CDD base 70 factors). There are 26 different weather stations used throughout New Mexico for the energy audit. Two maps have been uploaded that describe the different climatic zones that are used in New Mexico.

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V.5 Type of Weatherization Work to Be Done

V.5.1 Technical Guides and Materials

The NM EnergySmart Program is committed to full compliance with 10 CFR 440.21(i) and WPN 16-8 for energy audit procedures. All installations are using materials that are listed in Appendix A of 10 CFR 440.

The NM EnergySmart Program has approached the goal of meeting the specifications, desired outcomes, and objectives of the Standard Work Specifications (SWS) with several successful methods. Our Subgrantees have been in the practice of utilizing the SWS as full implementation from the beginning of PY 2014. Below is a list of manuals and guides with dates of issue. Each of these has been uploaded with the State Plan in addition to the links provided below.

- NM EnergySmart Administrative Manual http://www.housingnm.org/community_development/energysmart
 - Re-issued 03/17/2020, updated 03/17/2020
- NM EnergySmart Technical Standards http://www.housingnm.org/community_development/energysmart
 - Re-issued 05/01/19, updated 05/01/19
- Field Guide Single Family
 - Issued 02/23/2018, updated 02/23/2018
- Field Guide Mobile Homes
 - Issued 02/23/2018, updated 02/23/2018
- Field Guide Multifamily
 - Issued 01/08/2020, updated 01/08/2020

There are five ways the documents are made available to our Subgrantees:

1. The Administrative Manual and Technical Standards are available to our Subgrantees and the general public on our website.
http://www.housingnm.org/community_development/energysmart
2. We communicate with our Subgrantees on a regular basis referencing the necessary materials. This communication is either triggered by a conversation, email, monitoring, new regulations or phone calls.
3. Technical Committee calls are held monthly. During these calls, the Technical Standards and SWS may be discussed with challenges, successes, and innovative approaches to compliance. The attendees for these meetings are the Energy Auditors, Program Managers, Quality Control Inspectors and the EnergySmart Academy.
4. During any WAP RFP process, the links to the manuals are provided with the RFP package.
5. Subgrantee use of the documents are verified through the monitoring process.

All of the existing contracts that the NM EnergySmart Program has with our Subgrantees references compliance to the SWS. The contracts contain the following statement:

Subgrantees will be responsible for providing services as required by the Department of Energy (DOE) Standard Work Specifications (SWS). The SWS requirements for Single Family Homes & Manufactured Housing can be accessed at <https://sws.nrel.gov>. If these specifications are not followed, payment will not be made.

Our Subgrantees have also incorporated language in their contracts with their subcontractors requiring compliance to the SWS. All of the contracts between any entities using WAP funds have signatures from both parties verifying acknowledgement of the aforementioned expectations.

Field guide types approval dates

Single-Family: 4/9/2018
Manufactured Housing: 4/9/2018
Multi-Family: 1/14/2020

V.5.2 Energy Audit Procedures

Audit Procedures and Dates Most Recently Approved by DOE

Audit Procedure: Single-Family
Audit Name: NEAT
Approval Date: 11/7/2018

Audit Procedure: Manufactured Housing
Audit Name: MHEA

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Approval Date: 11/7/2018

Audit Procedure: Multi-Family
Audit Name: TREAT
Approval Date: 10/20/2017

Comments

Our single family site built energy audit procedures have been approved by DOE to use NEAT on November 7, 2018.

Our single family manufactured home energy audit procedures have been approved by DOE to use MHEA on November 7, 2018.

New Mexico Energy \$mart was approved to use TREAT for large multifamily buildings and NEAT for small multifamily buildings October 20, 2017.

This section summarizes the protocol that is detailed in the single family and multifamily energy audit procedures submitted with the energy audit review packages.

1. Pre-visit planning and desk viewing;
2. A certified energy auditor performs an in-person meeting, including client education, and completes a full building screening for weatherization viability and hazards;
3. Thorough exterior envelope inspection for SWS requirements, Health and Safety, TREAT, NEAT or MHEA entry, and BPI standards;
4. Interior inspection for data entry, Health and Safety, lead tests, baseload usage measures (lighting, refrigeration, etc.), number and location of appliances, and diagnostic testing arrangements;
5. Diagnostic tests are performed on all required appliances for efficiency, safety, and operating condition outlined in the NM Energy \$mart Technical Standards;
6. Blower door testing procedures are performed including air leakage and barrier assessments, zonal tests, ASHRAE 62.2-2016 determinations, and duct leakage tests;
7. Final walk through with recap on client education, double check on field notes, pilot lights, house condition, additional tests if needed;
8. All information is reviewed and entered into energy audit software. This includes verifying input reports against actual notes, comparing audit results with preliminary scope of work, review of measure and SIR ranking, incidental repair and health and safety items.

In the event that potentially dangerous friable materials (e.g. Lead-based paint dust, disturbed asbestos, or hazardous organic materials such as mold) may become air-borne due to depressurization testing, any testing requiring the use of a blower door may be omitted. Such conditions must be documented including photographs, and included in the unit file. For the purposes of energy auditing and air-sealing specification, the Energy Auditor will assume a .5 cfm 50sqft of exposed envelope area.

To ensure eligible occupants of multi-family housing will receive cost effective weatherization services, each weatherized building will have a computerized energy audit which complies with 10 CFR 440.21(b) completed prior to the installation of any weatherization measures. This energy audit will be included in each unit file. For single-family units a NEAT audit will be completed. For mobile home units a MHEA or if the mobile home is structured more like a site built unit, a NEAT audit will be completed. Multi-family units may be audited using TREAT or with prior written permission for specific types of multifamily buildings that are up to 25 units individually heated and cooled, a NEAT audit may be completed.

V.5.3 Final Inspection

Subgrantee's may not report a dwelling as having been weatherized until all weatherization materials identified for installation at said dwelling have been installed and

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the Subgrantee, or authorized representative, has performed a final inspection(s) of said dwelling, including any mechanical work performed, and certified that the work has been completed in a workmanlike manner and in accordance with the priority determined by the audit procedures required by 10 CFR 440.21. All final inspections will meet the requirements of the Standard Work Specifications, Technical Standards, and the NM Field Guide. Local code requirements for mechanical appliance installation are included.

All Subgrantee's final inspections will continue to be performed by a certified Quality Control Inspector (QCI) independent from the initiation of the work order, assessment, or work completed. As of the time of this application, our Subgrantees all have certified QCI on staff. The NM EnergySmart Program is pursuing more QCI Inspectors in each agency as well as at least one more inspector for a third agency, continued Comprehensive education for review, recertification, multi-family QCI, and the additional Energy Auditor requirement for the existing individuals that hold those certifications.

The Subgrantee must verify that all weatherization materials identified for installation at the particular dwelling have been installed in a workman-like manner and in accordance with the priority determined by the auditing procedure as required by 10 CFR 440.21, meet the requirements of SWS, Scope of Work, and our Field Guides prior to reporting the completed unit. Said verification must include, at a minimum, the following verifications and tests:

1. Assessment of the original audit, work order, and file;
2. All weatherization measures installed by agency's crew(s);
3. All mechanical work performed including verification of new equipment size and rating;
4. All weatherization measures installed by outside contractors;
5. CAZ Depressurization Check (BPI Protocol);
6. Post-Retrofit Blower Door Depressurization Test, Zone Pressure Diagnostics (See Energy Audit Section for more detail); Minimum Ventilation Compliance Verification
7. If Duct-sealing was performed:
 - a. Worse-case depressurization test with air handler on and off;
 - b. Pressure Pan Testing;
 - c. System Balance Testing (maximum 3pa pressurization);
 - d. Visual Inspection
8. If Mechanical Ventilation has been installed, then the inspector shall verify continuous and peak flow output of the unit through Flow Hood Testing. NOTE: For HRV/ERV installations which use the central supply and return ductwork, Flow Hood Tests may be required at all supply and return register locations. All mechanical ventilation must comply with ASHRAE 62.2 2016;
9. Client satisfaction interview and dialogue;
10. Visual inspection of all work completed;
11. Detailed and thorough file inspection;
12. Combustion appliance SWS testing requirement verification.

The final inspection for each weatherized unit shall be performed by a certified Subgrantee QCI, or a contracted MFA approved certified QCI within 30 working-days of the final day of weatherization work being completed by agency crew(s) or contractors. Any required rework shall be completed in a timely manner and must be verified by the original inspector.

In the event an Energy Auditor also needs to inspect the units due to the QCI requirement, MFA's Green Initiatives Manager will inspect 10% of the completed units for that Subgrantee.

The final inspector may perform minor adjustments to previously installed retrofits in order to obtain satisfactory inspection results. Such adjustments must not exceed one working hour per unit, and will not be considered a "weatherization retrofit" as noted above.

Once completed, Subgrantees must ensure that the client file contains a form that certifies the unit has had a final inspection, and that all work meets the required standards. The Subgrantee then uploads detailed information on each measure installed in the unit, including estimated & actual cost, energy savings and SIR into MFA's online system. During the invoicing process, MFA's Green Initiatives Manager reviews the information on the units to determine the accuracy and technical implications of the data. If the entries raise questions or concerns, then the unit is not eligible for reimbursement until all questions and concerns are answered to MFA's satisfaction. The said units may be flagged to be included in MFA's QCI inspections.

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Disciplinary actions for inadequate inspection processes determined by 100% desk monitoring or the required 5% to 10% field monitoring will first involve exploring the options of QCI re-training for the inspector. If training is not a viable option or does not remedy the problem, the inspector will not be allowed to perform inspections for a specified period, depending on the severity of the infraction, until proof of adequacy is obtained.

Continued inspector inability or refusal to comply with policies is grounds for MFA to recommend suspension, termination, or otherwise apply special conditions to the inspector performing further QCI inspections for the program. The agency will be required to utilize other QCI inspectors to verify completed units.

During the technical monitoring process, the Green Initiative Manager verifies the certificates of each QCI of the agency being monitored. The Energy Smart Academy and the Green Initiatives Manager are in communication as needed about upcoming certification expirations and the need for training review prior to re-certification.

The monitoring process also observes the procedures of the QCI during a final inspection. Suggestions, comments, best practice observations are communicated to the QCI and an official letter is sent to the agency after review.

Attached are final inspection forms, final diagnostic testing forms, and technical field monitoring forms.

V.6 Weatherization Analysis of Effectiveness

MFA qualified staff, our in-house on-line reporting system and the Energy Smart Academy provide long-term stability of the program. The Academy, developed in partnership with Santa Fe Community College, has earned a growing reputation as one of the premier training centers in the Weatherization Assistance Program. The Academy is IREC accredited in the four training job categories of Retrofit Installer, Crew Leader, Energy Auditor, and QCI. MFA and our partners use these pieces to enhance communication and target resources where they are needed. Enhanced communication that the systems enable will remain in place going forward and will be used to help align with the announced DOE program requirements.

In order to assess effectiveness, the NM EnergySmart Online System (System) captures the unit production data on a monthly basis. The completed unit data is captured for each agency and shows the projected energy savings in MMBTUs for each auditor in the network. The System also has the ability to show the frequency with which each agency and auditor installs individual measures and also allows MFA to assess each Agency's performance in a number of areas. The System-level assessment allows MFA to select individual units for inspection. A separate unit inspection database collects information from inspected units. Monitoring data follows the path of information sharing that occurs through the online system.

MFA uses the System to conduct a 100% desk audit of all units completed prior to paying Subgrantee invoices. Measures installed on each home are compared to determine the relationship between estimated costs and actual costs. SIR, total cost, and projected energy savings are tracked for each measure and for the unit as a whole. For some measures, more detailed information is collected, including R values of added insulation, Manual J calculations of new heating systems and air reductions relative to the initial blower door reading, air sealing target and the achieved reduction.

This System is also used to flag units that need additional monitoring in the form of unit inspection. Any unusual numbers, costs, or circumstances may trigger the inspection. These unit inspections become a portion of the required 5% Quality Control Inspections. During the unit inspection, the entire client file is compared to the entries for accuracy along with client interview regarding utility bill savings.

During the MFA unit inspection process of completed units, the techniques used to achieve such reductions, efficacy of installation methods, baseload measure assumptions, and other energy saving measures are observed and any findings, concerns, comments, and best practices are noted.

MFA provides the Subgrantee information on production, energy savings and measures installed during monitoring visits and during peer exchange meetings. In addition, the data generated by the System or during technical monitoring and unit Inspections stimulates dialogue between agency management, MFA's Green Initiatives Manager and the Energy Smart Academy. Stakeholders can quickly determine additional training where needed. Due to the specific nature of the System's reporting capability, specific training can be directed for specific auditors, inspectors and/or weatherization crews in order to resolve deficiencies in their skill set, and showcase best practices.

Upon request a monthly report may be sent out to of the Energy Auditors detailing MMBTU savings, client monetary savings on average and total numbers. This will enable the team to see how they compare with others and the national number of 29.3 MMBTUs per home.

Energy Auditors are encouraged to practice the comparing of energy auditing estimates with utility bill usage. This helps the team realize how accurate their models are in comparison to actual usage and helps to spawn training where needed.

In the event Subgrantees fail final inspections; they are given the opportunity to remedy the problem within a reasonable time period. This re-work is not eligible for reimbursement. The home may be re-inspected by MFA's QCI, depending on the nature of the failure. The training Academy is notified of the area of weakness and modifies the classes if needed. In extreme cases, additional classes are scheduled for the agency.

When there are findings or concerns that surface during inspections, the Subgrantee is asked to explain how they will improve. This may entail updating their policies and procedures, more frequent monitoring by MFA, or training to help the Subgrantee understand how the problem occurred and how to prevent it.

The costs of measures are reviewed on a regular basis prior to invoices being processed to compare with market costs of those particular measures. If something

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appears to be high, a detailed explanation is requested, or the agency's procurement may be examined for that item.

Continuous progress and improvement is the goal of the combined training and monitoring programs. Through comprehensive training, staff continues to be cross trained and the basics are reviewed to widen the capabilities in addition to ensuring the existing staff understands the basics of the program on the most fundamental levels. Technical monitoring and regular conversation helps determine additional training needs.

This program year, the NM EnergySmart Program intends to continue to work on the Q and A and FAQ for Subgrantees to post questions, read previously answered questions, and view other questions asked by other agencies via email or phone calls. The answers to the questions, if not already located in the Technical Standards, or Administration Manual, will be reviewed by the Technical Review Committee, and will be entered into the appropriate manual and section during the normal updating process.

V.7 Health and Safety

See attached Health and Safety Plan.

V.8 Program Management

V.8.1 Overview and Organization

The New Mexico Mortgage Finance Authority (MFA) was created by the New Mexico State Legislature in 1975 as a statewide government "enterprise" to provide financing for affordable housing to medium and low-income persons and receives no money from the state to operate. MFA is governed by a board of seven members. Four members are appointed by the Governor and three members serve by virtue of their state office: the State Attorney General, the Lt. Governor and the New Mexico State Treasurer. The Chairman of the Board is appointed by the Governor. Rules and regulations formulated by the MFA are approved by a Legislative Oversight Committee of the State Legislature. The committee is comprised of eighteen members.

By Executive Order 97-01, the State Governor transferred all federally funded housing programs to MFA on January 14, 1997. The Weatherization Assistance Program (WAP) was included in this transfer. Consequently, MFA took over the administration of WAP during the ongoing plan for 1996-97. Shortly thereafter, MFA staff produced its first plan (1997-98). MFA does not administer the State Energy Plan nor LIHEAP.

MFA has assigned significant managerial resources to the Weatherization Assistance Program to ensure its successful administration. A list of MFA personnel with direct WAP responsibilities is provided here. MFA has integrated WAP as a core activity throughout its organization; e.g. Information Technology. The whole organization is available to act on WAP activities and issues.

Weatherization Program and Support Staff:

For the purposes of this update, this staff plan is for the 2020-2021 plan only. The budget that combines both program years details each program year separately. Our Green Initiative Program Manager, Troy Cucchiara manages the NM EnergySmart Program. He has been with MFA in this capacity since May 2014 managing the technical aspects of the program and in October 2019 he took on the responsibility of the administrative side of the program as well. Troy came to the position with over 14 years of weatherization experience with a technical background. He is responsible for overall direction and supervision of the program, leverage efforts, coordination with grantee staff; and the overall management of Subgrantees. His responsibilities for the technical aspects of the program include training and technical assistance as well as health and safety issues and program compliance with all DOE technical requirements. His qualifications include 10 years of field experience and he holds certificates for several areas in the field of weatherization including Energy Auditor, QCI and Multifamily QCI Certification.

Troy works closely to monitor Subgrantees' activities. He will conduct a minimum of one financial and operations monitoring visit and one technical monitoring visit per year for each agency. He will also monitor 5.0% to 10% of file and provide on-site unit inspections of the files he review. On a monthly basis he conducts 100% of desk monitoring through our online system for all funding sources. A prescribed monitoring tool is used for all monitoring visits. He provides training and technical assistance to our Subgrantees as needed throughout the program year.

For succession planning purposes MFA has assigned program manager Dimitri Flores to work part time in the NM EnergySmart Program with an emphasis on preparing to become a certified Quality Control Inspector no later than 2022.

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In addition, this year MFA has budgeted for another support person that would be dedicated to working directly with the program. Upon approval of the state plan we will pursue the possibility of hiring an additional staff member to assist with overall management of the program.

Controller and Accountants:

Yvonne Segovia who is the Controller and five additional accountants, are responsible for reviewing Subgrantee monthly reports, preparing reimbursements, and maintaining all required financial records to account for Grantee and Subgrantee expenditures and balances. They are also responsible for Subgrantee financial management and quarterly reporting to DOE.

Administrative Support:

The Administrative Support staff provides Marketing and Information Technology support to weatherization staff necessary to carry out the functions of the weatherization program. MFA will comply with the record keeping requirements prescribed on section 10 CFR 440.24, and with the reporting requirements on section 10 CFR 440.25.

Managers and Staff:

The Senior Managers and MFA Staff which include eight people who are responsible for the successful implementation of the program. Donna Maestas-De Vries, Deputy Director of Programs, and Gina Hickman, Deputy Director of Finance and Administration, provide oversight and approval of the weatherization program and provide direction to staff. Sandra Marez and Kelly Patterson provide administrative support to staff.

Isidoro Hernandez is the Executive Director and is responsible for overall management of the weatherization program. He provides oversight and effective and efficient management of the weatherization program and provides direction to weatherization staff along with the Director of Community Development. He promotes the weatherization efforts externally.

Gina Bell, Director of Community Development, is responsible for the successful implementation of the weatherization program. She also provides direction to staff and promotes the weatherization efforts externally. Her oversight includes directing the activities and acceptable performance of the weatherization Subgrantees and ensures that MFA and Subgrantees are in compliance with all regulatory and contractual requirements of the program. She ensures the monitoring of Subgrantees is in compliance with their contracted programs in accordance with regulations outlined in federal/state contractual agreements and MFA's Compliance Manuals. Ms. Bell works with staff in assisting the efforts to build their capacity through training and providing technical assistance on the program development. Ms. Bell also oversees the efforts to increase funding for the program.

V.8.2 Administrative Expenditure Limits

Our admin is set at 10% with MFA receiving 5% and the remaining 5% allocated to our Subgrantees. We will NOT be requesting the additional admin funds for our existing Subgrantees as Central New Mexico Housing Corporation, Southwestern Regional Housing and Community Development Corporation and ICAST all exceed the \$350,000 threshold.

V.8.3 Monitoring Activities

Monitoring Approach

MFA assists its Subgrantees with their efforts to resolve problems encountered in the administration and operation of the NM EnergySmart Program and to ensure compliance with all applicable Federal and State laws, rules, and regulations. To achieve this goal, Troy Cucchiara the Green Initiatives Manager will conduct the programmatic and technical monitoring. For program years 2019-2021, no training and technical assistance funding or leveraging will be used for monitoring. Administration funds used for monitoring are \$16,806.

The primary areas of oversight include:

- **Unit Inspections**
 - Files are inspected for full program compliance
 - Complete QCI inspections are conducted on the home following BPI protocol
 - Minimum of 5% for agencies with separate QCI than assessor and 10% when QCI is the same as assessor
- **Technical Monitoring**
 - Subgrantee Review of Scheduling Units
 - Eligibility and Intake
 - Rental Audit Procedures
 - Multifamily Audit Procedures
 - Energy Audits for Single Family
 - Qualifications & Training

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- T and TA Progress
- Weatherization of Units
- Field Work Methods/Job in Progress Monitoring
- QCI Methods
- Health & Safety
- Equipment/Inventory/Materials
- Training & Technical Assistance
- Feedback & Reporting
- Unit Inspections
- **Subgrantee Monitoring**
 - Program Overview (Client File Review, Work Orders, etc.)
 - Financial/Administrative Process
 - Policy Advisory Council (PAC)
 - Financial/Administration
 - Inventory
 - Health & Safety
 - Quality Management Assurance
 - Vehicles & Equipment
- **Financial Monitoring**
 - Financial Management/Accounting Systems and Operations
 - Financial Audits
 - Fiscal Tests
 - Payroll/Personnel
 - Procurement
 - Quality Management Assurance
 - Internal Controls
- **Desk Monitoring**
 - All units part of invoicing are viewed in detail for compliance
 - Total costs for labor and materials viewed
 - SIR and energy savings
 - Geographical patterns
 - Lead Based Paint compliance
 - SHPO compliance
 - Random input reports for energy audits are requested

Program staff coordinates all activities and provides clear and concise direction to comply with the applicable standards and regulations. Staff conducts field monitoring of Subgrantee financial activities including financial audits, production and reporting requirements. Program staff also assists Subgrantees to improve operations through training and technical assistance to correct noted problem areas. In addition to the staff that conducts the monitoring, MFA's Accounting Department and Internal Auditor are available when needed to review Subgrantee financial operations. Subgrantees financial audits are reviewed as part of their onsite monitoring. Financial audits are also reviewed at the time of audit submission when the financial audit is due for that year. Financial audits receive several layers of review prior to approval.

At a minimum, the staff conducts one on-site programmatic monitoring visit and one on-site technical monitoring visit each year. A comprehensive monitoring tool is used as part of a thorough review of each Subgrantee. If necessary, a follow-up monitoring visit will be conducted to verify that corrective action has been initiated or completed. Through our on-line reporting system, for a more thorough review, the staff conducts monthly checks of work done in completed units as well as financial reporting.

Staff will perform an on-site monitoring visit to Southwestern Regional Housing Community Development Corporation (SRHCDC), Central New Mexico Housing Corporation (CNMHC) and International Center for Appropriate and Sustainable Technology (ICAST) in the 2020/2021 Program Year.

In addition to the monitoring, MFA staff has developed their own QCI inspection policies. Troy Cucchiara will perform certified QCI reviews of client files and inspect the corresponding homes of 5% to 10%. This will occur on a continual basis to ensure that SWS and NM Standards are being followed, there are no missed opportunities, Health and Safety is the best approach with the best practice possible, and the quality work plan is being managed properly. In the event quality is not up to standards, and it is determined that there is a pattern, comprehensive or specific training will be scheduled to correct the issues. Health and Safety deficiencies, depending on the severity, are corrected immediately, and in some cases the same day.

Quality Control Review of units and files consists of carefully looking at every detail for each file prior to the unit visit. The file should accurately tell the story of the weatherization work that took place at the home. If one thing is out of place, it serves as an indicator to look for

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additional related items.

MFA also requires Subgrantees be audited in accordance with section 10 CFR 440.23(d). For program year 2020/2021 only one of the NM EnergySmart Subgrantees met the 2 CFR 200 threshold amount of \$750,000.00.

To complete the approval of the annual external financial audits, the first layer of review is by the Program Manager. The second layer of review and approval is either done by the Assistant Director of MFA's Community Development Department or MFA's Controller.

As a follow up to each visit, MFA staff provides the Subgrantee with a written report that describes noncompliance or problem areas, suggested comments and best practices. The report is submitted to the Subgrantee within 30 days of the visit and the Subgrantee is required to respond within 30 days to MFA with a Corrective Action Plan as a formal letter that addresses any findings, concerns, and recommendations. This Corrective Action Plan must include an identified target date and time frame for each deficiency. This is tracked by an online tracking system that is referred to as Tracker. Follow up communication through phone conversations, email, and necessary onsite visits is continual until the problem is resolved.

The Subgrantee is made aware of the monitoring instrument prior to the visit that will be used for the visit, since it is accountable for implementation of the program in accordance with the standards and procedures.

In all instances, MFA is committed to working closely with Subgrantee to succeed. However, if after numerous attempts have been made towards compliance or if a Subgrantee is either unwilling or unable to resolve a non-compliance issue, MFA would start to work toward defunding the agency.

When a problem is resolved to the mutual satisfaction of the Subgrantee and MFA, MFA staff will send a follow-up letter to close the finding.

If there is any suspicion of mismanagement, fraud, waste or abuse or if any significant problems are found, MFA will immediately notify the Inspector General and DOE's Golden Office, in Denver CO.

MFA will submit annual reports to DOE's Golden Office describing its monitoring efforts to date. The report will include at least the following:

- Number of monitoring visits to each Subgrantee;
- General nature of the findings;
- A discussion of significant corrective actions;

MFA will also have all monitoring reports available, upon request, for DOE inspection.

MFA will summarize and review its monitoring activities and findings for internal assessment of Subgrantee needs, strengths and weaknesses and annual planning. This data will be incorporated in the New Mexico Consolidated Plan and Annual Performance report.

Credentials

MFA staff has substantial experience in monitoring NM EnergySmart and other Federal and State programs.

The Green Initiatives Manager Troy Cucchiara is responsible for all NM EnergySmart related monitoring. MFA staff attends Weatherization and related training to maintain current knowledge, practices and regulations.

Troy Cucchiara is the Green Initiatives Manager and QCI for MFA and is the technical manager for the NM EnergySmart Program. He has been involved with the home retrofit industry for 21 years and has been an integral part of the Weatherization Assistance Program for different agencies since 2006. He has earned numerous certifications including Commercial Energy Auditor, Water Specialist IV, CBI Thermographer, Lead Certified Renovator, Lead Dust Sampling Technician, AHERA, OSHA 30, Building Analyst, Building Envelope, and Home Energy Professional Quality Control Inspector, Multi-Family QCI, Energy Auditor, and has been a BPI Proctor for the Santa Fe Community College. Technical experience includes energy auditing, home inspections, program management, water treatment design, inventory control, public speaking, staff training, and client education.

Dimitri Flores has passed his first BPI test as Building Analyst and has accumulated 200 hours towards the required 1000 hours for QCI certification.

Levels of Agency Performance

High Performance or Exemplary Agencies

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By way of monitoring review, an agency has demonstrated performance standards that meet or exceed standards that are commonly observed in the following areas:

Program operations:

No Health and Safety findings are identified in previous monitoring report.

No procedural findings related to program rules, policies or procedures.

Fiscal:

No annual program specific audit findings.

No material findings in the agency external audit.

Technical:

Provide comprehensive service utilizing the latest building science and renewable technology, in a cost-effective manner in accordance with NM EnergySmart Weatherization Assistance Program guidelines.

Production:

In general an agency's production is high relative to funding.

Qualified staff:

Agency will receive higher credit for exemplary status with NM EnergySmart Training Academy staff through participation in the NM EnergySmart Training Plan.

Risk:

No "at-risk" elements are found in major categories for an agency.

If the above is met a final visit may be made by MFA NM EnergySmart staff for final confirmation of achievement.

Stable Agency Performance:

Typically, the frequency of monitoring will be (1) fiscal/operational visit and (1) technical visit per year by NM EnergySmart staff. The need for additional visits within the same year will be determined by the agency's program funding and production level and the timely responses to any outstanding monitoring findings. MFA expects every agency to meet these standards of performance:

- Has a well-established systems for program administration and operations, with no more than one finding in the following areas.
- Compliance with major program requirements, such as, lead-based paint procedures, cost allocation.
- No more than one program specific finding in the annual monitoring visit.
- No more than one fiscal specific finding in the annual monitoring visit.
- Staff is well trained in performance of specific job duties.
- Agency has complete and organized files.
- Evidence of prudent decision making as to the use of program resources:
- Complete scopes of work.
- NEAT/MHEA/TREAT documentation is current and consistent with billing.
- Staff is proficient in the use of auditing software.
- Evidence that NEAT/MHEA/TREAT is used with actual and true pre audit data (including costs).
- Evidence that NEAT/MHEA/TREAT is used effectively and thoughtfully in determining cost-effective measures.
- Staff and contractors have demonstrated proficiency in technical applications, including diagnostics.
- Agency has a minimal number of procedural findings (as related to programs rules, policies and procedures) and health and safety findings from previous monitoring report.
- Agency complies with OSHA and MFA safety rules, as applicable.
- The agency maintains a professional working relationship with MFA.
- Past corrections are made and reported in a timely manner.
- Participate in NM EnergySmart Peer Exchange meetings.

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- No “at-risk” elements are found in major categories for an agency.

Vulnerable Agency Performance

If an agency's performance is deficient in some or all of the following levels of performance MFA will prepare a plan to help the agency clear the deficiencies and will provide additional monitoring within the same year:

- Has a well-established systems for program administration and operations, with no more than one finding in the following areas.
- Compliance with major program requirements such as lead-based paint procedures, cost allocation plan/indirect cost rate, required contractor information.
- No more than one program specific finding in the annual monitoring visit.
- No more than one fiscal specific finding in the annual monitoring visit. Staff is well trained in performance of specific job duties.
- Lack of prudent decision making as to use of program resources.
- Completes scope of work.
- NM Energy\$mart on-line reporting is current and consistent with billing.
- Staff is proficient in its use of the NM Energy\$mart on-line payment system.
- Evidence of the NM Energy\$mart on-line payment system is used with actual and true pre-post data (including costs).
- Evidence of the NM Energy\$mart on-line payment system is used effectively and thoughtfully in determining cost-effective measures.
- Staff and contractors have not demonstrated proficiency in technical applications, including diagnostics.
- Agency has a number of and severity of procedural findings (as related to programs rules, policies and procedures) and health and safety findings from previous monitoring report.
- Agency does not comply with OSHA and MFA safety rules, as applicable.
- The agency does not maintain a professional working relationship with MFA.
- Past corrections were not made and reported in a timely manner.
- Agency does not participate in NM Energy\$mart Exchange meetings.
- Agency does not report as outlined in program manual.
- Several “at-risk” elements are found in major categories for an agency.

At-Risk Agency Performance

At-risk agencies may be identified as a result of a variety of factors that may include:

- Agency's probation, i.e. an agency's first year with the program.
- There is evidence of significant administrative or program sub-standard performance; for example, repetitive pattern of findings, failure to have copies of permits on file or lack of compliance with historical preservation rules.
- Agency is not in compliance with program policies, procedures and specifications.
- Agency has repeated health and safety findings.
- Agency staff members/crew has deficient technical skills.
- There has been a change in key staff.
- There has been a change in key weatherization Subgrantees.
- Agency has deficient scopes of work (work plan is insufficient).
- Agency has program specific audit findings.
- Agency has fiscal specific findings.
- Agency files are incomplete or disorganized.
- Agency staff is unresponsive to MFA requests and deadlines. For example, the agency consistently fails to provide monthly reports and contract closeouts in a timely manner.
- Agency production is low relative to funding.

At-risk agencies will be monitored no less than twice annually. Other factors in the frequency of monitoring visits may be based upon the requirements of specific funding sources.

V.8.4 Training and Technical Assistance Approach and Activities

Objective

Through Comprehensive and Specific training, MFA's Training and Technical Assistance program will provide the weatherization staff on the Grantee and Subgrantee levels the skills needed throughout each program year to continue a solid weatherization program with best practices and high quality workmanship.

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The training addresses the Weatherization Assistance Program from two perspectives, technical and program, with a huge emphasis on technical as evidenced by most of the training weighted towards the categories of installer, crew leader, energy auditor, and Quality Control Inspector (QCI). These perspectives continue to maintain a path improvement for the Program and resolve emergent issues that rise through monitoring and dialogue with Subgrantees and to prepare for Department of Energy program changes.

Comprehensive and Specific Plans

The majority of training will be occurring in the Comprehensive category as outlined in this plan. The mandatory Comprehensive training serves numerous accomplishments including review of basic Job Task Analysis (JTA) material to certify individuals, updates on changes, cross training to increase capacity and recertification or maintaining workforce credentials. Obtaining the Energy Auditor certification and maintaining QCI certification is of particular importance as it enables compliance with the Quality Work Plan requirement outlined in WPN15-4.

MFA has awarded a contract for a new multifamily Subgrantee. This new Subgrantee has pursued training in several of the JTA categories and has two staff working towards the Energy Auditor certification. They are expected to pursue QCI certification for this State Plan. Specific training will continue to be issued as "ride alongs" as the agency has more detailed questions and needs to troubleshoot challenges. All New Mexico Subgrantee's will have the opportunity to attend the classes when needed, but must arrange the schedule in a considerate manner with the Energy Smart Academy, an IREC accredited training center.

QCI Comprehensive training for the new agency (ICAST) will begin in 2020-2021.

Comprehensive training is normally offered at the beginning of every month by the Energy Smart Academy. Each agency consults with MFA prior to signing up for the classes about what would be most appropriate and based off the most recent desk monitoring, monitoring, unit inspections, or phone conversations. The Comprehensive training classes are determined at least one month prior to scheduling the class. Follow up on agency skills and conversations happen on a continual basis.

Specific training is offered throughout the year in the form of ride along field training and as a follow up to comprehensive training, requested by each agency, or as a result of technical monitoring and QCI unit inspections. Comprehensive training will occur regularly and defined as once every three years for each of the positions the workers are employed.

Training Activities

In order to standardize weatherization practices across the state and through all New Mexico's Subgrantees, DOE Standard Work Specifications (SWS) have been developed. These SWS's describing the weatherization process and how specific weatherization measures will be performed, have been incorporated in the customized curriculum for the last several years and is made available through the IREC Accredited Weatherization Training Center (Energy Smart Academy) and trainers. Implementation of the SWS ensures more uniform energy savings for clients and reduced production costs for the program.

MFA, the Academy and Subgrantees work together to develop a comprehensive training calendar each year. In addition to specific course modules, the Academy has the capability of providing Specific training and even additional Comprehensive training as needed in order to resolve emergent issues from MFA or DOE monitoring.

The schedule minimizes production downtime and allows sufficient opportunities for Subgrantees to complete mandatory trainings in a timely manner. The Academy provides classroom space and a well-equipped lab to optimize skills acquisition across all training levels through a combination of lecture, hands on demonstration and field training. The Training Academy is fully equipped with a mobile rig, a diagnostic cabin, and demonstration units for insulation, attic air sealing, mobile home training, combustion appliances and an online training platform. Access to an expanded staff of specialists will allow additional training in OSHA, Lead Renovator/Dust Sampling, and HVAC.

Comprehensive Training

Retrofit Installer Technician

The Retrofit Installer Technician training can be taken as a series of short in-person classes, that can be scheduled around work obligations, OR as a one-week in-person class, preceded by online training.

The classes cover introduction to weatherization, basic math, health and safety issues, tools and maintenance, materials identification, local construction details, basic blower door, windows, doors, work scope/inventory/equipment, house as a system, basic building science, insulation and air sealing, venting and moisture, combustion safety.

The in-person classes include review, hands-on lab exercises, and in-the-field work order-based weatherization activities to improve the quality and performance of a home. The classes have been designed to reinforce and extend the knowledge of building science and tools and techniques for insulating, air-sealing buildings, reducing baseload, and drywall repair, and communication skills.

With a focus on performance, each student is responsible for the appropriate use of insulation blowing machines, blower doors, duct blasters, pressure pans, air-sealing props, installing baseload measures, windows, doors and bath fans, drywall repair, and combustion appliance safety testing for draft and carbon monoxide.

By attending the Installer classes, the student will gain a deeper understanding about weatherization work scope, job planning, and site management. Successful completion of this course plus OSHA 10, and Lead RRP classes, makes the student eligible for SFCC certification as a Retrofit Installer Technician.

Smaller incremental courses offered under this category:

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Insulation 1- Two-day class

Insulation 2- Two- day class

Air and Duct Sealing Two-day course

OSHA 10- Three-day course

Crew Leader (Steps 1 through 4)

Having successfully completed the Retrofit Installer Training, students can elect to take Crew Leader classes that cover OSHA 30, the role of the crew chief, effective crew management, inventory, advanced materials and maintenance, codes, adult learning strategies, hands on diagnostics (blower door, worst case depressurization, pressure pan, basic zone pressure diagnostics), reading an audit, developing a work scope, and additional diagnostics as needed.

These classes focus on developing the skills necessary to be an effective Crew Leader, including theory, role-playing, hands-on field exercises to prepare Crew Leaders for success in crew management, organization, inventory control, safety, understanding work orders, and quality control. In addition, participants will be discussing building codes and the State Standards for installing weatherization measures in New Mexico. Completion of this course qualifies participants for certification by SFCC as a Crew Leader.

Smaller courses offered under this category:

Insulation 2- Two-day course

Materials and Documentation- Two-day course

Appendix A Training- One-day course

ASHRAE 62.2 2016- One-day course

Energy Auditor

Energy Auditor series of classes prepare candidates for the BPI Home Energy Professional Energy Auditor Certification exams. This course focuses on developing the skills necessary to be an effective Energy Auditor consisting of theory, role-playing, and hands-on field exercises to prepare Energy Auditors for success in performing a comprehensive energy audit. The course covers introduction to weatherization and auditing, health and safety issues specific to weatherization, construction details, building science, equipment, basic math, code compliance, data gathering, HVAC for auditors, NEAT and MHEA, OSHA30, RRP, Lead Safe Weatherization, AHERA, ASHRAE 62.2 2016, Communication skills, Advanced NEAT and MHEA.

Diagnostic tests included:

- Blower door & pressure differential
- Duct pressurization & pressure pan
- Ventilation fan flow rate
- Combustion safety (gas leaks, worse-case CAZ, spillage, draft, CO)
- HVAC assessment, temperature rise, steady state efficiency

Smaller courses offered under this category:

Basic Building Science- Two-day course

Basic Pressure Diagnostics- Two-day course

Advanced Pressure Diagnostics- Two-day course

Basic Combustion Testing- Two-day course

Intermediate Combustion Testing- Two-day course

Weatherization Assistant- Three-day course

Auditing Software Intensive- Three-day course

ASHRAE 62.2 2016- One-day course

Quality Control Inspector

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By the time an individual is ready for this certification, all of the course material will have been covered in previous classes. An online class offered to help prep for the written exam and final certification.

Smaller courses offered under this category:

ASHRAE 62.2 2016

Advanced Pressure Diagnostics- Two-day course

Advanced Combustion Analysis- Two-day course

Quality Control Inspector

Multifamily Quality Control Inspector- Four-day course

Recertifications needed:

For program year 2020-20201, there will be two QCI inspectors that need re-certification. There will also be Energy Auditor certifications and testing that is dependent on successful completion of class material and online courses.

Regular Comprehensive Training, Feedback from DOE Visits

Scheduled training is determined by existing number of staff in each of the four categories, the desired number in each category, monitoring results, agency feedback, and unit inspections. The training schedule may be changed to reflect feedback from the DOE Project Officer or other monitoring visits. Contractual requirements bind Subgrantees to the training schedule, and mandate MFA allot and approve sufficient T &TA funds to cover the cost of the entire training cascade.

This approach will continue to address both core training to expand workforce capacity, advanced training to develop further specialization and leadership within the workforce, in addition to answering questions related to New Mexico's unique housing stock and climate regions. The program embraces MFA and Subgrantee staff, and focuses on incorporating state technical standards as well as continued compliance with regulatory standards.

This training program builds on increased understanding and utilization of building science to deliver greater energy savings to client homes and ensure homes throughout the state consistently have access to the range of weatherization measures to realize maximum savings.

Compliance With Mandatory Comprehensive Training

While the Academy maintains a record of trainings attended and credentials obtained, each Subgrantee is responsible for ensuring that staff attend all required trainings for their job classification. MFA encourages Subgrantees to budget for initial training and training sufficient to maintain credentials. MFA monitors the Subgrantees for compliance. If a Subgrantee does not have sufficiently trained staff, including new staff, the agency must develop and implement a training plan sufficient to achieve compliance. In addition to prior class consultation, MFA will monitor training milestones to help support the path toward compliance.

Specific Training

Specific Training List

1. On site field training (ride alongs)
2. HVAC training
3. Project management
4. Energy Out West Conference (Late summer)
5. NASCSP winter and fall
6. Fiscal training
7. Cost allocation
8. 2 CFR 200
9. Financial audit
10. Peer exchanges
11. Program training

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12. COVID-19 Workplace Safety

Conference Attendance

NASCSP, HPC, and Energy Out West conferences are allowable trainings under the NM EnergySmart Program. Agencies must use their Specific training budget for these conferences. Because of the Comprehensive majority requirement, and possible mandatory ride alongs resulting from unit inspections, agencies may be limited on the amount of specific funds available for the conferences. Therefore it is important that each agency carefully consider what staff will be attending each conference and which conference will be most beneficial for the particular individuals attending.

Because this is a highly sought after use of training funding, it is considered a valuable commodity. **Agencies are expected to obtain the full use of information gathered from the conferences. This includes attendance to all classes, updates, and sessions in addition to utilizing as much networking with other states as possible.** Agencies must submit to MFA a list of who will be attending each conference and a statement that each individual will attend all classes that he or she has selected. No conference reimbursements will be released without proof of all class attendance. If an individual chooses to not attend a class or does not obtain the necessary proof of attendance, the agency may not receive full reimbursement for that individual. T and TA funds may not be used to pay for anyone attending a conference that does not attend the accompanying classes or sessions. If conference activities such as hotel and flight costs have been paid for in advance by MFA, and an individual is unable to attend the classes offered by the conference, MFA will not ask for reimbursement of those costs from the agency if there is justification for missing the classes.

Financial Management Control

Although MFA allows and encourages Subgrantees to budget for program management training and attend DOE conferences, the Comprehensive training is mandatory and pre-scheduled. Specific training is allowed when the remaining budget amount from the required comprehensive training is available. This may include prescriptive training resulting from monitoring, ride alongs, financial classes, 2 CFR 200, conferences, and other program management training. Financial management training for this program year will have an emphasis on proper cost allocation, financial audit requirements, compliance with 2 CFR 200, and fiscal policies and procedures.

New Employment Training

MFA encourages Subgrantees to hire certified staff from the network however, if that is not possible, MFA does not require Subgrantee staff to have certification prior to hiring. Each Subgrantee is required to have a training plan for each job position. Upon hire, the employee is required to complete the on-line training curriculum for their position after each agency's individual new employee probationary period. In addition, Subgrantees must have an internal training/shadowing on the job mentoring plan. Each new staff member is responsible to attend and pass all the courses required for their job category within one year of being hired. MFA monitors to this requirement and if the employee is not within compliance they will not be allowed to work in the homes until the requirement is completed.

Lead-Safe Weatherization

All Subgrantees are required to be trained in LSW work practices and to attend the eight-hour training. This training includes the curriculum developed by DOE. The LSW training is a combination of classroom exercises and demonstration of tools and materials. The focus is on the practical application of LSW work practices and the inclusion of required educational materials and appropriate documentation of LSW containment procedures in all client files. Further training in Dust Sampling will be provided for more advanced crew members.

Health and Safety

Health and safety is continuously assessed and discussed throughout the year during monthly technical calls, and unit inspections. Dialogue also takes place on an as needed basis between the field staff and MFA's technical manager with health and safety questions, comments or issues noticed from monthly reporting or day to day routine assessments. All of this communication can result in Comprehensive or Specific training that can be anything from structured classroom setting to "ride alongs" where the instructor actually accompanies the crew on an actual job site.

Job Safety

All Subgrantee field staff will be required to complete OSHA 10 training, and Crew Chiefs, Auditors and Inspectors will be required to complete OSHA 30. These courses will be construction safety courses configured to weatherization through use of Job Hazard Analysis and existing accident and injury logs of the Subgrantees.

Web Accessible Curriculum

The Online Weatherization Workforce Development Program, available in English and Spanish, will serve as a gateway into classroom training by providing core knowledge necessary to succeed in more advanced trainings. This will ensure the Academy makes efficient use of trainers and facilities. Core content of the web accessible training curriculum will be consistent with existing DOE weatherization training, customized to meet New Mexico needs in terms of climate, housing stock and policies.

Client Education

In tandem with a well trained workforce, a well-informed consumer will help make best choices in maximizing effect of weatherization measures. Understanding measures to be implemented at a home is key to garnering homeowner and occupant cooperation during installation and afterward. Therefore, a Consumer Education module has been developed along with the Online Curriculum. This module will be available to consumers through a secondary web portal, and also through a DVD that can be left at homes. The Client Education module will also be available in both English and Spanish to reach the largest portion of New Mexico population.

The SWS has been thoroughly examined for all client education points. A list of all sections that specifically spell out what needs to be delivered to the clients has

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been given to the Subgrantees and the Subgrantee utilization of these topics are currently part of what monitoring and unit inspections include.

Training Needs Assessment Policy

MFA closely communicates with Subgrantees on a consistent basis. In addition to the 5% to 10% quality control site visits and the annual on-site programmatic and technical monitoring, MFA is able to assess training needs very accurately. This is an on-going process and communicated immediately to the Subgrantees when a training need is determined.

NM Energy\$mart Exchange Meetings

In addition to the Training Program, MFA meets with Subgrantees regularly per year to discuss emergent issues. This type of communication helps maintain consistency in the services provided throughout the state. Each of these meetings will serve a core group of the weatherization workforce, in addition to including a gathering of program directors to discuss the program. These meetings will include a Program Director round table and, when necessary, staff discussion covering a specific topic, including fiscal, administrative, technical intake and client education issues.

The NM Energy\$mart program also has a Technical Committee which meets monthly. The committee is composed of lead technical weatherization staff from each of the Subgrantees, MFA's Energy\$mart staff and the training academy staff. The purpose of the Technical Committee is to identify challenges and share best practice among the agencies.

Future Program Requirements

In addition to following all WAP Program Notices, MFA staff stays in close contact with NASCSP, Energy Out West, and other industry experts. Information gathered from phone meetings, conferences, emails, and updates is regularly dispersed to the Subgrantees and the Training Academy. If the industry changes or updates warrant a change in training or policies, that is implemented soon after communication or training has taken place.

Effectiveness of Energy Savings and NM Energy\$mart On Line System

In order to assess effectiveness, the NM Energy\$mart Online System (System) captures the unit production data on a monthly basis. The completed unit data is captured for each agency and shows the projected energy savings in MMBTUs for each auditor in the agency. This information is useful in that it can compare agency to agency, and auditor to auditor. Though the climatic conditions are vastly different from the northern part of the state to the southern, these comparisons can be helpful in determining weaknesses and individual training needs.

The System also shows the frequency with which each agency and auditor installs individual measures. The System also allows MFA to assess each Agency's performance in a number of areas. The System level assessment allows MFA to select individual units for inspection. A separate Unit Inspection database collects information from inspected units. Monitoring data follows the path of information sharing that occurs through the online system. MFA shares this information during desk audits of invoices, during monitoring and during Peer Exchange meetings.

Weatherization Plus

MFA encourages Subgrantees to coordinate the weatherization assistance program with other MFA rehabilitation and Healthy Home programs. When applicable, this maximizes the level of assistance on eligible homes. MFA will offer Subgrantee's training necessary for them to participate in the coordination with builders, developers and Subgrantees for MFA's rehabilitation program.

State Weatherization Program Manuals

New Mexico's Program Manual is divided into three parts. These manuals are updated as rules, regulation and policies change. MFA staff encourages the Subgrantees to "first" go to the manuals for guidance. If their questions are not answered through the manuals we then request that they call the Program Manager as a "second" level of information. This will allow for consistence guidance across the state and will also provide needed feedback from our Subgrantees if information is missing or not clear in the manuals.

- The Administrative Programmatic Manual.
- The SWS Field Guide, Deck of Cards, acts as our field guide.
- NM Energy\$mart Technical Standards outlines everything that is not associated to a specific measure which is addressed in the Deck of Cards.

In order to provide the Subgrantees with easy access to the current manuals, MFA keeps them up to date on the MFA website.

Community Education

MFA will continue advertising our program, conducting education and outreach in communities across New Mexico Staff will continue to work to educate members of New Mexico's Public Regulatory Commission (PRC) on the NM Energy\$mart Program to support future utility funding. All Subgrantees will continue distributing the required Lead Based Paint notice to all applicants. MFA will continue to require that program participants be asked to complete satisfaction forms after completion of measures.

Grantee Assessment

MFA has one staff member assigned to the program who oversees both the technical and programmatic pieces. An additional staff member is being trained as a technical back-up. The staff will attend trainings related to maintaining Quality Control Inspector Certification, pursuing additional certifications, broader trainings

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related to building science, program operations, DOE rules & regulations, and trainings offered through NASCSP and DOE conferences.

Percent of overall trainings

Comprehensive Trainings:	51.0
Specific Trainings:	49.0

Breakdown of T&TA training budget

Percent of budget allocated to Auditor/QCI trainings:	40.0
Percent of budget allocated to Crew/Installer trainings:	40.0
Percent of budget allocated to Management/Financial trainings:	20.0

V.9 Energy Crisis and Disaster Plan

Objective: The objective of the New Mexico disaster response plan is to implement response activities that ameliorate the effects of the disaster to affected low-income persons with due consideration to the limited funds available during the program year.

Definition: A disaster is an event or development in the State declared by a Presidential or Gubernatorial order to be either a Federal or State emergency.

Procedures: Declaration of an energy crisis enables a Subgrantee to place households affected by the crisis at the top of the weatherization waiting list. Subgrantee must follow WPN 12-7 and complete all allowed measures by the energy audit. Partial weatherization is not allowed. Once a QCI has approved the work, the crews can move to the next identified unit that qualifies.

If at all possible, the Subgrantee should complete the emergency units within the current program year.

The Subgrantees must maintain a list of the homes served during the crisis and provide the list of measures for each unit and the proposed date for full weatherization during invoice submission.

Criteria include:

1. Households must meet current income guidelines.
2. Priority will be given to elderly person, persons with disabilities, families with children, high residential energy users, and household with high energy burdens.
3. Priority will be determined through the program priority list for the particular disaster area.
4. Homes weatherized **after** September 30, 1994 can receive additional assistance under "Energy Crisis".
5. Incidental repairs to an eligible dwelling will be allowed if the repairs are necessary to make the installation of weatherization materials effective.
6. Elimination of health and safety hazards will be allowed when it is necessary before the installation of weatherization materials.

COVID-19 Disaster Response Plan

In addition to all agencies following State Health Department and Center of Disease Control Guidelines, the following will be practiced.

- Client and staff health and safety is the number one priority. This will not be sacrificed under any condition.
- Clients will be interviewed prior to any entry of the home. If there are indicators of the client being ill, the home will be temporarily deferred.
- Homes or apartments will not be entered by the weatherization staff if any of the occupants have tested positive for COVID-19, until the occupants show negative test results.
- Staff will not be entering the home if any signs of illness or fever above 100 is present, or if a family member displays these symptoms.
- Full PPE will be used during the crises on any job site. Hand washing will occur each time the gloves are removed.
- Monitoring and site visits will be limited to the bare minimum to achieve compliance

COVID-19 Protocol -Occupants Concerns

Prevention of client exposure to potential carriers of COVID-19 will be the top priority and not sacrificed in order to achieve completed units or weatherization of the home. Clients will be notified of the agency's protocol and methods utilized when entering the home. If clients choose to decline or postpones services, the client's wishes will be honored. Temporary relocation of at-risk occupants may be allowed on a case by case basis.

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Agencies will develop in their own health and safety manuals policies that address:

- Office and warehouse social distancing procedures
- Office and warehouse hand washing and sanitation procedures
- Vendor visit practices and social distancing when gathering supplies
- Contractor interactions with clients and staff and Personal Protective Equipment (PPE) required
- Assessment and energy audit procedures and PPE required
- Hand washing, sanitation, and client interaction procedures
- Implementation of weatherization measure PPE requirements and when PPE is used
- Final inspection procedures involving PPE and client interactions
- COVID-19 testing for staff and family members if available and notification procedures

COVID-19 Protocol -Occupants Conditions

If occupants have been tested positive for COVID-19, the home will be deferred until all of the occupants have tested negative. Agencies will develop in their own health and safety manuals policies that address:

- When to require occupants provide a tests for COVID-19 and what the date of the test should be in relation to work commencing
- Assessment and energy audit procedures and PPE required
- Hand washing, sanitation, and client interaction procedures
- Implementation of weatherization measure PPE requirements and when PPE is used
- Final inspection procedures involving PPE and client interactions
- Post COVID-19 testing for staff if available and notification procedures

COVID-19 Protocol -Staff Concerns

If it is determined or suspected that any member of a household had been in contact with anyone carrying COVID-19 or is infected with the virus, the agency will immediately defer the unit until occupants can prove the household tests negative.

Agencies will develop in their health and safety manuals procedures that address:

- Post COVID-19 testing for staff if available
- Notification procedures for the remainder of the agency
- Notification procedures for the clients
- When and how to return to the home to complete work
- Exposed staff members quarantine possibilities

Weatherization Grantee Health and Safety Plan

New Mexico Health and Safety Plan

☒ POLICY SUBMITTED WITH PLAN

1.0 – GENERAL INFORMATION

Grantees are encouraged to enter additional information here that does not fit neatly in one of the other sections of this document.

2.0 – BUDGETING

Grantees are encouraged to budget Health & Safety (H&S) costs as a separate category and, thereby, exclude such costs from the average cost per unit cost (ACPU) limitation. This separate category also allows these costs to be isolated from energy efficiency costs in program evaluations. Grantees are reminded that, if H&S costs are budgeted and reported under the program operations category rather than the H&S category, the related H&S costs must be included in the calculation of the ACPU and cost-justified through the approved energy audit.

Select which option is used below.

Separate Health and Safety Budget ☒

Contained in Program Operations ☐

3.0 – HEALTH AND SAFETY EXPENDITURE LIMITS

Pursuant to [10 CFR 440.16\(h\)](#), Grantees must set H&S expenditure limits for their Program, providing justification by explaining the basis for setting these limits and providing related historical experience.

Low percentages should include a statement of what other funding is being used to support H&S costs, while larger percentages will require greater justification and relevant historical support. It is possible that these limits may vary depending upon conditions found in different geographical areas. These limits must be expressed as a percentage of the ACPU. For example, if the ACPU is \$5,000, then an average expenditure of \$750 per dwelling would equal 15 percent expenditures for H&S.

15 percent is not a limit on H&S expenditures but exceeding this amount will require ample justification. These funds are to be expended by the Program in direct weatherization activities. While required as a percentage of the ACPU, if budgeted separately, the H&S costs are not calculated into the per-house limitation. DOE strongly encourages using the table below in developing justification for the requested H&S budget amount. Each H&S measure the Grantee anticipates addressing with H&S funds should be listed along with an associated cost for each measure, and by using historical data the estimated frequency that each measure is installed over the total production for the year.

It is also recommend reviewing recent budget requests, versus expenditures to see if previous budget estimates have been accurate. The resulting "Total Average H&S Cost per Unit" multiplied by the Grantee's production estimate in the Annual File should correlate to the H&S budget amount listed in the Grantee's state plan.

Should a Grantee request to have more than 15 percent of Program Operations used for health and safety purposes, DOE will conduct a secondary level of review. DOE strongly encourages use of this H&S template and matrix to help expedite this process

H&S Measure Matrix - Optional			
Double Click To Open For Editing			
Cells this shade auto calculate			
Enter Measure ↓	Enter Cost ↓	Enter Frequency % ↓	Auto Calculates
Carbon Monoxide Detector	\$85.21	99.0%	\$84.36
Smoke Alarms	\$61.19	98.0%	\$59.97
Mechanical Ventilation	\$677.00	98.0%	\$663.46
Heater Replacement	\$1,354.17	9.0%	\$121.88
Water Heater Replacement	\$1,056.69	35.0%	\$369.84
Furnace Repair/Tune UP	\$289.85	19.0%	\$55.07
Dryer Vent	\$82.72	17.0%	\$14.06
Other Health and Safety	\$356.81	40.0%	\$142.72
Agency using utility funding	-\$11.36	100.0%	-\$11.36
Total Average H&S Cost Per Unit			\$1,500.00
Enter Estimated Production (Annual File: IV.2 WAP Production Schedule) →			553
Enter Estimated Program Operations Budget →			\$3,081,994
H&S Budget (Total Average H&S Cost Per Unit * Estimated Production)			\$829,500.00
Requested H&S Percentage Per Unit (H&S Budget/Program Operations)			26.9%

Agencies are expected to budget for health and safety funds to allow for all allocated units within the program year to receive weatherization. Agencies must keep their per unit average below \$1,500.

4.0 – INCIDENTAL REPAIR MEASURES

If Grantees choose to identify any H&S measures as incidental repair measures (IRMs), they must be implemented as such under the Grantee's weatherization program in all cases – meaning, they can never be applied to the H&S budget category. In order to be considered IRMs, the measure must fit the following definition and be cost justified along with the associated efficiency measure;

Incidental Repairs means those repairs necessary for the effective performance or preservation of weatherization materials. Such repairs include, but are not limited to, framing or repairing windows and doors which could not otherwise be caulked or weather-stripped and providing protective materials, such as paint, used to seal materials installed under this program. ([10 CFR 440 "Definitions"](#))

Incidental Repairs means those repairs necessary for the effective performance or preservation of weatherization materials.

Incidental repairs include:

- Glass replacement

- Door Replacement
- Structural repairs to maintain the integrity of weatherization materials
- Flue and venting replacement
- Dryer vents
- T and P for water heaters
- Fuel supply line repair
- Electrical repairs
- Modifications to allow for condensing furnace drainage.
- Minor roof repair <12 square feet

Health and safety measures may be listed as incidental repair only if the entire building still receives an SIR of 1. This decision may not be made in the field.

General heat waste measures are included in the energy audit as itemized costs. Incidental repairs are included in the per unit cost limitation and must be cost justified with the SIR for the package of measures.

Items that have the potential of receiving an SIR on their own such as doors, must be run as an ECM first. When the item is not cost effective, then it must be run under air sealing if it would normally be an incidental repair to air sealing. Otherwise, the item may be run as an incidental repair as long as the entire home receives an SIR above 1.

5.0 – DEFERRAL/REFERRAL POLICY

Deferral of services may be necessary if H&S issues cannot be adequately addressed according to WPN 17-07 guidance. The decision to defer work in a dwelling is difficult but necessary in some cases. This does not mean that assistance will never be available, but that work must be postponed until the problems can be resolved and/or alternative sources of help are found. If, in the judgment of the auditor, any conditions exist which may endanger the health and/or safety of the workers or occupants, the unit should be deferred until the conditions are corrected. Deferral may also be necessary where occupants are uncooperative, abusive, or threatening. Grantees must be specific in their approach and provide the process for clients to be notified in writing of the deferral and what conditions must be met for weatherization to continue. Grantees must also provide a process for the client to appeal the deferral decision to a higher level in the organization.

Grantee has developed a comprehensive written deferral/referral policy that covers both H&S, and other deferral reasons?

Yes ☒ No ☐

Where can this deferral/referral policy be accessed?

The Administration Manual, Section 6. This resides on the Grantee website and is also distributed to the Service Providers annually or when there are updates.

6.0 – HAZARD IDENTIFICATION AND NOTIFICATION FORM(S)

Documentation forms must be developed that include at a minimum: the client's name and address, dates of the audit/assessment and when the client was informed of a potential H&S issue, a clear description of the problem, a statement indicating if, or when weatherization could continue, and the client(s) signature(s) indicating that they understand and have been informed of their rights and options.

Documentation Form(s) have been developed and comply with guidance?

Yes ☒ No ☐

7.0 – HEALTH AND SAFETY CATEGORIES

For each of the following H&S categories identified by DOE:

- Explain whether you concur with existing guidance from WPN 17-07 and how that guidance will be implemented in your Program, if you are proposing an alternative action/allowability, or if the identified category will not be addressed and will always result in deferral. Alternatives must be comprehensively explained and meet the intent of DOE guidance.
- Where an Action/Allowability or Testing is “required” or “not allowed” through WPN 17-07, Grantees must concur, or choose to defer all units where the specific category is encountered.
- “Allowable” items under WPN 17-07 leave room for Grantees to determine if the category, or testing, will be addressed and in what circumstances.
- Declare whether DOE funds or alternate funding source(s) will be used to address the particular category.
- Describe the explicit methods to remedy the specific category.
- Describe what testing protocols (if any) will be used.
- Define minimum thresholds that determine minor and major repairs
- Identify minimum documentation requirements for at-risk occupants
- Discuss what explicit steps will be taken to educate the client, if any, on the specific category if this is not explained elsewhere in the Plan. Some categories, like mold and moisture, require client education.
- Discuss how training and certification requirements will be provided for the specific category. Some categories, like Lead Based Paint, require training.
- Describe how occupant health and safety concerns and conditions will be solicited and documented

Grantees may include additional H&S categories for their particular Programs. Additional categories must include, at a minimum, all of the same data fields as the DOE-provided categories. Two additional tables have been created to utilize.

7.1 – Air Conditioning and Heating Systems

Concurrence, Alternative, or Deferral

Concurrence with Guidance ☒ Alternative Guidance ☐ Results in Deferral ☐

Air Conditioning Unallowable Measure ☐ Heating Unallowable Measure ☐

Funding

DOE ☒ LIHEAP ☒ State ☐ Utility ☐ Other ☐

How do you address unsafe or non-functioning primary heating/cooling systems?

Heating Systems must receive:

- System repair, replacement, or installation is allowed of red-tagged, inoperable, or nonexistent heating systems in all climate zones.
 - Manual J must be used for sizing of the equipment when replacing
 - Flue and chimney inspection for code
 - Complete testing consistent with the NM Technical Standards testing protocol within the CAZ
 - Depressurization consideration in conjunction with other combustion appliances in worse case and natural conditions.
 - Solid fuel burning appliances must:
 - Adhere to local code including the venting
 - Include a CO alarm installed in the combustion zone
 - Client education and danger signs of what to do if the alarm were to sound
 - Worst case CAZ depressurization testing
 - Be simulated at 300 CFM for worse case testing of other appliances
 - Replacement is allowed for primary units but not secondary units
 - Repair and replacement of inoperable or unsafe combustion appliances is allowed, including the installation of direct-vent, sealed combustion appliances.
 - Repair and cleaning should be done before replacement is considered.
 - Proper venting to the outdoors, including gas dryers is required.
 - Correction of venting is allowed when testing or visual inspection indicates a problem.
 - This may be listed under incidental repair when it meets the definition of WPN 12-9.
 - No work is permitted if the completed unit's primary heat source is an unvented gas heater. Replacement with a vented unit is an allowable H & S expense.
 - Unit must be sized to heat entire dwelling unit. And comply with the audit requirements of 10 CFR 440.21 (e) (2)
 - Building permits must be secured and other applicable building codes followed for all space heater work. This is considered a program operations cost per 17-7 Attachment A.
- All fuel-burning appliances in mobile homes, except ranges, ovens, illuminating appliances, clothes dryers, solid fuel-burning fireplaces and solid fuel-burning stoves, must be installed to provide for the complete separation of the combustion system from the interior atmosphere of the manufactured home (i.e., to draw their combustion air from outside).
- Masonry Chimneys used by vented space heaters will be properly lined in compliance with the International Fuel Gas Code(IFGC). New equipment must meet local code requirements.

Cooling Systems

Air conditioning system replacement, repair, or installation is allowed in homes of at-risk occupants or where climate conditions warrant. Climate conditions that would warrant this allowance are areas that have an average of 800 CDDs using a base 70. Climate Zone 3 has an average of 1,721 Cooling degree days and Climate Zone 4 has an average of 985 CDD; in these climate zones, cooling replacement is allowed using health and safety funds. For the other climate zone, medical eligibility from a third party medical professional proving at risk is required for any occupant. If the particular area has 800 CDD average or higher, using a base 70 replacement and repair of cooling systems is allowed using health and safety funds.

At risk occupants are defined as an occupant that is over the age of 60, has respiratory ailments, allergies, pregnant, or other unique health concerns. The cooling system must be run as an ECM first to determine if the unit is cost effective and Manual J must be used for sizing of the equipment.

In addition, service providers must request prior authorization for installation or replacement of air conditioning system.

An example statement of medical eligibility:

Re: Air Conditioner Replacement or Installation

Name: _____, DOB: _____, age _____ years, is a patient under my care. S/he has a respiratory condition that increases her/his risk for heat-related illness during a heat wave.

As her/his health care provider, I strongly advise that s/he use an air conditioner at home during a heat wave to prevent serious heat-related illness and possibly death. If you have any questions or concerns, please feel free to contact me.

(Signature of health care provider)

How do you address unsafe or non-functioning secondary heating systems, Including unvented secondary space heaters?
<ul style="list-style-type: none"> ○ Secondary unvented units must conform to the safety standards of ANZI Z21.11.2, and must not have an input rating in excess of 40,000 Btu/hour. Replacement is not allowed, however the unit may be repaired, removed, or rendered inoperable. Deferral is required if this is not possible. <ul style="list-style-type: none"> ○ Must not be located in ,or obtain combustion air from sleeping rooms, bathrooms, toilet rooms, or storage closets except: <ul style="list-style-type: none"> ▪ One listed wall-mounted space heater in a bathroom or bedroom if permitted by the authority having jurisdiction and <ul style="list-style-type: none"> • Does not have an input rating exceeding 6,000 Btu/hour for bathroom and not exceeding 10,000 Btu.hour for bedroom. • Equipped with an oxygen-depletion sensing safety shut-off system; • Bathroom or bedroom have adequate combustion air
Indicate Documentation Required for At-Risk Occupants
To determine at risk, the client must show medical provider proof in the form of test results or letter describing respiratory ailments, allergies, pregnancy, or other conditions determined to put the client at risk by the medical provider.
Testing Protocols
<p>Testing protocol is described in the NM Technical Standards pages 98-109. Testing includes at minimum: Combustion gases (carbon monoxide, oxygen, etc) under worst case, flue temperature, temperature rise, static pressure, limit switch, gas pressure test, gas leaks, flue condition, combustion air supply, spillage under worst case, efficiency, blower speed where applicable, room to room balancing, and other testing determined by a licensed HVAC professional.</p> <p>All systems must be checked for operations and performance. This includes determining if the system can be installed as an ECM using the energy audit, inspecting the chimney/flue, and testing the CAZ for depressurization.</p> <p>Solid fuel appliances must be inspected for visual evidence of soot on the surrounding areas.</p>
Client Education
Clients are educated on the existing levels and dangers of CO, maintenance needs, basic operation, air blocking, disposal of bulk fuel tanks, how to recognize depressurization, and thermostat use. Clients must receive information in writing describing reasons for deferral if deferral is the only option. A copy of this must be kept in the client file.
Training
Energy Auditor, Crew Leader, QCI as comprehensive training and specified HVAC classes as needed. All HVAC installers must have a NM MM 98 license.

7.2 - Asbestos - All

What is the blower door testing policy when suspected Asbestos Containing Material (ACM) is identified?

Blower door should be done with pressurization only. If friable asbestos is suspected, blower door testing will not be allowed. All energy auditors must be able to identify friable asbestos. Abatement is not allowed.

7.2a – Asbestos - in siding, walls, ceilings, etc.				
Concurrence, Alternative, or Deferral				
Concurrence with Guidance <input checked="" type="checkbox"/>	Alternative Guidance <input type="checkbox"/>		Results in Deferral <input type="checkbox"/>	
Funding				
DOE <input type="checkbox"/>	LIHEAP <input checked="" type="checkbox"/>	State <input type="checkbox"/>	Utility <input type="checkbox"/>	Other <input type="checkbox"/>
How do you address suspected ACM's in siding, walls, or ceilings that will be disturbed through the course of weatherization work?				
<p>If ACM is suspected within the walls, ceilings or siding, the energy auditor must determine if the material is friable and if there will be disturbance of that material during the course of weatherization work. Blower door testing will not be allowed if the substance is friable. If the ACM will be disturbed, the cost of using a licensed professional must be included in the cost of that measure. If the cumulative SIR for the home is under 1, the home must be deferred. It is recommended to drill through the interior when possible to avoid any disturbance of ACM. Siding may be removed and reinstalled if the siding is in good condition.</p>				
Testing Protocols				
<p>Inspect exterior wall, ceiling and other surface and subsurface for asbestos siding prior to drilling or cutting. Agencies will assume asbestos is present when suspect and defer the unit unless testing proves otherwise. Testing is an allowable H&S expense and must be collected by a certified tester.</p>				
Client Education				
<p>Inform the client that suspected asbestos siding is present and what precautions will be needed, and what the test results show. This must be done in writing, and if tests are conducted, the client must be notified of results.</p>				
Training and Certification Requirements				
<p>Safe practices for siding removal and replacement is part of installer training. How to identify asbestos containing materials is part of energy auditor training. If as AHERA Training Course is required for all energy auditors.</p>				

7.2b – Asbestos - in vermiculite				
Concurrence, Alternative, or Deferral				
Concurrence with Guidance <input checked="" type="checkbox"/>	Alternative Guidance <input type="checkbox"/>		Results in Deferral <input type="checkbox"/>	
Funding				
DOE <input checked="" type="checkbox"/>	LIHEAP <input checked="" type="checkbox"/>	State <input type="checkbox"/>	Utility <input type="checkbox"/>	Other <input type="checkbox"/>
How do you address suspected ACM's in vermiculite that will be disturbed through the course of weatherization work?				
<p>When vermiculite is present, unless testing determines otherwise, take precautionary measures as if it contains asbestos, such as not using blower door tests and utilizing personal air monitoring while in attics. Proper respiratory protection must be used while in areas containing asbestos. Blower door testing of any kind will not be allowed when vermiculite is present. Encapsulation by an appropriately trained asbestos control professional is allowed. Removal is not allowed.</p>				
Testing Protocols				
<p>Assess whether vermiculite is present. Asbestos Hazard Emergency Response Act of 1986 (AHERA) certified prescriptive sampling is allowed by a certified tester.</p>				

Client Education
Clients should be instructed not to disturb suspected asbestos containing material. Provide asbestos safety information to the client. Formally notify client if test results are positive for asbestos and signed by the client. Client must receive in writing that conditions must be met prior to any weatherization activities.
Training and Certification Requirements
Auditors are required to have Energy Auditor training on how to recognize vermiculite, AHERA or other appropriately trained or certified asbestos control professional training for encapsulation.

7.2c – Asbestos - on pipes, furnaces, other small covered surfaces				
Concurrence, Alternative, or Deferral				
Concurrence with Guidance <input checked="" type="checkbox"/>	Alternative Guidance <input type="checkbox"/>	Results in Deferral <input type="checkbox"/>		
Funding				
DOE <input checked="" type="checkbox"/>	LIHEAP <input checked="" type="checkbox"/>	State <input type="checkbox"/>	Utility <input type="checkbox"/>	Other <input type="checkbox"/>
How do you address suspected ACM's (e.g., pipes, furnaces, other small surfaces) that will be disturbed through the course of weatherization work?				
Assume asbestos is present in covering materials. When friable asbestos is suspected, blower door testing will only be allowed after encapsulation by a trained professional. Removal may be allowed by an AHERA asbestos control professional on a case by case basis. H&S costs directly associated with testing and encapsulation. Removal is not allowed.				
Testing Protocols				
After ACM is assessed for presence, AHERA testing and collection is allowed by a certified tester.				
Client Education				
Clients should be instructed not to disturb suspected asbestos containing material. Provide asbestos safety information to the client. Formally notify client if test results are positive for asbestos and signed by the client. Client must receive in writing that conditions must be met prior to any weatherization activities.				
Training and Certification Requirements				
AHERA course for testing and asbestos control professional training for abatement. This includes how to identify asbestos containing materials and what constitutes friable asbestos.				

7.5 – Biologicals and Unsanitary Conditions (odors, mustiness, bacteria, viruses, raw sewage, rotting wood, etc.)				
Concurrence, Alternative, or Deferral				
Concurrence with Guidance <input checked="" type="checkbox"/>	Alternative Guidance <input type="checkbox"/>	Results in Deferral <input type="checkbox"/>		
Unallowable Measure <input type="checkbox"/>				
Funding				
DOE <input checked="" type="checkbox"/>	LIHEAP <input checked="" type="checkbox"/>	State <input type="checkbox"/>	Utility <input type="checkbox"/>	Other <input type="checkbox"/>

What guidance do you provide Subgrantees for dealing with biological and/or unsanitary conditions in homes slated for weatherization?
Remediation of conditions that may lead to or promote biological concerns and unsanitary conditions is allowed, however, addressing bacteria and viruses is not an allowable cost. Deferral may be necessary in cases where a known agent is present in the home that may create a serious risk to occupants or weatherization workers. This is similar to Mold and Moisture guidance in section 7.16.
Testing Protocols
Sensory inspection, visual inspection, client feedback.
Client Education
Inform client of observed conditions. Provide information on how to maintain a sanitary home and steps to correct deferral conditions.
Training
Agencies are trained as part of energy auditor and crew leader training in addition to field training on how to recognize conditions and when to defer. Worker safety when coming in contact these conditions is a huge priority.

7.6 – Building Structure and Roofing
Concurrence, Alternative, or Deferral
Concurrence with Guidance <input checked="" type="checkbox"/> Alternative Guidance <input type="checkbox"/> Results in Deferral <input type="checkbox"/>
Funding
DOE <input checked="" type="checkbox"/> LIHEAP <input checked="" type="checkbox"/> State <input type="checkbox"/> Utility <input type="checkbox"/> Other <input type="checkbox"/>
What guidance do you provide Subgrantees for dealing with structural issues (e.g., roofing, wall, foundation) in homes slated for weatherization?
Building rehabilitation is beyond the scope of the Weatherization Assistance Program. Homes with conditions that require more than incidental repair(minor) should be deferred.
How do you define “minor” or allowable structure and roofing repairs, and at what point are repairs considered beyond the scope of weatherization?
12 square feet as is the maximum allowed for minor repair and the threshold for deferral for all homes except for flooring in mobile homes. The threshold for mobile home flooring is 32 square feet. All other repairs will need to result in deferral. Circumstances that warrant exceeding these thresholds will be considered on a case by case basis. An agency generated waiver to MFA will need to be first obtained with adequate justification.
If priority lists are used, and these repairs are designated as Incidental Repairs, at what point is a site-specific audit required?
NA
Client Education
The agency is to notify client of structurally compromised areas. The proper steps for the client to take in order for weatherization work to occur plus how to prevent future deterioration is communicated to the client verbally and in writing.
Training

Code compliance, energy auditor, crew leader, and installer, specifically how to identify structural and roofing issues.

7.7 – Code Compliance				
Concurrence, Alternative, or Deferral				
Concurrence with Guidance <input checked="" type="checkbox"/>	Alternative Guidance <input type="checkbox"/>	Results in Deferral <input type="checkbox"/>		
Funding				
DOE <input checked="" type="checkbox"/>	LIHEAP <input checked="" type="checkbox"/>	State <input type="checkbox"/>	Utility <input type="checkbox"/>	Other <input type="checkbox"/>
What guidance do you provide Subgrantees for dealing with code compliance issues in homes receiving weatherization measures?				
Correction of pre-existing code compliance issues is not an allowable cost <i>other</i> than where weatherization measures are being conducted. State and local (or jurisdiction having authority) codes must be followed while installing weatherization measures. Condemned properties and properties where “red tagged” health and safety conditions exist that cannot be corrected under this guidance should be deferred.				
What specific situations commonly trigger code compliance work requirements for your network? How are they addressed?				
The most common code compliance triggers are water heater and heating system replacements. Code compliance determined by the state inspectors for each item must be adhered to when replacing any mechanical appliance. They are addressed by obtaining a proper permit, replacing the unit or conducting the work to code, and requesting inspection after work is complete. The specific code must be cited and written clearly in the client file.				
Client Education				
Inform client of observed code compliance issues. If deferral is necessary, information must be provided in writing that describes the conditions that must be met in order for weatherization to begin.				
Training				
Code compliance for auditors. All field crew are trained as to when to contact the licensed contractor for that agency with code questions.				

7.8 – Combustion Gases				
Concurrence, Alternative, or Deferral				
Concurrence with Guidance <input checked="" type="checkbox"/>	Alternative Guidance <input type="checkbox"/>	Results in Deferral <input type="checkbox"/>		
Funding				
DOE <input checked="" type="checkbox"/>	LIHEAP <input checked="" type="checkbox"/>	State <input type="checkbox"/>	Utility <input type="checkbox"/>	Other <input type="checkbox"/>
Testing Protocols				

- ◆ The following health and safety measures **must be performed on all combustion appliances** of weatherized homes. Staff must be training to simulate and recognize **worse case depressurization** when testing combustion equipment. These are performed at the **assessment level**, work in **progress end of day**, and **quality control final** inspection.
- ◆ Homes may not be left in an unsafe condition due to appliance failure of any kind.
 - Measurement of **ambient carbon monoxide** concentrations should be done. If any ambient level of CO **above 9 ppm** is found, the source must be identified and the problem corrected.
 - The energy auditor should enter the dwelling with their CO measurement instrument running so that they can check the ambient CO concentration throughout the dwelling. An ambient air test for CO should be taken on coal, wood, unvented heaters and gas cook stoves.
 - A **CO test of undiluted flue gases** must be done on **all vented combustion appliances in worse case depressurization where applicable**. If a CO level **above 100 ppm** as measured is found in the undiluted flue gas sample, corrective action must be taken to reduce the CO to acceptable levels. If readings are detected above the minimum levels, no weatherization work is to be done until the problem is corrected.
 - A **gas leak detection test** must be taken on all natural and LP gas appliances and supply lines. All gas leaks must be repaired before any work is done. Oil supply lines and components must also be checked for leaks.
 - **Spillage** on all vented natural gas, LP gas and oil appliances must be performed under **worst-case depressurization** conditions to ensure an adequate venting.
 - An **inspection of the vent system** must be completed to ensure that the proper size and type of pipe is used, the condition of the vent pipe is satisfactory, the clearance meets applicable codes, and the vent system is unobstructed.
 - **Identify the combustion air source** and make sure it is unobstructed and sufficient, as defined by NFPA code.
- ◆ Replacement is an allowable H&S measure if unsafe conditions whose remediation is necessary to perform weatherization and the appliance run through the energy audit to determine if it can be justified as an ECM measure.
- ◆ Documentation justifying replacement with a cost comparison between replacement and repair must be maintained in the client file.
- ◆ A detailed description of these tests can be found in Section 1200 of the NM EnergySmart Technical Standards.
- ◆ The local agency is responsible for any potential health and safety problems that will be compounded if prescribed conservation measures are installed. For example, if a furnace is emitting unacceptable levels of CO, it is likely that tightening the home would increase the problem. Therefore, this problem must be fixed before any air sealing is completed.

How are crews instructed to handle problems discovered during testing, and what are the specific protocols for addressing hazards that require an immediate response?

Emergency Situations, Immediate Follow-up Required

Some safety problems may warrant discontinuing the combustion appliance testing or shutting off the appliance until the repairs can be made. Whenever a technician questions the safety of a situation, they should consult a supervisor. The local natural gas or propane supplier should be called in whenever possible. Examples of this type of situation are:

1. Propane or natural gas leak: Propane can be smelled more than three feet from the leaking fitting or verified by gas tester.
2. Clogged or disconnected flue: A clogged or disconnected flue that cannot be fixed, causing significant spillage of combustion products into a heated space or working area of the technician.
3. Backdrafting or significant spillage: Any backdrafting of combustion products in combination with carbon monoxide indications, which cannot be fixed.
4. Cracked furnace heat exchanger: Any visually identified cracked heat exchanger leaking combustion byproducts.
5. Carbon monoxide levels in the heated space above 35 ppm.
6. Other hazards: Any other situation or combination of situations that the technician or supervisor judges hazardous to the health of the client or others.
7. CO detected within the heating appliance greater than 100ppm.

Non-Emergency, One-day Follow-up Recommended

Some situations may not warrant discontinuing testing or shutting down the heating system, but are serious enough to require attention within twenty-four hours. Examples of this type of situation are:

1. If carbon monoxide measured in the heated space exceeds the 9 ppm
2. There is inadequate draft or spillage.
3. A furnace with no limit switch, or a limit switch that is disconnected.

Non-Emergency, Five-day Follow-up Recommended

All other safety-related follow-up must begin within five days. Examples of this type of situation are:

1. Draft or spillage in an unheated area that does not comply with the procedures in Section 12860.
2. A furnace limit switch that does not shut the gas off by 225°F.
3. A cracked heat exchanger is suspected, but there are no other apparent problems with the furnace.

Client Education

Client is provided with combustion safety and hazards information, including the importance of using exhaust ventilation when cooking and the importance of keeping burners clean to limit the production of CO. Clients are informed of any high levels of other gasses and fuel leaks.

Training

Agencies learn how to perform appropriate testing, determine when a building is excessively depressurized, and the difference between air free and as-measured CO action levels during the Energy Auditor training. This is also covered in HVAC, Crew Leader, and QCI.

7.9 – Electrical

Concurrence, Alternative, or Deferral

Concurrence with Guidance <input checked="" type="checkbox"/>	Alternative Guidance <input type="checkbox"/>	Results in Deferral <input type="checkbox"/>
Funding		
DOE <input checked="" type="checkbox"/>	LIHEAP <input checked="" type="checkbox"/>	State <input type="checkbox"/> Utility <input checked="" type="checkbox"/> Other <input type="checkbox"/>
What guidance do you provide Subgrantees for dealing with electrical hazards, including knob & tube wiring, in homes slated for weatherization?		
Minor upgrades and repairs necessary for weatherization measures and where the health or safety of the occupant is at risk are allowed. Agencies must provide sufficient over-current protection and damming prior to insulating over knob-and-tube wiring.		
How do you define “minor” or allowable electrical repairs, and at what point are repairs considered beyond the scope of weatherization?		
Minor threshold is determined by cost and cumulative SIR. If the resulting cost of the electrical work causes the home to no longer achieve the SIR of 1 the home will need to be deferred. If the cost of the work is greater than \$3,500, prior approval must be obtained.		
If priority lists are used, and these repairs are designated as Incidental Repairs, at what point is a site-specific audit required?		
NM Does not use priority list.		
Client Education		
Provide information to client on over-current protection, overloading circuits, basic electrical safety/risks.		
Training		
Code for energy auditors and crew leaders covers identification of electrical hazards.		

7.10 – Formaldehyde, Volatile Organic Compounds (VOCs), Flammable Liquids, and other Air Pollutants		
Concurrence, Alternative, or Deferral		
Concurrence with Guidance <input checked="" type="checkbox"/>	Alternative Guidance <input type="checkbox"/>	Results in Deferral <input type="checkbox"/>
Funding		
DOE <input checked="" type="checkbox"/>	LIHEAP <input checked="" type="checkbox"/>	State <input type="checkbox"/> Utility <input type="checkbox"/> Other <input type="checkbox"/>
What guidance do you provide Subgrantees for dealing with formaldehyde, VOCs, flammable liquids, and other air pollutants identified in homes slated for weatherization?		
Removal of pollutants is allowed and is required if they pose a risk to workers. It is preferred the client remove these items prior to weatherization work. If pollutants pose a risk to workers and removal cannot be performed by the client or agency, the unit must be deferred.		
Testing Protocols		
Client Education		
Inform client of observed condition and associated risks. Provide client written materials on safety and proper disposal of household pollutants. If deferral is warranted, the client must be provided in writing with the proper steps that must be met prior to weatherization.		
Training		

How to recognize potential hazards and when removal is necessary as part of field training. Healthy Homes training will be provided this program year to help identify these hazards.

7.11 – Fuel Leaks				
<i>(please indicate specific fuel type if policy differs by type)</i>				
Concurrence, Alternative, or Deferral				
Concurrence with Guidance <input checked="" type="checkbox"/>	Alternative Guidance <input type="checkbox"/>	Results in Deferral <input type="checkbox"/>		
Funding				
DOE <input checked="" type="checkbox"/>	LIHEAP <input checked="" type="checkbox"/>	State <input type="checkbox"/>	Utility <input type="checkbox"/>	Other <input type="checkbox"/>
Remediation Protocols				
<p>All exposed lines are tested from utility coupling into, and throughout the home. When there is a suspected fuel leak, it is verified with spray solution for bubble inspection. When confirmed a leak is present, it is considered an emergency with immediate follow-up required.</p> <ol style="list-style-type: none"> 1. Determine if location of leak falls on client side of meter or supplier side. 2. Call the appropriate party(gas company, propane company, licensed HVAC) to assess the situation. 3. When the leak is determined to be on the client side of the meter, the severity of the leak and repair is communicated to the agency and client. If the leak is on the supplier/ gas company side, the leak is repaired and retested. If the leak is on the client side, the severity and cost of the leak will determine if it is within the scope of the program. Weatherization will not continue until the leak is repaired. 				
How do you define allowable fuel leak repairs, and at what point are repairs considered beyond the scope of weatherization?				
<p>If the amount of repair exceeds the threshold limit of \$1,500, the agency contacts the grantee guidance or a waiver. Deferral may be needed if the repair work is extensive and client must be notified in writing.</p>				
Client Education				
<p>Clients are notified verbally and in writing of the leak location and advised to not use combustible appliances until the leak is corrected. If the line to the home closed until the leak is repaired, the clients are informed of the estimated repair timeframe.</p> <p>Clients are advised that there will be more visits that same day from either the fuel supplier company or a licensed HVAC professional to remedy the situation. Clients are also advised if deferral is needed and the next steps involved.</p>				
Training				
Energy Auditor, QCI, Crew Leader, and HVAC for Energy Auditors.				

7.12 – Gas Ovens / Stovetops / Ranges				
Concurrence, Alternative, or Deferral				
Concurrence with Guidance <input checked="" type="checkbox"/>	Alternative Guidance <input type="checkbox"/>	Results in Deferral <input type="checkbox"/>		
Funding				
DOE <input checked="" type="checkbox"/>	LIHEAP <input checked="" type="checkbox"/>	State <input type="checkbox"/>	Utility <input type="checkbox"/>	Other <input type="checkbox"/>
What guidance do you provide Subgrantees for addressing unsafe gas ovens/stoves/ranges in homes slated for weatherization?				

All gas ranges are to be tested and inspected for gas leaks, condition, carbon monoxide, and burner condition. When using DOE funds, replacement is not allowed, however tune and clean are allowed. The use of LIHEAP funds may be allowed when the appliance is no more than 32" wide.

Testing Protocols

1. Check for CO in ambient air upon arrival. If greater than 9 ppm, determine the source and correct the problem before proceeding.
2. Inspect the gas range installation for code compliance. Refer to the latest edition of the National Fuel Gas Code (NFPA 54), Household Cooking Appliances.
3. Check for gas leaks. If leaks are found, repair and document them before proceeding.
4. Check the flexible range connector for the date ring. If the connector doesn't have a date ring and/or is brass, replace the connector. The connector it must connect outside of the cabinet and must pass through the wall of the range cabinet.
5. Inspect and test range top burners according to NM SWS Section 2.0201.2e Gas Range Burners.
6. For the oven bake burner (do not test a separate broil burner):
 - a. Remove cooking utensils from oven. Make sure foil or other materials are not obstructing the holes in the oven floor.
 - b. Turn on burner to the maximum temperature, but not to "broil".
 - c. Insert the probe into the oven vent far enough to get an undiluted exhaust gas sample.
 - d. The CO emissions increase and then peak just after burner start up, they then fall to a momentary plateau before the burner shuts down as part of the duty cycle. The reading CO ppm must be taken during this stable plateau. Record this "plateau" reading in the client file.
 - e. If the reading at steady state exceeds 200 ppm or 800 ppm air-free, then:
 - i. Clean any rust and soot buildup on the spreader plate caused by flame impingement. Clean the burner if needed.
 - iii. Check for obstructed secondary air. If it is obstructed, remove the obstruction and educate the client how to keep from obstructing the burner.
 - iv. Check the primary air adjustment and adjust if necessary or clear away any restrictions.
 - v. Check to see that the burner is in alignment; it may require leveling the entire appliance.
 - vi. Check the orifice size to ensure they are the right type and size in regard to LPG or natural gas. If the orifices need to be changed or adjusted, do so with the burner and the pilot orifices.
7. With a manometer (water column gauge), check that the gas pressure is correct. If the pressure regulator requires replacement, do so.

Client Education

Clients are informed of any problems associated with the unit, including CO levels, gas leaks, condition and cleanliness of unit, use of ventilation fan when cooking, and the dangers of carbon monoxide.

Training

Energy Auditor, QCI, Crew Leader.

7.13 – Hazardous Materials Disposal

[Lead, Refrigerant, Asbestos, Mercury (including CFLs/fluorescents), etc.]

(please indicate material where policy differs by material)

Concurrence, Alternative, or Deferral

Concurrence with Guidance ☒ Alternative Guidance ☐ Results in Deferral ☐

Funding

DOE ☒ LIHEAP ☒ State ☐ Utility ☐ Other ☐

Client Education
Client must be informed in writing of hazards being handled in the home.
Training
OSHA 30, local disposal requirements, and any health risks associated with the use of these materials.
Disposal Procedures and Documentation Requirements
Hazardous materials that are a result of weatherization work or generated as result of weatherization work shall be disposed of according to all local laws and regulations. Documentation of these activities must be kept in the client file. The person who replaces the mercury containing bulb or thermostat is responsible for proper disposal. Disposal for bulbs are placed in a recycle bin at most hardware stores that sell the items. Mercury containing thermostats are less common but are still in existence. These are placed in recycle bins located with the vendor that provides thermostats and similar items.

7.14 – Injury Prevention of Occupants and Weatherization Workers (Measures such as repairing stairs and replacing handrails)

Concurrence, Alternative, or Deferral				
Concurrence with Guidance <input checked="" type="checkbox"/>	Alternative Guidance <input type="checkbox"/>	Results in Deferral <input type="checkbox"/>		
Funding				
DOE <input checked="" type="checkbox"/>	LIHEAP <input checked="" type="checkbox"/>	State <input type="checkbox"/>	Utility <input type="checkbox"/>	Other <input type="checkbox"/>
What guidance do you provide Subgrantees regarding allowable injury-related repairs (e.g., stairs, handrails, porch deck board)?				
Workers must take all reasonable precautions against performing work on homes that will subject workers or occupants to health and safety risks. Minor repairs and installation may be conducted only when necessary to effectively weatherize the home; otherwise these measures are not allowed.				
How do you define “minor” or allowable injury prevention measures, and at what point are repairs considered beyond the scope of weatherization? Quantify “minor” or allowable injury prevention measures.				
Minor is described as less than 10 square feet of work.				
Training				
OSHA 30 and other hazard identification training included in Energy Auditor or Installer.				

7.15 – Lead Based Paint

Concurrence, Alternative, or Deferral				
Concurrence with Guidance <input checked="" type="checkbox"/>	Alternative Guidance <input type="checkbox"/>	Results in Deferral <input type="checkbox"/>		
Funding				
DOE <input checked="" type="checkbox"/>	LIHEAP <input checked="" type="checkbox"/>	State <input type="checkbox"/>	Utility <input checked="" type="checkbox"/>	Other <input type="checkbox"/>
Safe Work Protocols				

Each Service Provider must give notification to the occupants of homes to be weatherized regarding the potential hazards of lead paint and lead paint dust if the home was built prior to 1978. EPA's publication "Renovate Right: Important Lead Hazard Information for Families, Child Care Providers and Schools" must be given to an adult occupant of the affected home. For occupied homes, the weatherization staff, crew, or contractor must have an adult tenant or homeowner sign an acknowledgement after receiving the pamphlet. The pamphlet can also be sent by certified mail with receipt to be placed in the customer file.

Crews must follow EPA's Lead RRP when working in pre-1978 housing unless testing confirms the work area to be lead free.

Lead-Safe Weatherization (LSW) includes weatherization worker protection, general LSW work practice standards, and lead dust containment standards. Please refer to the latest weatherization program standard for details.

Only costs directly associated with testing and lead safe practices are allowable H&S costs.

- ◆ Level 1 Containment. LESS THAN SIX(6) SQUARE FEET OF INTERIOR OR LESS THAN TWENTY(20) SQUARE FEET OF EXTERIOR WORK
 - Level 1 containment is required in pre-1978 homes when less than 6 square feet of interior painted surface per room or 20 square feet of exterior painted surface will be disturbed.
 - Level 1 containment consists of methods that prevent dust generation and contains all debris generated during the work process. The containment establishes the work area which must be kept secure.
- ◆ Level 2 Containment. MORE THAN OR EQUAL TO SIX(6) SQUARE FEET OR MORE THAN OR EQUAL TO TWENTY(20) SQUARE FEET OF EXTERIOR WORK
 - Level 2 containment is required when Weatherization activities will disturb equal to or more than 6 square feet of interior surface per room or equal to or more than 20 square of exterior surfaces in homes built prior to 1978. Level 2 containment consists of methods that define a work area that will not allow any dust or debris from work area to spread. Level 2 containment requires the covering of all horizontal surfaces, constructing barrier walls, sealing doorways, covering HVAC registers with approved materials, and closing windows to prevent the spread of dust and debris.
 - Measures requiring level 2 containment other than areas that are equal to or more than 6 square of interior surface per room or equal to or more than 20 square of exterior surfaces may include:
 - Drilling holes in interior walls.
 - Drilling holes in exterior walls, removing painted siding.
 - Cutting attic access into ceiling or knee walls.
 - Planing a door in place.
 - Replacing door jambs and thresholds.
 - Replacing windows or doors.
 - Furnace replacements.
 - Additionally, Level 2 containment must ALWAYS be used where any of the following is conducted (even if the activities will disturb less than the hazard levels of 6 square feet of interior or 12 square feet of exterior surfaces within the Level 1 category):
 - Window replacement.
 - Demolition of painted surface areas.
 - Using any of the following: Open-flame burning or torching; machines to remove paint through high-speed operation without HEPA exhaust control; or operating a heat gun at temperatures at or above 1100 F. Note that the use of a drill, reciprocating saw, or other power tool is considered a "machine" for removing paint. As examples: Cutting an attic hatch inside the dwelling or interior drilling of holes for the installation of insulation require level two containment.
- ◆ There must be adequate documentation in the client file to demonstrate that lead safe weatherization measures were performed when necessary. Documentation should include photos of the site and containment set up, as well as a listing of materials used and measures taken. The final inspector for each unit must also certify that LSW procedures were used and properly implemented.
- ◆ New Mexico Weatherization will adhere to EPA lead safe rules as written in the "Lead; Renovation, Repair, and Painting Program" Final Rule (LRRPP Final Rule), as directed by DOE.
- ◆ In cases where the subgrantee cannot safely weatherize a home due to lead paint hazards, the subgrantee may defer the work. Such deferral will be considered by the state on a case-by-case basis.

Service Providers may not weatherize dwellings where there are cases of documented or suspected lead poisoning. Additionally, they shall not weatherize homes where there is an extraordinary lead paint hazard and there are no means to abate the hazard, including insufficient funds or insufficient training to properly address the hazard.

Testing Protocols
EPA approve testing kits must be used to determine presence or absence of lead, and the costs of test must be economically feasible. Job site cleaning is verified by the Certified Renovator. Lead safe work practices are verified during monitoring.
Client Education
Clients are given the Renovate Right pamphlet and are notified of the presence of lead and location. If deferral is necessary, clients must be notified in writing describing what steps must take place prior to weatherization.
Training and Certification Requirements
All employees and contractors working on these homes (pre-1978) must be Certified Renovators and receive training to install measures in a lead-safe manner according to SWS and EPA protocols. This training is the RRP Course offered by the Energy Smart Academy.
Documentation Requirements
Renovate Right must be signed and kept in each client file, certified renovator certification, lead testing information including photos of tests and site set up, location of lead presence, notification of lead presence.

7.16 – Mold and Moisture
(Including but not limited to: drainage, gutters, down spouts, extensions, flashing, sump pumps, dehumidifiers, landscape, vapor retarders, moisture barriers, etc.)
Concurrence, Alternative, or Deferral
Concurrence with Guidance <input checked="" type="checkbox"/> Alternative Guidance <input type="checkbox"/> Results in Deferral <input type="checkbox"/>
Funding
DOE <input checked="" type="checkbox"/> LIHEAP <input checked="" type="checkbox"/> State <input type="checkbox"/> Utility <input type="checkbox"/> Other <input type="checkbox"/>
What guidance do you provide Subgrantees for dealing with moisture related issues (e.g., drainage, gutters, down spouts, moisture barriers, dehumidifiers, vapor barrier on bare earth floors) in homes slated for weatherization?

The Weatherization Assistance Program is not a mold remediation program. The use of DOE funds for the removal of mold and other related biological substances is not an allowable health and safety expense. If necessary, Weatherization Program services may need to be deferred until the existing mold problem can be corrected or referred to another agency for funding of remedial action.

All homes should be checked for previous or existing moisture problems.

- Visual assessment of exterior drainage and other moisture danger areas is required.
- A moisture assessment must be conducted with special attention to the following signs:
 - Evidence of condensation on windows and walls indicated by stains or mold.
 - Standing water, open sumps, open wells, dirt floors, water stains, etc. in basements or crawlspaces. Also, check to see if firewood is stored in the basement and whether laundry is hung to dry during the winter months.
 - Leaking supply or waste pipes.
 - Attic roof sheathing that shows signs of mold or mildew.
 - Active roof leaks.
 - Dryer fan and bath exhaust fan ducting that is nonexistent, damaged or constricted, too long, or not connected to outdoors.
 - Presence of unvented space heaters.
- In the course of weatherization, measures that help reduce the humidity levels in the house may be installed. Examples of these measures are venting dryers to the outside, venting existing bath or kitchen exhaust fans or installing moisture barriers on dirt floors. Repair of moisture problems that might 1) result in health problems for the client, 2) damage the structure over the short- or long-term, or 3) diminish the effectiveness of the weatherization measures, must be done before the weatherization job is completed.
- Moisture problems can be reduced or eliminated by ventilating areas where excessive moisture is produced, such as bathrooms and kitchens. This should include installation of a high quality properly sized exhaust fan in the subject area and informing the client of the related moisture issues and the proper operation and use of the fan. Other methods include:
 - Venting dryers to the outside of the dwelling.
 - Exhaust ventilation
 - Sealing the foundation.
 - Providing positive drainage away from the foundation.
 - Repairing the roof, flashing, gutter, and downspouts.
 - Educating the client about the sources of moisture that they are able to control.
 - Removal of unvented space heaters.
- If an existing moisture, mold or mildew problem is found, the agency must determine if the moisture problem can be fixed under the scope of weatherization or if there should be a deferral of service because of the severity of the problem (typically 10 square feet or more of affected surface).
 - If it is determined that the problems are too severe under the scope of weatherization, a Deferral of Service form shall be signed at the time of inspection and left with the client and a copy placed in the client file.
 - Client education must be given to the client to inform them of the health and safety problems associated with mold or mildew and the possible self-help solutions they can perform at a later date.
 - The agency should try to refer the client to other programs or agencies that may be able to assist in resolution of the problem.
- If surface preparation that includes measures such as cleaning mold from windows prior to apply caulking or other similar items, it must be charged to the corresponding ECM, and not health and safety.
- Testing is not an allowable cost; agencies are encouraged to use moisture meters but is not required.

How do you define “minor” or allowable moisture-related measures, and at what point is work considered beyond the scope of weatherization?

12 Square feet or more will trigger deferral.

Client Education

All clients are provided written documentation of the presence of mold, moisture, and if deferral is necessary. Clients are provided information on proper moisture control such as repairing roof leaks, drainage, and water flow towards the property. If deferral is necessary, clients must be notified in writing describing what steps must take place prior to weatherization.

Training

How to recognize drainage, moisture, or mold issues is included with Energy Auditor and QCI.

7.17 – Pests				
Concurrence, Alternative, or Deferral				
Concurrence with Guidance <input checked="" type="checkbox"/>	Alternative Guidance <input type="checkbox"/>		Results in Deferral <input type="checkbox"/>	
Funding				
DOE <input checked="" type="checkbox"/>	LIHEAP <input checked="" type="checkbox"/>	State <input type="checkbox"/>	Utility <input type="checkbox"/>	Other <input type="checkbox"/>
What guidance do you provide Subgrantees for dealing with pests and pest intrusion prevention in homes slated for weatherization?				
Pest removal is allowed only where infestation would prevent weatherization. Infestation of pests may be cause for deferral where it cannot be reasonably removed or poses health and safety concern for workers. Screening of windows and points of access is allowed to prevent intrusion.				
Define Pest Infestation Thresholds, Beyond Which Weatherization Is Deferred				
Testing Protocols				
Assessment of presence and degree of infestation and risk to worker				
Client Education				
Inform client of observed condition and associated risks, and deferral policy.				
Training				
How to assess presence and degree of infestation, associated risks, and need for deferral.				

7.18 – Radon				
Concurrence, Alternative, or Deferral				
Concurrence with Guidance <input checked="" type="checkbox"/>	Alternative Guidance <input type="checkbox"/>		Results in Deferral <input type="checkbox"/>	
Funding				
DOE <input checked="" type="checkbox"/>	LIHEAP <input checked="" type="checkbox"/>	State <input type="checkbox"/>	Utility <input type="checkbox"/>	Other <input type="checkbox"/>
What guidance do you provide Subgrantees around radon?				
<ul style="list-style-type: none"> ○ Provide the client with EPA’s consumer guide to radon. ○ PER SWS requirements, crawlspaces with exposed dirt must be covered with a vapor permeable ground cover. In dwellings where radon may be present, precautions should be taken to reduce the likeliness of making radon concentrations higher. ○ Radon mitigation is not allowed by DOE. 				
Testing Protocols				
Testing is allowed in locations with high radon potential but is not recommended or practiced. These include Rio Arriba, Taos, Colfax, Mora, San Miguel, Santa Fe and Bernalillo Counties.				
Client Education				

Clients are provided A Citizens Guide to Radon and informed of the risks. They must sign an informed consent for prior to receiving weatherization services, and kept in the client file. This form must include: the results of the IAQ Study and the small risk of increasing radon levels when tightness is improved, list of precautionary measures that WAP installs, and the benefits of weatherization such as energy savings, improved home comfort, and increased safety.

Training and Certification Requirements

Training is provided to assessors and crew as to what radon is, and how it occurs. What factors may make radon worse are observed. Staff is trained on what weatherization measures may be helpful such as vapor barrier installation and mechanical ventilation. Weatherization staff is expected to be familiar with the zonal map located <http://www.epa.gov/radon/pdfs/zonemapcolor.pdf>.

Documentation Requirements

Citizen's Guide to Radon documentation that client has signed is kept in the client file, along with the informed consent form.

7.19 – Safety Devices: Smoke and Carbon Monoxide Alarms, Fire Extinguishers

Concurrence, Alternative, or Deferral

Concurrence with Guidance ☒ Alternative Guidance ☐ Results in Deferral ☐

Funding

DOE ☒ LIHEAP ☒ State ☐ Utility ☐ Other ☐

What is your policy for installation or replacement of the following:

Smoke Alarms: Installation of smoke/CO detectors is allowed where detectors are not present or are inoperable. Replacement of operable smoke/CO detectors is not an allowable cost. All installations must follow manufacturer directions and SWS requirements.

- ◆ All smoke alarms must be in compliance with NFPA 72
- ◆ All smoke alarms must be in accordance with UL 217

Carbon Monoxide Alarms: Installation of smoke/CO detectors is allowed where detectors are not present, hard wired, or are inoperable. Replacement of operable smoke/CO detectors is not an allowable cost. All installations must follow manufacturer directions and SWS requirements.

- ◆ Where operable units are not present at least one CO alarm must be installed outside of each sleeping area as stated in section two of the SWS. Following the manufacturer's recommendations for locating and installing the alarm. Typically, alarms are installed where the clients spend most time, such as near bedrooms. If an entire multifamily building is to receive weatherization services, a CO alarm should be installed in each unit of the complex.
 - Combustion appliances are defined as any piece of equipment (such as a water heater, cook stove, or heating system) that burns a fuel such as wood, kerosene, oil, natural gas, or propane.
 - Unvented space heaters are expressly prohibited in weatherized homes unless they are compliant with ANSI Z21.11.2 with an alarm system indicating high CO levels.
- ◆ All installed CO alarms must:
 - Be in compliance with NFPA 720
 - Be UL 2034 listed.
 - Have an electrochemical sensor with a 5-year warranty.
 - Be a plug-in type with a battery backup or battery operated units with a 5-year warranty.
 - Have a sensor life monitor that alarms after 5 years or at the expiration of the useful sensor life.
 - Have a digital LCD display.
 - Sample ambient air at least every 2 minutes.
 - Have an alarm of 85 decibels at 10 feet.
 - Be capable of displaying: the current CO level detected from 35ppm to 500 ppm CO, the peak level detected, the total time peak level was recorded.
- ◆ Customer education is a vital part of protecting households from the dangers of CO. Ensure that client education regarding the potential hazards of combustion appliances is delivered.
- ◆ The cost of the CO alarm or combination CO and smoke alarm is a health and safety material cost.
- ◆ Upon final inspection, the client will be interviewed and questioned on the usage of the alarm. Review by the final inspector will be necessary for clients that were not present during the initial installation or otherwise clients with unclear ideas of how the unit works.
 - The unit cannot be reported as complete if there are no residents that understand how the alarm works and what to do in the event it were to sound an alarm.

Fire Extinguishers: Providing fire extinguishers is allowed only when solid fuel is present.

Testing Protocols

Operation check on all existing alarms.

Client Education

Provide client with verbal and written information on use of smoke/CO detectors and fire extinguishers where allowed. Clients must receive adequate education on operation of alarm during final inspection in addition to assessment and work in progress.

Training

Where to install detectors. Local code compliance. Code for Energy Auditors class.

7.20 – Occupant Health and Safety Concerns and Conditions

Concurrence, Alternative, or Deferral

Concurrence with Guidance ☒ Alternative Guidance ☐ Results in Deferral ☒

Funding

DOE ☒ LIHEAP ☒ State ☐ Utility ☐ Other ☐

What guidance do you provide Subgrantees for soliciting the occupants' health and safety concerns related to components of their homes?

General

When a person's health may be at risk and/or the work activities could constitute a health or safety hazard, the occupant at risk will be required to take appropriate action based on severity of risk. Temporary relocation of at-risk occupants may be allowed on a case by case basis. Failure or the inability to take appropriate actions must result in deferral.

What guidance do you provide Subgrantees for determining whether occupants suffer from health conditions that may be negatively affected by the act of weatherizing their home?

General

- All client applications must include a field for clients to include suspected health and safety concerns.
- Health and safety issues should be addressed as part of the client education process, both verbally and by distributing educational pamphlets during the audit "walk-through." This can be particularly effective as the auditor notices and discusses potential hazards.
- All Health and Safety Forms signed by the client must include a check box acknowledging that the weatherization work that will be performed will not worsen suspected health and safety concerns.

What guidance do you provide Subgrantees for dealing with potential health concerns when they are identified?

General

- Weatherization services must be provided in a manner that minimizes risk to clients.
- Dwellings with unvented (vent-free) combustion appliances used as a primary heat source, may not be weatherized until such appliances are properly vented to the outdoors (according to the appropriate code) or removed. Refer to Section 8430 and DOE Guidance 17-7 for more information.
- Building owners and clients must be notified of any health or safety problems that require deferring the weatherization work. Documentation of this notification must be included in the client file.
- It is preferred that Subgrantees minimize or restrict the use of materials that may be hazardous to the client.
- Special precautions must be taken if the occupant of the home has respiratory ailments, allergies, is pregnant, or has unique health concerns.
- Subgrantees should try to protect all clients from respirable particles, such as paint or insulation dust, during the weatherization process.
- Two part foam must be done in well ventilated areas.
- Weatherization personnel shall not smoke cigarettes, cigars, or pipes in a client's home or outdoors within 25 feet of the client's home.
- If strong smelling chemicals, such as formaldehyde, are detected in the client's home, service provider should not perform any weatherization measures that would reduce the natural air leakage of the dwelling until the hazards are remedied.
- At a minimum, auditors and weatherization personnel should inform property owners of safety problems, code problems, and other health and safety issues. These items might include:
 - Hazardous levels of carbon monoxide.
 - Raw sewage leaking from waste plumbing pipes.
 - Mold and moisture.
 - Friable asbestos.
 - Radon gas.
 - Lead safe weatherization requirements.

Client Education

Provide client information of any known risks. Client must be informed in writing of known risks to the client due to pre-existing health conditions. Client must also be provided contact information in writing. If deferral is necessary, clients must be notified in writing describing what steps must take place prior to weatherization.

Documentation Form(s) have been developed and comply with guidance? Yes ☒ No ☐

7.21 – Ventilation and Indoor Air Quality**Concurrence, Alternative, or Deferral**

Concurrence with Guidance ☒ Alternative Guidance ☐ Results in Deferral ☐

Funding

DOE ☒ LIHEAP ☒ State ☐ Utility ☐ Other ☐

Identify the Most Recent Version of ASHRAE 62.2 Implemented (optional: identify Addenda used)
<p>All units must comply with ASHRAE 62.2 2016. Prior to work beginning and during the initial assessment, clients will first receive proper education as to why it is important for the home to have adequate ventilation. If after given ample opportunity to receive the services, the client refuses mechanical ventilation, and there are no other solutions that comply with ASHRAE 62.2 2016, then the deferral process will begin. Protocols have been incorporated into the following areas of our training agenda:</p> <ul style="list-style-type: none"> ○ Energy audit process ○ Air quality assessment ○ ASHRAE 62.2 <ul style="list-style-type: none"> Ventilation and Acceptable Indoor Air Quality shall be used for the installation of ventilation systems, both local ventilation and whole-building ventilation. <p>Actions to prevent zonal pressure differences greater than 3 pascals across a closed door if one exists are required.</p>
Testing and Final Verification Protocols
ASHRAE 62.2 -2016 evaluation, fan flow, installed equipment and follow up testing are required to ensure compliance.
Client Education
Provide client with information on function, use, cleaning, and maintenance of ventilation system and components. This includes the location of the service switch. Disclaimers that ASHRAE 62.2 does not account for high polluting sources or guarantee indoor air quality should be included. Client must receive equipment manuals.
Training
ASHRAE 62.2 -2016 training required including proper sizing, evaluation of existing and new systems, depressurization tightness limits, critical air zones, etc. Energy Auditor, Crew Leader, QCI

7.22 – Window and Door Replacement, Window Guards				
Concurrence, Alternative, or Deferral				
Concurrence with Guidance <input checked="" type="checkbox"/>	Alternative Guidance <input type="checkbox"/>	Results in Deferral <input type="checkbox"/>		
Funding				
DOE <input type="checkbox"/>	LIHEAP <input type="checkbox"/>	State <input type="checkbox"/>	Utility <input type="checkbox"/>	Other <input type="checkbox"/>
No funding is used as health and safety for these items.				
What guidance do you provide to Subgrantees regarding window and door replacement and window guards?				
Replacement, repair, or installation of windows and doors is not an allowable health and safety cost but door replacement may be allowed as an incidental repair or an efficiency measure if cost justified.				
Testing Protocols				
NA				

Client Education
Lead Based Paint Risks
Training
Guidance Awareness

7.23 – Worker Safety (OSHA, etc.)
Concurrence, Alternative, or Deferral
Concurrence with Guidance <input checked="" type="checkbox"/> Alternative Guidance <input type="checkbox"/> Results in Deferral <input type="checkbox"/>
Funding
DOE <input checked="" type="checkbox"/> LIHEAP <input checked="" type="checkbox"/> State <input type="checkbox"/> Utility <input type="checkbox"/> Other <input type="checkbox"/>
How do you verify safe work practices? What is your policy for in-progress monitoring?
Jobsites are visited during the technical monitoring and crews are observed using PPE, and following OSHA standards such as safe ladder use. SDS sheets are inspected for updates and location.
Training and Certification Requirements
OSHA 10 and use of PPE

7.24 – <Add in Topic>
Concurrence, Alternative, or Deferral
Concurrence with Guidance <input type="checkbox"/> Alternative Guidance <input type="checkbox"/> Results in Deferral <input type="checkbox"/>
Funding
DOE <input type="checkbox"/> LIHEAP <input type="checkbox"/> State <input type="checkbox"/> Utility <input type="checkbox"/> Other <input type="checkbox"/>
Remediation Protocols
Testing Protocols
ASHRAE 62.2 -2016 evaluation, fan flow, and follow up testing are required to ensure compliance.
Client Education
Training

7.24 – <Add in Topic>
Concurrence, Alternative, or Deferral
Concurrence with Guidance <input type="checkbox"/> Alternative Guidance <input type="checkbox"/> Results in Deferral <input type="checkbox"/>
Funding
DOE <input type="checkbox"/> LIHEAP <input type="checkbox"/> State <input type="checkbox"/> Utility <input type="checkbox"/> Other <input type="checkbox"/>
Remediation Protocols

Testing Protocols
Client Education
Training

Tab 13

New Mexico
AFFORDABLE HOUSING CHARITABLE TRUST

TO: MFA Board of Directors
Through: Contracted Services – May 12, 2020
Through: Policy Committee – April 22, 2020
FROM: Amy Gutierrez, Rehabilitation Program Manager
DATE: May 20, 2020
RE: Reallocation of the 2018 Federal Veterans Housing Rehabilitation and Modification (VRM) Program Funding

Recommendation:

Staff recommends approval of the allocation of the 2018 Federal Veterans Housing Rehabilitation and Modification (VRM) program funding.

Background:

Veteran's Housing Rehabilitation and Modification Program

In October 2018 the NM Affordable Housing Charitable Trust received a grant agreement from HUD for the Federal Veterans Housing Rehabilitation and Modification Pilot Program. The total grant amount is \$1,000,000. MFA must provide a minimum of \$500,000 match and \$500,000 leverage funding to comply with the terms of the grant agreement for a total of \$2,000,000. The Veterans Home Rehab program will provide rehabilitation services to eligible disabled veterans for essential home improvements which include energy saving measures, hazard reduction, disabled persons accessibility, elderly persons risk of fall reduction, repair or replacement of major housing systems, physical modifications to allow a veteran's emergency caregiver to live with the veteran and general property improvements that are non-luxury in nature. Eligibility for the Veterans Home Rehab program requires that disabled veterans have an annual household income that does not exceed 80 percent of the area median income, adjusted for family size.

The purpose of this request is to reallocate the 2018 Veteran's Housing Rehabilitation and Modification Program funding from underperforming agencies to agencies that have displayed the capacity to spend their award in a timely manner. Implementation of the VRM program was delayed by HUD's completion of the tier one Environmental review and other program related issues. The high performing agencies were determined by the number of set-ups received and the ability to spend down their award.

Discussion:

2018 Federal Veterans Funding - The 2018 Federal Veterans funding amount is \$2,000,000. This funding has not yet been awarded to any of the Rehab service providers. Staff reached out to service providers on their need for Veterans Rehab funding and capacity to expend the 2018 Federal Veterans award. Analysis of their responses and the need for these services, staff requests to amend the current 2018 HOME individual agency contracts to add the 2018 Federal Veterans award to the following agencies:

Bernalillo County Housing Department (BCHD)
Southwestern Regional Housing Community Development Corporation (SRHCDC)
San Felipe Pueblo Housing Authority (SFHA)
Tierra Del Sol Housing Corporation (TDSHC)
El Camino Real Housing Authority (ECRHA)
Ohkay Owingeh Housing Authority (OOHA)

Upon Board approval, the current contracts for these agencies will be amended to reflect the changes resulting from this reallocation process. The allocations were made on the estimated number of additional homes that can be completed based on feedback received from these service providers.

The HOME Rehab and Veteran's Rehab program are two separate programs that share funding. The balance of the 2018 Veteran's Rehab funding is \$1,822,500 which includes \$500,000 in HOME Rehab program leverage. The Veteran's Rehab allocations are exhibited in the table on page 3 below:

2018 Veterans Rehabilitation Program (VRMP) Allocations

Agency	Veteran's Rehab Units	Veteran's Program Funding	Agency Admin 5%	MFA Admin 5%	HOME Leverage	MFA Match	Total
Bernalillo County Housing Department- BCHD	3	\$40,935	\$2,274	\$2,274	\$16,667	\$10,750	\$72,900
San Felipe Pueblo Housing Authority- SFHA	30	\$228,645	\$12,703	\$12,703	\$166,666	\$89,583	\$510,299
El Camino Housing Authority- ECHA	5	\$57,290	\$3,183	\$3,183	\$27,778	\$17,917	\$109,350
Southwestern Regional Housing & CDC- SRHCDC	20	\$143,645	\$7,980	\$7,980	\$111,111	\$57,333	\$328,050
Ohkay Owingeh Housing Authority- OOHA	20	\$143,645	\$7,980	\$7,980	\$111,111	\$57,333	\$328,050
Tierra del Sol Housing Corporation- TDS	12	\$285,840	\$15,880	\$15,880	\$66,667	\$89,583	\$473,850
TOTAL VHRMP ALLOCATIONS	90	\$900,000	\$45,000.00	\$45,000.00	\$500,000	*\$322,500	\$1,822,500

*\$177,500 of State matching funds was moved to the EnergySmart program and approved by PC in March 2020.

The gray shaded column titled HOME Leverage is HOME funding that is to be used as leverage for the VHRMP program.

2018 FEDERAL VETERANS (VRMP) FUNDING ALLOCATIONS:

Per the requirements in the HUD VRMP agreement, we would provide services to 90 homes with the VRMP program funding which includes match and leverage funding in the amount of \$1,822,500 as indicated in the table above. Service Provider administration fees would be \$45,000 or 5% of the award and MFA administration fees would be \$45,000 or 5% of the award.

Upon Board approval, we will reallocate HOME and VRMP funding and amend contracts. The total amount of funding from both programs to be reallocated is \$2,002,630 and is displayed in the following table:

Total Service Provider Allocations for both 2018 Programs

	<i>Bernalillo County- BCHD</i>	<i>El Camino - ECHA</i>	<i>Ohkay Owingeh -OOHA</i>	<i>San Felipe Pueblo- SFHA</i>	<i>Southwestern Regional - SRHCDC</i>	<i>Tierra del Sol- TDS</i>	<i>Grand Total</i>
Total Rehab Units	4	6	22	33	22	13	100
Total Funding	\$116,246	\$149,586	\$352,964	\$547,672	\$352,964	\$483,196	\$2,002,630

Summary:

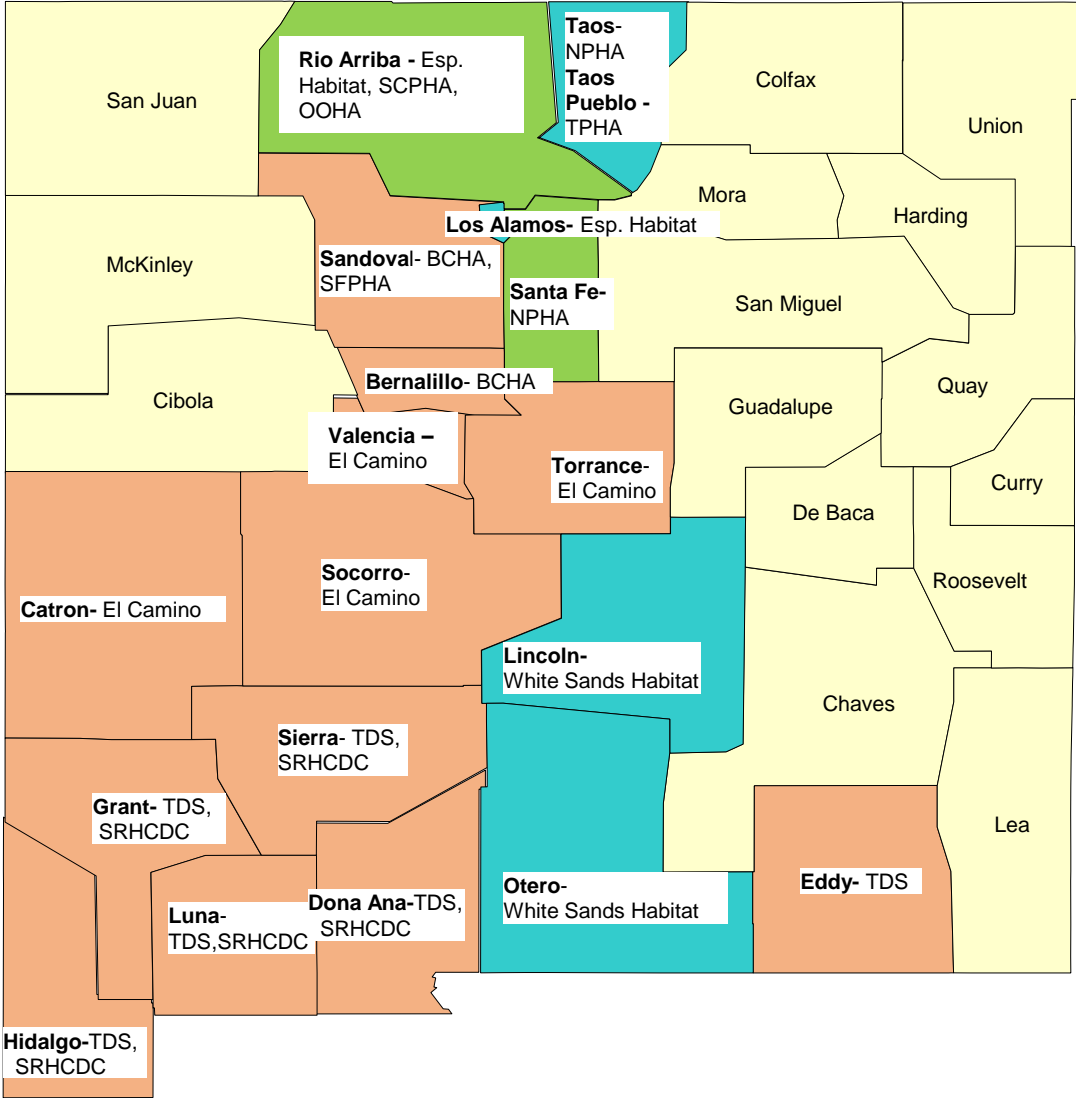
Due to program delays and underperforming service providers; staff recommends approval to allocate the 2018 Veteran's Housing Rehabilitation and Modification Program funding to six service providers. The allocation will be awarded to these agencies because they indicated a need for this funding and are also top performing agencies.

Upon Board approval, staff will amend the Rehab contracts for these agencies to include the additional amounts listed above. 2018 funding must be fully committed by each agency before the 2019/2020 RFP funding can be made available for that agency.

Thank you for your consideration of this proposal.

2018 Rehab Program Geography and Agency Listing

Agency
Bernalillo County Housing Department- BCHD
Ohkay Owingeh Housing Authority- OOHA
San Felipe Pueblo- SFPHA
Southwestern Regional Housing & CDC- SRHCDC
Tierra del Sol Housing Corporation- TDS
El Camino Housing Authority- ECHA
Santa Clara Pueblo Housing Authority- SCPHA
Northern Pueblos Housing Authority- NPHA
Espanola Valley Habitat for Humanity- EHH
Taos Pueblo Housing Authority- TPHA
White Sands Habitat for Humanity- WSHH



Top Performing Agencies

Underperforming Agencies

Underserved Areas

Agencies that met criteria but chose not to incur additional Rehab projects

Tab 14



MEMO

TO: MFA Board of Directors
Through: Strategic Management Committee
FROM: Rebecca Velarde, Director of Policy and Planning
DATE: May 20, 2020
RE: Additional Year 3 (FY 2020) Changes to MFA FY 2018-2022 Strategic Plan

Recommendation:

Staff recommends board approval of the attached changes in strike-through, underline format to MFA's FY 2018-2022 Strategic Plan, which include amended strategic benchmarks for Year 3 (FY 2020).

Background:

MFA's current strategic plan is for FY 2018-2022. MFA will complete the third year (FY 2020) of the plan on September 30, 2020. The Strategic Management Committee is recommending changes to some strategic benchmarks to reflect changed conditions in Year 3. Most of the proposed changes are a result of the ongoing COVID-19 pandemic.

Summary:

Board approval is requested for changes to MFA's FY 2018-2022 Strategic Plan. MFA will complete the third year (FY 2020) of the plan on September 30, 2020. Strategic plan changes include amended benchmarks.

A Bold Path Forward

MFA FY 2018-2022 Strategic Plan



[Proposed Year 3 Amendments](#)

MFA Vision, Mission and Core Values

VISION

All New Mexicans will have quality affordable housing opportunities.



MISSION

MFA is New Mexico's leader in affordable housing. We provide innovative products, education and services to strengthen families and communities.

CORE VALUES

Responsive

To meet New Mexico's needs, MFA optimizes resources, cultivates partnerships and makes our programs accessible.

Professional

MFA upholds high personal and professional standards. We comply with regulations and ensure prudent financial stewardship.

Dynamic

MFA is a dynamic place to work. Our employees are our strength. We embrace diversity and provide opportunities for personal and professional growth.

Message from the Executive Director

Jay Czar



In the face of uncertainty for affordable housing funding and programs, Our strategic plan, *A Bold Path Forward*, focuses on bolstering resources to accomplish our mission, leading the way in addressing New Mexico's unique affordable housing needs and improving internal systems to support our work. Even in potentially challenging times, MFA will continue its affordable housing mission and make it more robust and successful in meeting the needs of all New Mexicans.

Our strategic planning process identified several themes, described at right, which drove the strategic initiatives in this plan. In the context of goals and objectives that reflect our core affordable housing work, the strategic initiatives will be updated annually to reflect progress made, changes to conditions and trends and risks identified through our annual enterprise risk management process.

Affordable housing funding is under threat and diminishing. MFA continues to be proactive in developing new resources, efficiencies, business opportunities and financial innovations, as well as fostering creative partnerships.

New Mexico's rural areas are struggling and require unique approaches. MFA will evaluate ways to serve more rural residents with mortgage products and nimble development financing and to strengthen our partners throughout the state.

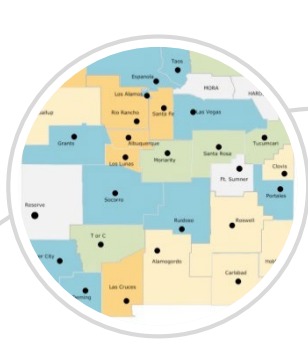
Along with the US, New Mexico is at risk of losing many affordable rental homes. MFA is working to provide financial options and rehabilitation financing, and to make all rental properties financially sustainable over the long term.

New Mexico's high poverty rate and low incomes indicate a great need for financial education. Our strategic initiatives focus on better educating MFA borrowers so that they can enjoy stability, sustain homeownership and build wealth.

Significant changes in the workforce and in technology are on the horizon. MFA is working to create a technology platform that supports innovation and future growth and to foster a dynamic, diverse work environment that supports our mission.

The MFA Planning Process

MFA updates its strategic plan every five years. The planning process is led by MFA's Strategic Management Committee.



Housing Needs Assessment

In 2016, MFA prepared an assessment of affordable housing needs to inform the strategic planning process.



Interviews and SWOT Analysis

In January-March 2017, interviews were conducted with board members and each MFA department. The Strategic Management Committee translated the interview results into an analysis of strengths, weaknesses, opportunities and threats (SWOT).



Housing Trends Series

MFA hosted five speakers who spoke to staff on MFA finances, fair housing and trends in housing policy, multifamily and single family housing.



Enterprise Risk Management

MFA's Strategic Management Committee participated in an enterprise risk management exercise based on the SWOT analysis. The Committee prioritized risks and developed mitigation strategies for the strategic plan.

Goal Statements

1



Respond to New Mexico's affordable housing needs.

2



Ensure prudent stewardship of affordable housing resources.

3

Strengthen affordable housing partners.



4

Provide robust technology solutions.



5

Foster a dynamic work environment.



Goal 1 Respond to New Mexico's affordable housing needs.



Like all housing finance agencies, MFA administers affordable housing programs in accordance with its enabling legislation and program requirements. MFA seeks opportunities to improve and develop products, programs and processes to address our state's unique needs.

Objective 1

Strengthen and improve existing MFA products and programs.

Strategic initiatives:

- Preferred lenders program
- Capital Magnet Fund
- Neighborhood stabilization program
- USDA Section 538 on tribal lands
- Development program improvements
- Homeowner rehab program expansion
- *Homeless programs alignment*
- *Freddie Mac & Fannie Mae loan sales programs*

Objective 2

Develop specialty products to meet demand and community needs.

Strategic initiatives:

- *Correspondent lending*
- *Specialty housing development programs*
- *Manufactured home lending*

Objective 3

Increase awareness of affordable housing and MFA products and programs.

Strategic initiatives:

- Enhanced public awareness of MFA
- Single family marketing
- Builder outreach

Objective 4

Promote sustainable homeownership.

Strategic initiatives:

- Delinquency prevention strategies
- Tribal and Colonias homebuyer counseling program
- *Homebuyer counseling enhancements*

Objective 5

Provide options to preserve and improve affordable rental homes.

Strategic initiatives:

- Loan modification and restructuring
- Risk rating of properties

Strategic initiatives in italics require evaluation prior to implementation.

Goal 2 Ensure prudent stewardship of affordable housing resources.



MFA has long maintained a level of excellence in managing its financial resources. As a self-supporting agency, MFA continually works to expand and diversify available resources through government sources, self-generated earnings from lending and investments, operational efficiencies, and the use of creative partnerships and financial tools.

Objective 1

Optimize existing financial strategies.

Strategic initiatives:

- Management strategies for oversight of MSRs and subserviced portfolio
- Industry awareness
- Best execution for financing single family mortgages

Objective 2

Expand MFA business models and diversify financial tools.

Strategic initiatives:

- Servicing expansion
- Community Reinvestment Act lending credit program
- *Multifamily bond structures*
- *Develop private activity bond cap preservation program*

Objective 3

Maintain and grow existing funding sources.

Strategic initiatives:

- Renewal of HUD Section 8 PBCA contract
- State tax credit and Charitable Trust contributions
- State and federal policy engagement

Objective 4

Evaluate new funding and business opportunities.

Strategic initiatives:

- Housing development outreach
- State funding sources
- New funding opportunities

Strategic initiatives in italics require evaluation prior to implementation.

Goal 3 Strengthen affordable housing partners.



MFA relies heavily on its partners in a rural and geographically large state like New Mexico. Yet partners face many challenges that may hinder their ability to succeed. MFA is committed to helping its partners build capacity, prosper and provide all New Mexicans access to affordable housing.

Objective 1

Expand access to MFA products and services in underserved and high-need areas.

Strategic initiatives:

- Outreach to increase HOPWA referrals
- Strengthen the capacity of new service providers
- Comprehensive approach to homeownership expansion in rural areas

Objective 2

Help partners realize strong organizational, technical and financial capacity.

Strategic initiatives:

- Maintain situational awareness with Regional Housing Authorities
- Local government technical assistance
- Tribal government technical assistance
- Specialized training for key service providers
- Service provider training program
- Property manager training program
- Developer training

Objective 3

Provide resources and processes that strengthen partner capacity and program effectiveness.

Strategic initiatives:

- Lender training videos
- Streamlining of the affordable housing plan process
- Online applications
- Implement LIHTC compliance

Strategic initiatives in italics require evaluation prior to implementation.

Goal 4 Provide robust technology solutions.



Technology is fundamental to MFA's day-to-day business operations as well as partner and customer service needs. Increased integration and automation will support current needs while providing an essential platform for business growth.

Objective 1

Protect MFA's data and systems.

Strategic initiatives:

- Best practices in cybersecurity

Objective 2

Maintain system reliability and implement redundancy improvements.

Strategic initiatives:

- Disaster recovery site

Objective 3

Build and maintain a technology platform that supports MFA's long-term plans for innovation, functionality and growth.

Strategic initiatives:

- Software improvements
- Document management system

Strategic initiatives in italics require evaluation prior to implementation.

Goal 5 Foster a dynamic work environment.



MFA provides a fulfilling work environment to support the many generations in its changing workforce. Skilled, professional and engaged employees are at the core of MFA's unique business model and specialized programs.

Objective 1

Provide a competitive compensation and benefits package to attract and retain employees.

Strategic initiatives:

- Compensation survey

Objective 2

Support opportunities that increase flexibility and engagement for employees.

Strategic initiatives:

- Implement office space expansion plan
- Web-based training opportunities
- Implement alternative work schedule

Objective 3

Maintain stability in staffing and operations throughout MFA.

Strategic initiatives:

- Employee cross-training
- Succession planning
- External specialty training
- Robust on-boarding
- Evaluate staffing levels

Strategic initiatives in italics require evaluation prior to implementation.

Benchmarks

Each quarter, MFA assesses its performance using these benchmarks, which relate to goals and objectives in the strategic plan. At the end of the fiscal year, the status of each benchmark (did not meet, met, exceeded) determines payouts made through MFA's incentive compensation plan.

Goal 1	1. Provide mortgage financing for 2,250 homebuyers (1.1)	Goal 2, Continued	15. Earn 100% base fees for PBCA contract (2.3)
	2. Maintain average mortgage product utilization of 25% of all FHA loans recorded in New Mexico (1.1)		16. Yield a collection rate of 95% or greater for compliance monitoring fees (2.3)
	3. Finance 600 rental units (1.5)		17. Meet commitment and expenditure requirement of 95% of grant funding (2.3)
	4. Achieve annual combined average loan delinquencies of MFA serviced portfolio below 10.50% <u>14.00%</u> (1.4)		18. Generate at least \$500,000 in contributions through the state affordable tax credit program (2.3)
	5. Implement MFA's housing summit and open house, including five trainings (1.3)		19. Evaluate at least one new business model or financial tool (2.2)
	6. Expand social media reach by <u>150</u> new followers on each across all three platforms (1.3)		20. Increase funding by at least one new source (2.4)
	7. Evaluate at least three new specialty products or significant program or product improvements (1.2)		21. Expand services of at least one program to an underserved area of the state (3.1)
Goal 2	8. Obtain unqualified opinion on MFA financial statements and no material weakness in internal control over financial reporting or major programs, excluding first-time audits (2.0)	Goal 3	22. Assist at least 15 local or tribal governments with affordable housing plans, implementation or programs (3.2)
	9. Maintain or improve credit rating (2.0)		23. Provide at least 10 formal training opportunities for property owners, developers and/or service providers (3.2)
	10. Achieve operating performance and profitability equal to net revenues over total revenues of at least 10.1%, based on five-year average (2.1)		24. Improve at least three MFA processes or resources (3.3)
	11. Obtain balance sheet strength equal to net asset position over total bonds outstanding of at least change to 28.1%, based on five-year average (2.1)		25. Maintain a RS3 score greater than or equal to 700, averaged over four quarters (4.1)
	12. Realize administrative fee of at least 18 basis points on all bond issues (2.1)		26. Maintain system availability at 99% (4.2)
	13. Realize profitability of 0.5% <u>1.25%</u> on TBA executions (2.1)		27. Implement new software solutions (4.3)
	14. Maintain servicing fee yield at an average of 0.38% <u>0.41%</u> of the purchased servicing portfolio (2.2)		
		Goal 4	
		Goal 5	28. Achieve employee engagement survey participation of 90% and score of 82% (5.2, 5.3)
			29. Complete compensation survey (5.1)
			30. <u>In a prompt manner, adopt organizational and administrative changes to maintain business continuity in response to the COVID-19 crisis (5.3)</u>

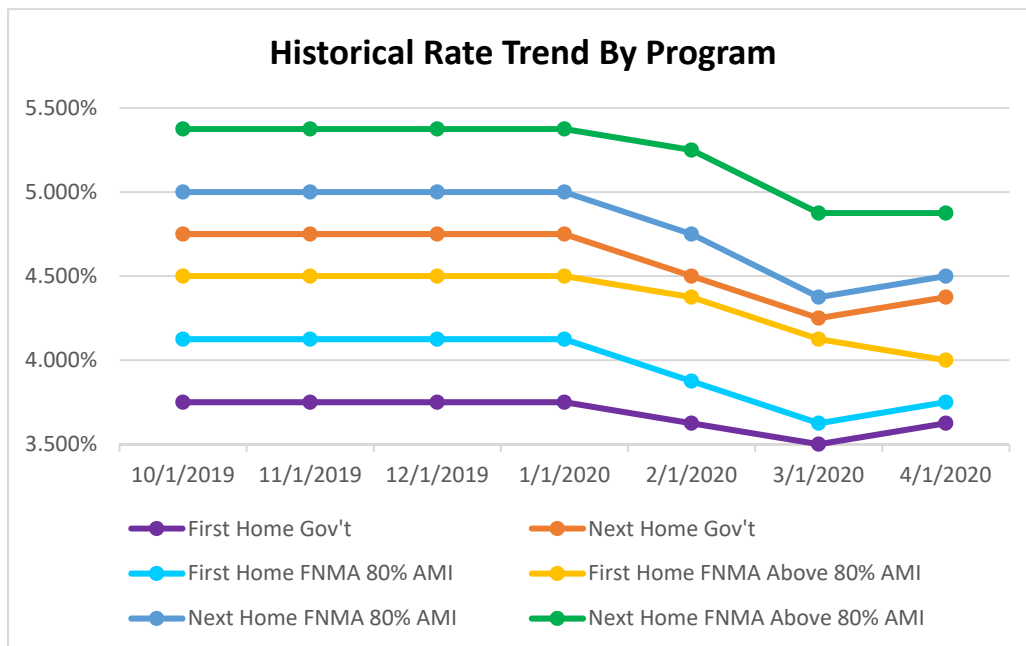
Tab 15



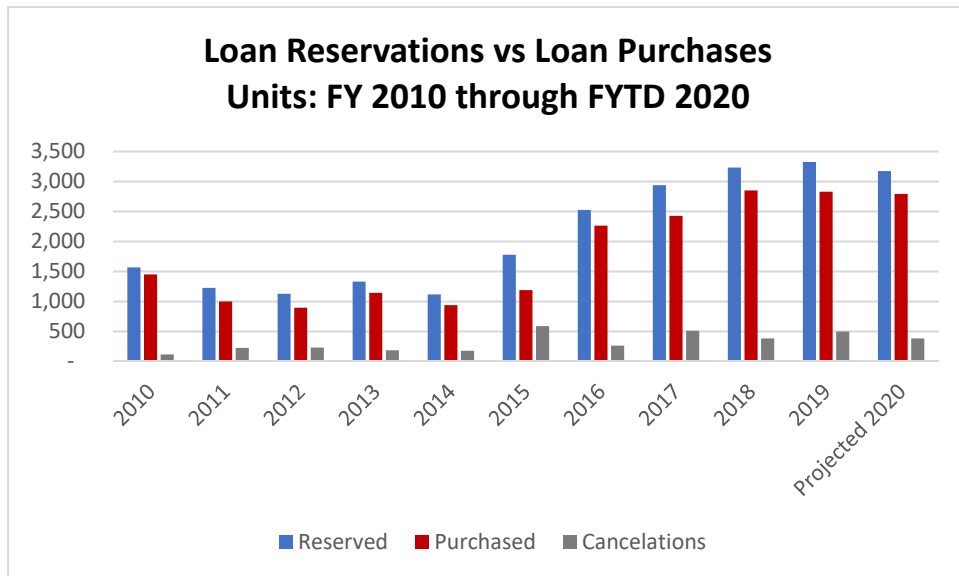
MEMO

TO: MFA Board of Directors
FROM: Rene Acuña
Director of Homeownership
DATE: April 20, 2020
SUBJECT: Semiannual Single Family Production Report

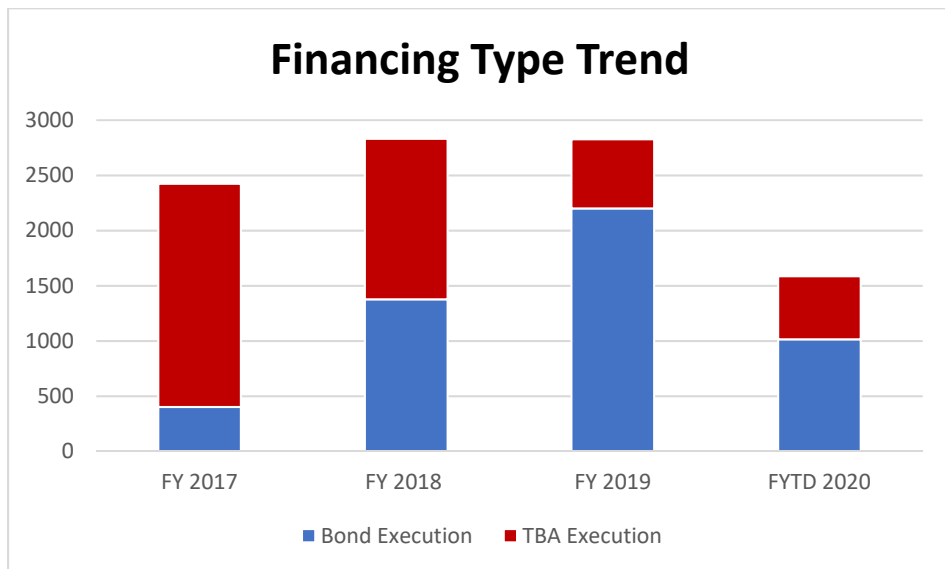
- Interest Rate History by Program



- Historical Reservation and Purchased loan Trend form 2010 Through Forecasted 2020



- Financing Executions



- [Reservations by Program](#)

Reservations by Program	Fiscal Year 2020 (10/01/2019-3/31/2020)	Fiscal Year 2019 (10/01/2018-9/30/2019)
FIRST HOME GOV'T	73.91%	63.38%
FIRSTHOME FNMA 80% AMI *	6.05%	14.46% <i>(combined)</i>
FIRSTHOME FNMA ABOVE 80% AMI	2.08%	N/A
NEXT HOME GOV'T -NEXT DOWN DPA	16.76%	10.24%
NEXTHOME FNMA 80% AMI *	0.32%	4.6% <i>(combined)</i>
NEXTHOME FNMA ABOVE 80% AMI	0.88%	N/A

*In June 2019, Fannie Mae announced the implementation of new income limits for HFA Preferred and HomeReady programs. This change resulted in the establishment of the 80% AMI and above 80% AMI categories.

- [Comparison of Down Payment Assistance \(DPA\) Sources](#)

Down Payment Comparison	Fiscal Year 2020 (10/01/2019-3/31/2020)	Fiscal Year 2019 (10/01/2018-9/30/2019)
FIRST DOWN	77.03%	63.00%
HOME NOW	4.49%	13.71%
NEXTDOWN FORGIVABLE LOAN	18.48%	13.29%

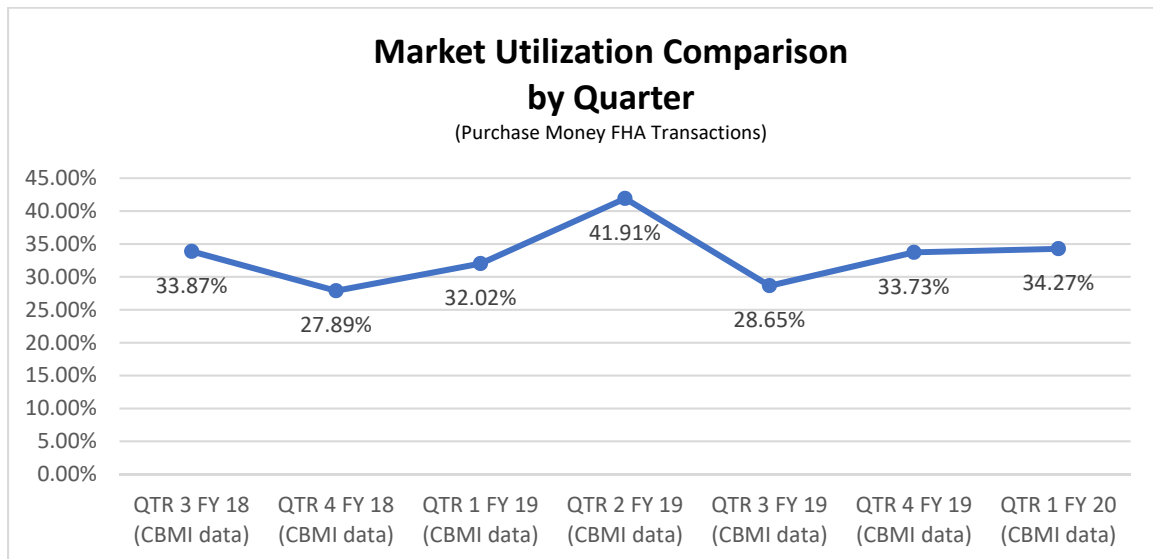
- [Comparison of Loan Types](#)

Loan Type Comparison	Fiscal Year 2020 (10/01/2019-3/31/2020)	Fiscal Year 2019 (10/01/2018-9/30/2019)
FHA	88.92%	87.14%
Conventional	10.39%	12.16%
HUD Section 184	0.28%	0.31%
VA	0.42%	0.31%

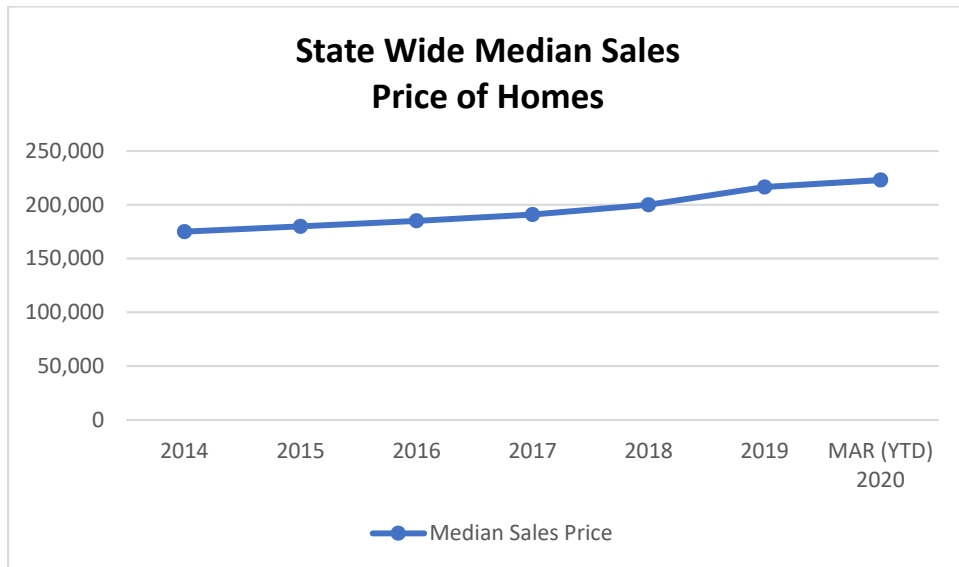
- Borrower Demographics

	Fiscal YTD 2020	Fiscal Year 2019	Fiscal Year 2018
Average Sales Price	\$159,668	\$154,255	\$151,039
Average Loan Amount	\$159,795	\$149,784	\$147,613
Average Down Payment Assistance Amount	\$6,895	\$6,534	\$6,102
Average Household Income	\$51,303	\$51,257	\$50,604
Average Family Size	2.5 person household	2.6 person household	2.6 person household
Ethnicity	48.61 percent Minority	48.28 percent Minority	41.04 percent Minority
Average Borrower Age	37 years old	36 years old	35 years old
Average Number of Dependents	1 dependent	1 dependent	1 dependent
Primary Borrower Gender	47.10% female / 50.90% male	47.27% female / 52.73% male	42.97% female / 57.03% male
Average FICO score	686	683	679

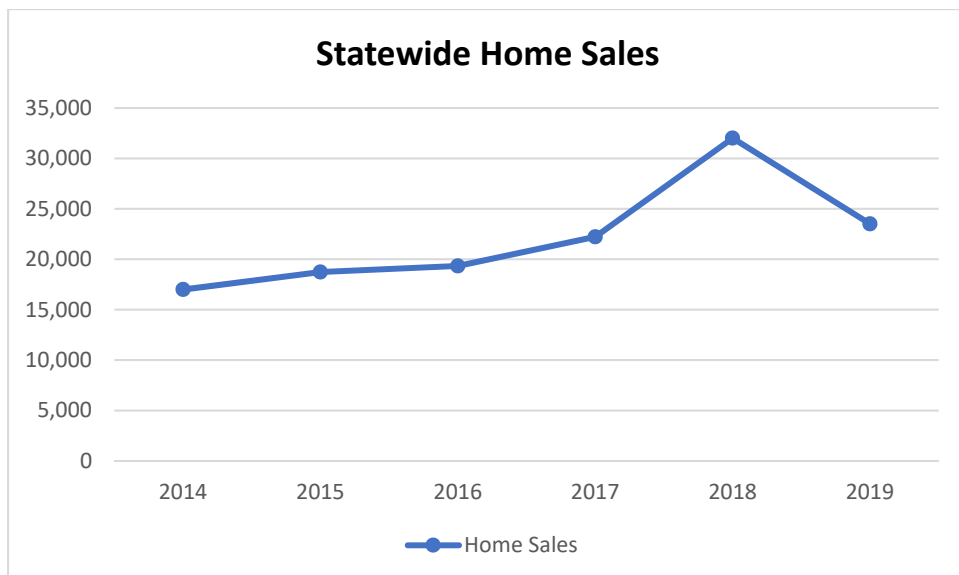
- MFA Program Utilization



- Median Sales Price and Home Sales Trend for New Mexico

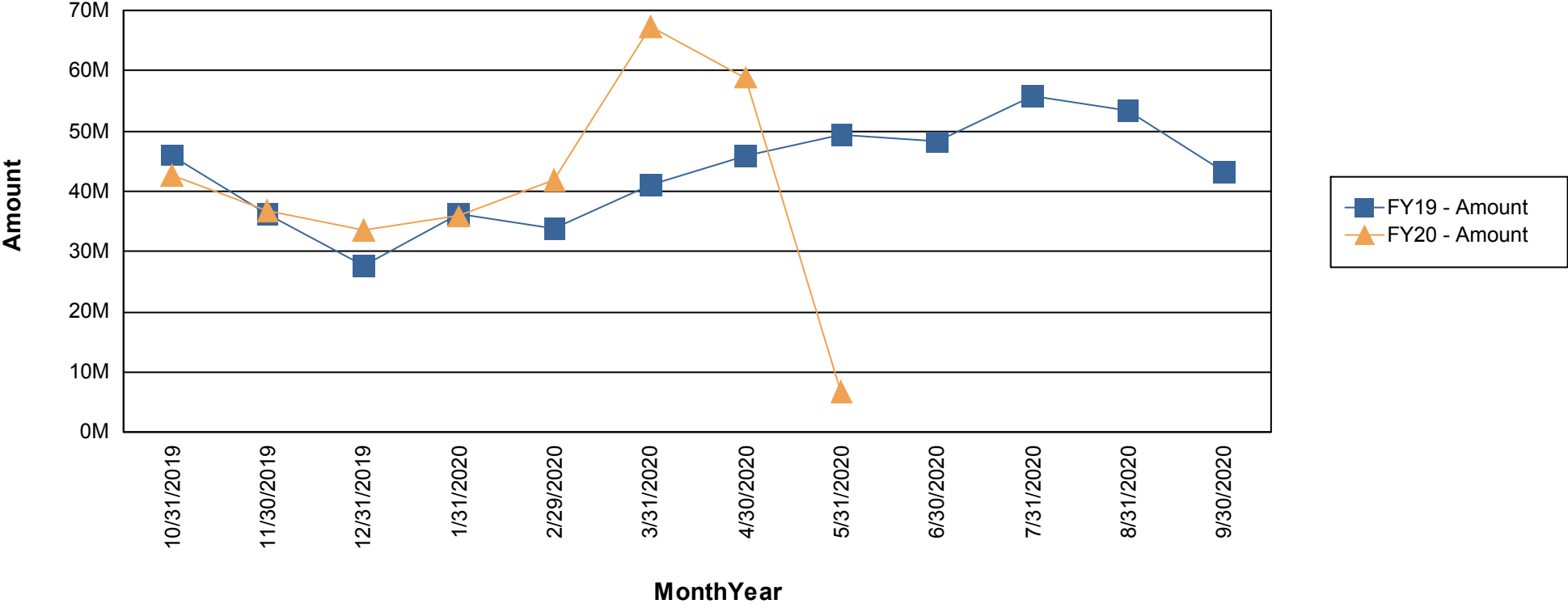


New Mexico Association of Realtors data



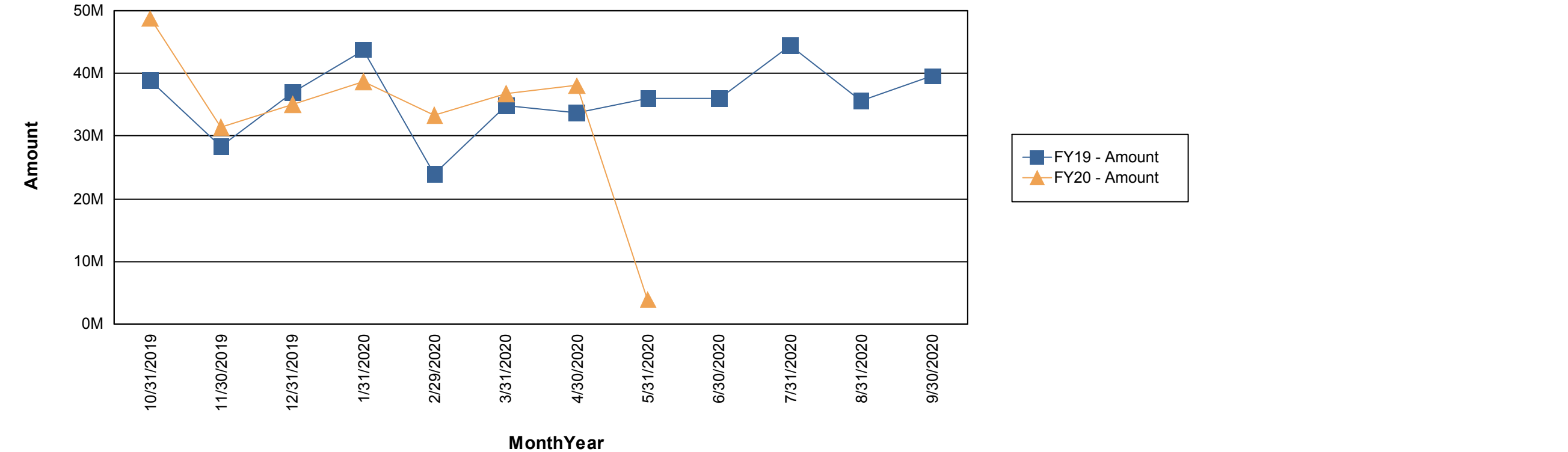
New Mexico Association of Realtors data

Reservation Loans



	10/31/2019	11/30/2019	12/31/2019	1/31/2020	2/29/2020	3/31/2020	4/30/2020	5/31/2020	6/30/2020	7/31/2020	8/31/2020	9/30/2020	Total
FY19 - Amount	\$46,009,406.50	\$36,304,284.42	\$27,651,784.00	\$36,293,075.00	\$33,832,948.32	\$41,022,570.00	\$45,864,495.00	\$49,343,047.00	\$48,182,945.00	\$55,891,819.00	\$53,347,951.06	\$43,167,891.00	\$516,912,216.30
Number Loans	304	231	180	242	223	268	303	316	304	352	341	261	3325
FY20 - Amount	\$42,607,059.00	\$36,842,701.28	\$33,584,474.00	\$35,844,698.00	\$41,899,889.00	\$67,269,811.00	\$58,857,827.25	\$6,681,111.00	\$0.00	\$0.00	\$0.00	\$0.00	\$323,587,570.53
Number Loans	268	226	207	227	252	407	258	36	0	0	0	0	1881

Purchased Loans



	10/31/2019	11/30/2019	12/31/2019	1/31/2020	2/29/2020	3/31/2020	4/30/2020	5/31/2020	6/30/2020	7/31/2020	8/31/2020	9/30/2020	Total
FY19 - Amount	\$38,833,209.82	\$28,367,807.37	\$36,969,981.33	\$43,782,555.31	\$23,890,931.73	\$34,884,635.38	\$33,792,447.65	\$36,083,801.51	\$36,042,091.51	\$44,525,265.23	\$35,634,762.84	\$39,575,121.94	\$432,382,611.62
Number Loans	256	193	247	291	159	231	221	236	239	282	225	248	2828
FY20 - Amount	\$48,767,986.23	\$31,373,931.58	\$35,138,694.12	\$38,753,023.76	\$33,417,572.56	\$36,792,733.66	\$38,046,871.84	\$3,923,434.77	\$0.00	\$0.00	\$0.00	\$0.00	\$266,214,248.52
Number Loans	305	196	221	234	211	229	230	24	0	0	0	0	1650

Tab 16

**Staff Actions Requiring Notice to Board
During the Period of April 1 - 30, 2020**

Department and Program	Project	Action Taken	Comments / Date Approved
State Neighborhood Stabilization Program "NSP"	Various Projects - Acquisition, Rehab, Sale/Rent of Foreclosed or Abandoned properties in Approved Geographic Areas in Bernalillo County	Approval of Assignment of Service Provider Award	November 20, 2019 – MFA Board approved State NSP award to Bernalillo County Housing Department. April 15, 2020 - MFA management approved the assignment of State NSP award from Bernalillo County Housing Department to Bernalillo County Affordable Housing Non-Profit in the amount of \$617,260
Community Development	NM Gas	NM Gas has provided MFA the attached contract for funding in the amount of \$1,300,000 . Staff requests approval to disburse the funds as outlined by NM Gas.	Approved by Donna Maestas-DeVries on 4/21/20
Community Development	Revised 2018 HOME Rehab Re-allocations	Staff recommends approval to reallocate and amend the previous allocations of the 2018 HOME Rehab Funding for existing service providers that have already been procured for the HOME Rehabilitation Program. The reallocation will be awarded to the top performing agencies that indicated a need for this funding.	Approved – PC 4/22/20
Community Development	EHAP Award Allocations	Healing House is a domestic violence shelter that currently receives funding with the EHAP program. As of the date of this memo, April 17, MFA has not received any invoices from Healing House. The remaining funds from their EHAP award are	Approved by Donna Maestas-DeVries on 4/23/20

Department and Program	Project	Action Taken	Comments / Date Approved
		\$13,351.07. Another domestic violence shelter, Haven House, requested any additional funding that might be available for the remainder of this program year. Staff recommends that the remaining \$13,351.07 be reallocated to Haven House.	
Community Development	REHAB Notification to Defund 2018 HOME Rehab Program Agency Funding and Re-allocate	Staff recommends approval to defund 3 agencies originally allocated under the 2018 HOME Rehabilitation Program RFP, for non-performance, and to reallocate this funding to existing performing Rehab Service Providers.	Approved by Donna Maestas-DeVries on 4/28/20
Housing Development	La Vida Nueva, a 4% LIHTC/bond project in Albuquerque	Approve six month extensions NM Housing Trust Fund & Primero construction loans from 7/1/20 to 1/1/21	Approved by Donna Maestas-DeVries on 4/29/20
Community Development	First Amendment to Service Provider DOE contracts	Staff recommends approval to issue first amendments to the Service Provider DOE contracts. Our review of the contracts indicates that funds must be moved as detailed below to ensure full expenditure: Move a total of \$61,000 of MFA administrative fees to Service Providers for use in training and tuition.	Approved by Donna Maestas-Devries on 4/30/20

COVID-19
Staff Actions Requiring Notice to Board
During the Period of April 15 – May 13, 2020

Department and Program	Project	Action Taken	Comments / Date Approved
Policy and Planning	New Mexico Housing Trust Fund Rental Assistance Program	Approval of Notice of Funding Availability for new rental assistance program to be funded by New Mexico Housing Trust Fund to provide rental assistance to MFA monitored properties. Made initial allocation of \$3m.	Recommended by: HTF Advisory Committee – 5/4/20 Approved by: Policy Committee - 4/30/20 Delegates - 5/4/20
Community Development	CARES Act – Emergency Solutions Grant (ESG) Allocations	Approved allocation of \$4,140,483 in CARES Act ESG funds for: <ul style="list-style-type: none"> • Shelter Operations and Essential Services (EHAP) – \$1,562,788 (25 Agencies) • Rapid Rehousing and Homeless Prevention (RAP) – \$2,033,646 (7 Agencies) • RAP Administration – 310,536 • NM Coalition to End Homelessness - \$130,000 • MFA Administration – \$103,512 	Approved by: Policy Committee – 5/7/20 Approved by: Delegates – 5/12/20
Community Development	CARES Act – Housing Opportunities for Persons with AIDS (HOPWA) Allocations	Approved allocation of \$146,170 in CARES Act HOPWA funds to 3 service providers (\$137,399) and administrative funds to MFA (\$8,770). Services to be performed include: Tenant Based Rental Assistance (TBRA), Short Term Rent, Mortgage, and Utility Assistance (STRMU) and Permanent Housing Placement (PHP).	Approved by: Policy Committee – 5/7/20 Approved by: Delegates – 5/12/20



MFA Strategic Plan Benchmarks

FY 2020

Goal 1 - Respond to New Mexico's affordable housing needs.



Benchmark: 1

Provide mortgage financing for 2,250 homebuyers

Q1	On Target	MFA financed 722 homebuyers in Q1 of FY 2020 and 722 homebuyers YTD.
Q2	On Target	MFA financed 674 homebuyers in Q2 of FY 2020 and 1,396 homebuyers YTD.



Benchmark: 2

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

Q1	On Target	The MFA quarterly product utilization reported for Q1 is 33.73% for a YTD average of 33.73%.
Q2	On Target	The MFA quarterly product utilization reported for Q2 is 34.27% for a YTD average of 34.00%.



Benchmark: 3

Finance 600 rental units

Q1	On Target	In Q1, financed \$7,500,686 in low income housing tax credits and \$2,400,000 in loans, resulting in 462 multifamily units.
Q2	On Target	In Q2, closed six loans totaling \$4,075,000. Since these loans were LIHTC gap funding loans, the associated units were already counted in Q1. Total units financed to date remains at 462 multifamily units.



Benchmark: 4

Achieve annual combined average loan delinquencies of MFA serviced portfolio below 10.50%

Q1	On Target	The Q1 combined average delinquency rate was 10.06%. Combined average delinquency rate YTD is 10.06%.
Q2	On Target	The Q2 combined average delinquency rate was 8.99%. Combined average delinquency rate YTD is 9.54%.



Benchmark: 5

Implement MFA's housing summit and open house, including five trainings

Q1	On Target	As of Q1, theme has been determined, collateral developed, and an electronic save-the-date sent. Requests have been sent for award nominees; informal breakout session discussions taking place. One of three plenary speakers have been secured.
Q2	On Target	MFA staff have created 12 informational breakout sessions and 23 training sessions. Session speakers are being secured. Two of three plenary speakers are booked. Summit website has been created and is being populated. Registration opening date has been moved to June 15 due to current circumstances.



Benchmark: 6

Expand social media reach by 50 new followers on each platform



MFA Strategic Plan Benchmarks

FY 2020

Q1 On Target

New followers in the first quarter:

Facebook - 19

Instagram - 16

Twitter - 7

Q2 On Target

New followers in the second quarter:

Facebook - 22

Instagram - 23

Twitter - 10.

Total new followers this FY:

Facebook - 41

Instagram - 39

Twitter - 17



Benchmark: 7

Evaluate at least three new specialty products or significant program or product improvements

Q1 On Target

As of the first quarter, MFA has not evaluated any new specialty products or significant program or product improvements.

Q2 On Target

In the second quarter, Housing Development and Policy and Planning started working on alternatives to the Areas of Statistically Demonstrated Need (ASDN) scoring category in the Qualified Allocation Plan (QAP) and held a partner focus group for input on 3/20. Evaluation will continue and resulting recommendations will be incorporated in the 2021 QAP. Additionally, Policy and Planning started evaluating utilizing New Mexico Housing Trust Funds (NMHTF) for rental assistance in response to the COVID-19 crisis. The department hopes to implement the program in the third quarter. The Community Development Department is also evaluating potential programs to utilize CARES Act ESG and HOPWA funding and plans to implement in a subsequent quarter.

Goal 2 - Ensure prudent stewardship of affordable housing resources.



Benchmark: 8

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

Q1 Met

MFA received an unqualified opinion with no findings on the audit. The Board approved the audit on 1/15/2020.



Benchmark: 9

Maintain or improve credit rating

Q1 On Target

No ratings activity during Q1. MFA maintains a Aa3 Stable rating.

Q2 On Target

No ratings activity during Q2. MFA maintains a Aa3 Stable rating.



Benchmark: 10



MFA Strategic Plan Benchmarks FY 2020

Achieve operating performance and profitability equal to net revenues over total revenues of at least 10.1%, based on five-year average

Q1	On Target	The operating performance and profitability ratio as of 12/31/19 was 12.3%.
----	-----------	---

Q2	On Target	The operating performance and profitability ratio as of 3/31/20 was 12.0%.
----	-----------	--



Benchmark: 11

Obtain balance sheet strength equal to net asset position over total bonds outstanding of at least 28.1%, based on five-year average

Q1	On Target	The balance sheet strength ratio as of 12/31/19 was 30.0%.
----	-----------	--

Q2	On Target	The balance sheet strength ratio as of 3/31/20 was 29.9%.
----	-----------	---



Benchmark: 12

Realize administrative fee of at least 18 basis points on all bond issues

Q1	On Target	MFA closed 2019 Series F single family bond issue in Q1 and achieved the 18 basis points target for bond administration fees.
----	-----------	---

Q2	On Target	MFA closed 2020 Series A single family bond issue in Q2 and achieved the 18 basis points target for bond administration fees.
----	-----------	---



Benchmark: 13

Realize profitability of 0.5% on TBA executions

Q1	On Target	As of 12/31/19, TBA profitability was 1.11%
----	-----------	---

Q2	On Target	As of 3/31/20, TBA profitability was .99%
----	-----------	---



Benchmark: 14

Maintain servicing fee yield at an average of 0.41% of the purchased servicing portfolio

Q1	On Target	As of 12/31/19, servicing fee yield was .40%.
----	-----------	---

Q2	On Target	As of 3/31/20, servicing fee yield was .39%.
----	-----------	--



Benchmark: 15

Earn 100% base fees for PBCA contract

Q1	On Target	All PBCA tasks were completed this quarter as required by the contract, and 100% of the base fees were earned.
----	-----------	--

Q2	On Target	All PBCA tasks were completed this quarter as required by the contract, and 100% of the base fees were earned. MORs have been postponed by HUD until further notice due to COVID-19, but on track to complete all other tasks.
----	-----------	--





MFA Strategic Plan Benchmarks FY 2020

Benchmark: 16

Yield a collection rate of 95% or greater for compliance monitoring fees

Q1	On Target	Invoices for compliance fees were processed and sent out this quarter.
Q2	Met	As of 3/31/20 98% of the compliance fees have been received.



Benchmark: 17

Meet commitment and expenditure requirement of 95% of grant funding

Q1	On Target	The commitment and expenditure rate as of 12/31/19 was 100%.
Q2	On Target	The commitment and expenditure rate as of 3/31/20 was 100%.



Benchmark: 18

Generate at least \$500,000 in contributions through the state affordable tax credit program

Q1	Met	Q1 donations totaled \$1,457,471. This includes donations made to four existing state tax credit awards and donations made to the Charitable Trust.
Q2 Met		Goal was met in Q1. Q2 donations totaled \$203,149, which includes \$194,149 in state tax credits and \$9,000 in Charitable Trust fund donations. This brings the YTD total to \$1,660,620.



Benchmark: 19

Evaluate at least one new business model or financial tool

Q1	Met	In Q1, a volume cap preservation program was evaluated and implemented to allow MFA to recycle volume cap from prior bond issues. With this new tool, based on single family mortgage production estimates, it is anticipated that MFA will have access to an additional \$40mm in annual volume cap for the program. This tool will be used on an ongoing basis in managing the single family mortgage program.
Q2	Met	In Q2, no new business models or financial tools were evaluated.



Benchmark: 20

Increase funding by at least one new source

Q1	Met	In the first quarter of FY 2020, MFA executed a grant agreement with the U.S. Department of Housing and Urban Development to obtain \$1 million for the Veterans Home Rehabilitation and Modification Program. This is the second competitive allocation MFA has won for this program.
Q2 Met		In the second quarter, the State of New Mexico allocated \$1.2 million in New Mexico Housing Trust Funds (NMHTF) and \$1 million in weatherization program funds to MFA. The State also allocated other funds to affordable housing programs, and MFA is awaiting determination if we will administer those funds. MFA also received additional Emergency Solutions Grant (ESG) and Housing Opportunities for Persons with AIDS (HOPWA) funding from the CARES Act. Fiscal year to date new sources is five.



MFA Strategic Plan Benchmarks

FY 2020

Goal 3 - Strengthen affordable housing partners.



Benchmark: 21

Expand services of at least one program to an underserved area of the state

- | | | |
|----|-----------|--|
| Q1 | On Target | In Q1, MFA staff met with Waterstone Mortgage and Clayton Homes to get background on a possible land and manufactured home program for underserved rural areas, in particular Dona Ana County. |
| Q2 | On Target | In Q2, MFA did not expand services to an underserved area of the state. |



Benchmark: 22

Assist at least 15 local or tribal governments with affordable housing plans, implementation or programs

- | | | |
|--------|-----------|---|
| Q1 | On Target | Assisted 13 local governments as follows: The City of Espanola and Rio Arriba County, the Village of Questa and Taos County, the City of Carlsbad and Eddy County, Colfax County, and the Town of Taos received legislative funding to create or update housing plans. MFA responded to funding for housing plan inquiries from the cities of Artesia and Socorro and the Town of Clayton. MFA provided technical assistance to the Village of Los Lunas and the City of Las Cruces on issues related to certifying qualified grantees to receive donations under the AHA. |
| Q2 Met | | Assisted 14 local governments as follows: Monitored progress and assisted local governments in utilizing legislative funding to create or update housing plans. These local governments included the City of Espanola and Rio Arriba County, the Village of Questa and Taos County, the City of Carlsbad and Eddy County, Colfax County, and the Town of Taos. Awarded the City of Artesia legislative funding to update its housing plan. Communicated with Town of Clayton on resolving its debarment status with MFA. Provided technical assistance to Grant County on its housing plan update. Sought and received reports of local government donations from the City of Las Cruces, the City of Santa Fe, and Santa Fe County. To date, the unduplicated count of local and tribal governments served in FY 2020 is 16. |



Benchmark: 23

Provide at least 10 formal training opportunities for property owners, developers and/or service providers

- | | | |
|--------------|-----------|--|
| Q1 | On Target | As of the first quarter, MFA held three trainings, including a QAP training, Development Fundamentals training and Section 811 training. |
| Q2 On Target | | In the second quarter, MFA held a general contractor cost certification training on 3/11, an EHAP RFP training on 3/3, and a HOPWA RFP training on 3/26. Total fiscal-year trainings are now at six. |



Benchmark: 24

Improve at least three MFA processes or resources

- | | | |
|--------------|-----------|--|
| Q1 | On Target | In Q1, staff evaluated the Budget Maestro forecasting model to determine if it could provide efficiencies in MFA's financial forecasting process. It was determined that the current model provides more value in terms of forecasting functionality which outweigh the efficiencies that would have been gained through Budget Maestro. Additionally, MFA improved servicing delinquency reporting to provide better understanding of portfolio performance and risk factors. |
| Q2 On Target | | In Q2, Accounting has implemented the cash disbursement approvals using VirPack for wires, ACH and internal account transfers. Fiscal YTD total improvements is currently two. |



MFA Strategic Plan Benchmarks

FY 2020

Goal 4 - Provide robust technology solutions.



Benchmark: 25

Maintain a RS3 score greater than or equal to 700, averaged over four quarters

- | | | |
|----|-----------|---|
| Q1 | On Target | MFA's internal and external penetration testing was completed on 12/6/2019. MFA received a RiskSense Security Score (RS3) of 757 (low risk). RS3 represents MFA's cyber security posture, measuring risk posed by existing vulnerabilities and current potential threats. The rating range is from 300 (high risk) to 850 (very low risk). |
| Q2 | On Target | MFA's vulnerability scans continue on a weekly basis, and our vulnerability risk rating is 730. The rating range is from 300 (high risk) to 850 (low risk). MFA's Security Awareness Program continues to provide security awareness training on a quarterly basis and monthly phishing testing, with all employees completing 100% of their training in Q2. Average for first two quarters is 744. |



Benchmark: 26

Maintain system availability at 99%

- | | | |
|----|-----------|--|
| Q1 | On Target | MFA did not experience any full system outages in Q1 and maintained system availability of 100%. |
| Q2 | On Target | MFA did not experience any full system outages in Q2 and maintained system availability of 100%. |



Benchmark: 27

Implement new software solutions

- | | | |
|----|-----------|---|
| Q1 | On Target | MFA continued work on the implementation of PowerLender with VirPack integration. Completed configuration of online cash disbursement approval process for Accounting, scheduled for implementation in Q2; this will also include a process for Servicing. Developed and implemented new web-based system for File Transfers to MFA and added new functionality so developers can securely send project documents to Housing Development. Developed and implemented Section 811 online system to track property wait list applications. |
| Q2 | On Target | VirPack lender portal completed in Q2. PowerSellers data transfers completed and automated. Completed implementation of cash disbursement approval process for Accounting and configuration for Servicing, scheduled implementation for Servicing in Q3. Migrated 17 .NET Applications from Windows Server 2008 to Windows Server 2016, also migrated 19 databases to new SQL Servers. Completed the consolidation of 6 older MITAS Web and Windows servers to 2 new Windows Server 2016 servers. |

Goal 5 - Foster a dynamic work environment.



Benchmark: 28

Achieve employee engagement survey participation of 90% and score of 82%

- | | | |
|----|-----------|---|
| Q1 | New | The survey will not take place until the 3rd quarter. |
| Q2 | On Target | Survey to begin in Q3. |



Benchmark: 29



MFA Strategic Plan Benchmarks

FY 2020

Complete compensation survey

Q1	New	The survey will take place in the latter part of the 2nd quarter.
Q2	New	The survey will take place in the latter part of the 3rd quarter.

Tab 17

April 8 – May 12, 2020

MEDIA COVERAGE

4-6 Albuquerque Journal *Welcome Donna Maestas-De Vries*

SOCIAL MEDIA POSTS

Each item was posted to Facebook, Instagram, Twitter and LinkedIn

- 4-7 National Garden Month
- 4-7 All MFA homeownership programs functioning normally
- 4-10 Happy Easter
- 4-13 Thank you to grocery store workers
- 4-14 Standing against housing discrimination
- 4-20 April is fair housing month
- 4-22 Celebrating Earth Day at home
- 4-24 CMG Financial
- 4-28 Jake from loanDepot: Down payment assistance is still available
- 4-30 Rent forbearance
- 5-5 All MFA homeownership programs are completely operational

- 5-6 Home is where we stay safe
- 5-7 Happy Nurse Appreciation Week
- 5-8 Thank you to our teachers
- 5-10 Happy Mother's Day

PRESS RELEASES, NEWSLETTERS and LENDER MEMOS

4-13	Lender Memo 2020-08	<i>Single family and DPA programs training</i>
4-21	Asset management partners	<i>AFHMP Webinar</i>
4-24	Asset Management partners	<i>Annual apartment Survey</i>
4-24	Lender Memo 2020-09	<i>Advance notice of revised program acquisition/purchase price income limits</i>
4-27	Asset Management partners	<i>Asset management eviction forbearance</i>
4-29	Lender Memo 2020-10	<i>Loan purchasing process update</i>
4-30	Lender Memo 2020-11	<i>Implementation of revised program acquisition/purchase price income limits</i>
5-4	Asset Management partners	<i>2020 tax credit income limits</i>
5-4	Asset Management partners	<i>FDIC income and rent limits</i>
5-4	Asset Management partners	<i>NM Housing Trust Fund NOFA</i>
5-8	Lender Memo 2020-12	<i>Borrower attestation</i>

Title: **DONNA MAESTAS-DE VRIES has joined the New Mexico Mortgage Finance Authority**
 Author:
 Size: 10.38 column inches
 Albuquerque, NM Circulation: 102148



WELCOME

DONNA MAESTAS-DE VRIES has joined the **New Mexico Mortgage Finance Authority**

as the organization's new **Deputy Director of Programs**. Maestas-De Vries will oversee all aspects of MFA's housing development, asset management and community development departments, which together administer more than 20 affordable housing programs. She previously worked as a director and tribal liaison for the New Mexico Taxation and Revenue Department; and as acting director, deputy director and equal employment opportunity officer, all at the New Mexico Department of Finance and Administration. Before coming to New Mexico, Maestas-De Vries worked for more than a decade in commercial real estate in California; and as the project manager for a large multifamily development project in San Diego. She has a bachelor's degree from the University of California, San Diego with a major in psychology and minors in physics and mathematics. She is also currently certified as a master loan processor through the National Association of Mortgage Professionals.



**MAESTAS-
DE VRIES**



MFA Housing New Mexico

April 7 · ⚙️



Now is a great time to get your garden in tip-top shape! Stay home, stay safe and enjoy watching your space turn green!



108

People Reached

11

Engagements

Boost Post



10



MFA Housing New Mexico

April 7 · ⚙️



Thanks to you, lenders and real estate community, MFA continues to assist an exceptionally large number of New Mexicans each and every week.

All MFA homeownership programs are completely operational and functioning normally, and MFA continues to purchase loans that meet our program requirements. While no changes are currently anticipated, be assured that any changes to MFA programs would be announced in advance.



1,058

People Reached

57

Engagements

Boost Post



11

5

14 Shares



MFA Housing New Mexico

April 10 · ⚙️



HAPPY
EASTER!



MFA

Housing New Mexico



227

People Reached

13

Engagements

Boost Post



6



MFA Housing New Mexico

April 13 at 1:49 PM · ⚙



MFA wants to thank all of you working so hard to still help provide us with groceries during this pandemic.

Thank you!

To all the grocery store workers.



167

People Reached

18

Engagements

Boost Post



10



MFA Housing New Mexico

April 14 at 1:54 PM · ⚙



Housing discrimination is against the law. One way to stop discrimination is to report it.

Visit the "resources" section of housingnm.org for more information.

RACE

DISABILITY

RELIGION



Housing discrimination is against the law. One way to stop discrimination is to report it.

Go the "resources" section of housingnm.org to find out how.



Housing New Mexico

Together we stand against
housing discrimination



86

People Reached

4

Engagements

Boost Post



3



MFA Housing New Mexico is with Ripe Inc.



April 20 at 3:12 PM · ⚙️

April is fair housing month! Learn more about your right to safe, decent, affordable housing by visiting:

<https://fairhousing.housingnm.org/>



481

People Reached

21

Engagements

Boost Post



7

5 Shares

Like

Comment

Share





MFA Housing New Mexico

April 22 at 7:51 AM · 🌐



There are plenty of ways to celebrate Earth Day at home!
Happy Earth Day!

Ways to celebrate Earth Day at home



Get outdoors

Work in your garden

Start a compost pile

Plant a tree

Pick up trash



245

People Reached

12

Engagements

Boost Post



4

3 Shares



MFA Housing New Mexico

April 24 at 1:57 PM · ⚙



Thank you to our partners like **CMG Financial** who continue to bring MFA programs to homebuyers across New Mexico.



517

People Reached

37

Engagements

[Boost Post](#)



9

1 Comment 4 Shares



MFA Housing New Mexico

April 28 at 3:09 PM · ⚙️



<https://share.vidyard.com/watch/MKSzuZwkLg2zNt3N7HgvHk>

Jake from loanDepot has a message for you guys! 😊



SHARE.VIDYARD.COM

MFA & Down Payment Assistance Is Still Available

MFA & Down Payment Assistance Is Still Available

127

People Reached

22

Engagements

Boost Post



10

2 Shares



MFA Housing New Mexico

April 30 at 3:25 PM · ⚙



If you live in a HUD-administered subsidized or affordable rental property, your rent is still due. However, if you are having trouble making your rent payment, the CARE Act prohibits your landlord from starting eviction proceedings until July 25.

For more information visit:

[http://www.housingnm.org/assets/content/Multifamily_Tenant_Concerns_COVID-19_Brochure_April_2020_\(002\)_\(002\).pdf](http://www.housingnm.org/assets/content/Multifamily_Tenant_Concerns_COVID-19_Brochure_April_2020_(002)_(002).pdf)

Important COVID-19 information about your rent payment
if you live in a HUD-administered subsidized or affordable rental property.



241

People Reached

16

Engagements

Boost Post

13



3

2 Shares



MFA Housing New Mexico

May 5 at 3:40 PM · ⚙️



All MFA homeownership programs are completely operational and functioning normally.



564

People Reached

47

Engagements

Boost Post



18

2 Comments 6 Shares



MFA Housing New Mexico

May 6 at 3:24 PM · ⚙



For many of us, home is a place where family and friends gather. And we haven't been able to do a lot of that lately. But we will return to warm summer evenings when friends come over for a backyard barbeque. And we will again host a family feast where we cook up our favorite comfort foods. And we might even have a kid's birthday party sleepover, even though no one will get much sleep. These are not easy times, but we look forward to celebrating the return to "home."

We are... [See More](#)



331

People Reached

33

Engagements

[Boost Post](#)

15



14

4 Shares



MFA Housing New Mexico

May 7 at 10:38 AM · ⚙️



Thank you for all that you do!



Happy Nurse Appreciation Week!
Thank you for all that you do.

259

People Reached

10

Engagements

Boost Post



5



MFA Housing New Mexico

May 8 at 11:49 AM · ⚙️



Thank you to all of our teachers, still teaching and connecting with students from home! And thank you to all the parents and caregivers who are working side-by-side with teachers to make sure learning happens!



Thank you to all of our teachers,
still teaching and connecting with
students from home!



242

People Reached

17

Engagements

[Boost Post](#)



9

17

3 Shares



MFA Housing New Mexico

20 hrs · ⚙️



Happy Mother's Day!



47

People Reached

3

Engagements

Boost Unavailable



3



MEMO

TO: ☐ Participating Lenders
FROM: ☐ MFA Homeownership Department
DATE: ☐ April 13, 2020
RE: ☐ Memo No. 2020-08

Single Family and DPA Programs Webinar Training

MFA is hosting webinar training for the MFA single family and down payment assistance (DPA) programs.

Date of Training:

Thursday, April 16, 2020, 10:00 a.m. – 11:30 a.m. MDT

To Participate:

Register via the [MFA lender training link](#). In order for MFA to e-mail registered individuals the training materials and to track attendance, please register no later than 5 p.m. MDT on the business day prior to the training.

Below is the call-in number, access code and link for the webinar. Please sign in at least five minutes before the scheduled webinar time to accommodate any software requirements.

Conference Dial-in Number:

(415) 655-0002

Participant Access Code:

281 113 753

<https://housingnm.webex.com/join/tbaca>

Thank you for participating in MFA's program. Should you have any questions, please contact a MFA homeownership representative.

New Mexico Mortgage Finance Authority
344 Fourth St. SW Albuquerque, NM 87102 505.843.6880 800.444.6880 housingnm.org

[View this email in your browser](#)



Registration is now open!

WHO: Property managers with Risk Share, HOME, National Housing Trust Fund, Tax Credit Exchange Section 8 and NSP funding

WHEN: April 28 and April 29, 9:00 - 10:00 a.m

WHERE: Webex meeting

The New Mexico Mortgage Finance Authority (MFA) is pleased to announce that registration is now open for the Affirmative Fair Housing Marketing Plan webinar. The webinar is designed for property managers who are required by program to be in compliance with an Affirmative Fair Housing Marketing Plan.

The webinar will provide essential compliance information to managers with an approved marketing plan. Topics will include an overview of affirmative fair housing marketing plans, requirements for the property, compliance documentation needed during a monitoring review and additional resources for marketing plans.

Attendees should register for only one session. Registration closes one week prior to the session date.

Webinar Details

Session 1 Date: Tuesday, April 28
Time: 9:00 - 10:00 a.m.

Contact Amanda Aragon to register
aaragon@housingnm.org
505.767.2267

Session 2 Date: Wednesday, April 29
Time: 9:00 - 10:00 a.m.

Contact Kathy Griego to register
kgriego@housingnm.org
505.767.2236





MEMO

TO: Owner/Agents
FROM: The Asset Management Department
DATE: April 24, 2020
RE: Annual Apartment Survey

Apartment Survey

The Bureau of Business and Economic Research (BBER) at the University of New Mexico is conducting a survey of apartment vacancies and rents for the New Mexico Mortgage Finance Authority (MFA).

The results from this survey will provide MFA with current information about local markets, improving our knowledge base to better administer and provide funding for various housing programs throughout the state.

This year the survey asks for information for **March 2020** for all those New Mexico properties with **five or more units that are NOT in Albuquerque, Rio Rancho or Santa Fe**.

Please provide the MFA's Asset Management Department a current rent roll. This was due to our office with all other annual compliance reporting documents by March 31st. We have not received the requested documentation for one or more of your properties.

If you have any questions, please contact:
Amanda Aragon - aaragon@housingnm.org
Samantha Vigil - svigil@housingnm.org

New Mexico Mortgage Finance Authority
344 Fourth St. SW Albuquerque, NM 87102 505.843.6880 800.444.6880 housingnm.org



MEMO

TO: Participating Lenders
FROM: MFA Homeownership Department
DATE: April 24, 2020
RE: Memo No. 2020-09

Advance Notice of Upcoming Revised Program Acquisition/Purchase Price and Income Limits

Revised program limits will apply to FIRSTHome/FIRSTDown and NEXTHome/NEXTDown

HUD will release its new income and acquisition/purchase price limits in the near future. The timing between receipt of the release from HUD and the MFA release will be a **very short window**. Therefore, MFA wants to give the lenders advance notice of the upcoming change to the Limits.

It is our current understanding that HUD's revised purchase price limits will be **effective with reservations dated April 30, 2020**. ***We will keep you informed if HUD amends the effective date. FIRSTHome/FIRSTDown and NEXTHome/NEXTDown programs will be affected by the change.***

Because of the timing of the release of information from HUD, MFA may need to release the revisions in stages. We recognize the inconvenience and confusion this may cause; unfortunately, this is out of our control.

Revised limits will impact individual counties in different ways. While some county limits will increase, others will decrease. Participating lenders are encouraged to reserve funds for borrowers who currently meet both purchase price and income eligibility requirements before the close of business on **Wednesday, April 29, 2020**. ***MFA cannot grant any exceptions regarding the income or purchase price limits.***

Click [MFA Income and Purchase price limits link](#) to view MFA's **current** income and purchase price limits.

Thank you for participating in MFA's program. Should you have any questions, please contact a MFA homeownership representative.

New Mexico Mortgage Finance Authority
344 Fourth St. SW Albuquerque, NM 87102 505.843.6880 800.444.6880 housingnm.org

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CARES Act: Eviction forbearance

Dear MFA Partner:

As you probably know, Congress passed the CARES Act on March 27 in response to the economic uncertainty created by the coronavirus. We recently came across an editorial written by a staff attorney at New Mexico Legal Aid that did a good summarizing what the CARES Act means for affordable property owners, agents and managers.

Here's an excerpt:

"(The CARES Act) forbids landlords of virtually all federally subsidized properties from filing for eviction for nonpayment of rent or other charges for four months, and prohibits these landlords from charging late fees during this time. This moratorium benefits all tenants of public housing, Section 8, tax credit, USDA and other federally subsidized housing. It also benefits tenants of landlords with government-backed mortgages. When the moratorium ends, landlords wishing to evict for nonpayment must first give 30 days notice before filing in court.

To read the entire editorial [go here](#).



MEMO

TO: Participating Lenders
FROM: MFA Homeownership Department
DATE: April 29, 2002
RE: Memo No. 2020-10

Loan Purchasing Process Update

In this challenging time, MFA values you, our mortgage lending partners more than ever. Despite the rapidly changing lending environment, you continue to stand with us in our shared commitment to help New Mexico families realize the dream of homeownership.

To the extent we can, MFA is doing everything possible to approve and purchase loans as quickly and efficiently as possible. To that end, MFA worked with its sub-servicer, Idaho Housing Finance Agency, to require only the purchase conditions that jeopardize salability or insurability at the time of the loan purchase. Other conditions may be cleared after loan purchase. **However, to facilitate a quick purchase, it is imperative that participating lenders deliver a complete, clean, and properly stacked loan file.**

MFA requires and expects participating lenders to continue to originate, underwrite and provide the initial servicing of mortgage loans that will be submitted to MFA for purchase according to the New Mexico Mortgage Finance Authority Single-Family Homeownership Programs Mortgage Purchase Master Agreement (Master Agreement) and First Addendum. Legal and regulatory requirements must be met along with the requirements of insurers, guarantors, Fannie Mae and Freddie Mac.

All loans must follow current and applicable underwriting guidelines including the requirement to re-verify employment at or near the time of closing. In addition, MFA will now require borrowers to acknowledge in writing at closing that they are currently employed, have not been notified of pending layoffs or reduction in hours or pay. This written acknowledgement by the borrower at closing must be provided at the time a mortgage loan is delivered for purchase and is effective with closings beginning May 11, 2020.

As recently announced, loans in forbearance delivered to Fannie Mae will be assessed loan level pricing adjusters in the amount of 5 percent for first time homebuyers and 7 percent for non-first-time homebuyers. MFA will continue purchasing these loans without passing on these additional fees to the lender for loans originated in March through May 2020.

As you know, IHFA acts as MFA's sub-servicer as well as our contract service provider to purchase loans. MFA provides the funds for loan purchases to IHFA through our own resources and lines of credit. We are not solely reliant on loan securitization for our loan purchases.

We believe that following these steps will allow the loans we purchase to be securitized successfully. Both MFA and IHFA will put forth best efforts to approve and purchase loans in an expeditious manner.

While no other changes or updates to our single family mortgage programs are contemplated at this time, we are constantly monitoring changing market conditions and will communicate via lender memos any changes.

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MEMO

TO: [redacted] Participating Lenders
FROM: [redacted] MFA Homeownership Department
DATE: [redacted] April 30, 2020
RE: [redacted] Memo No. 2020-11

Implementation of Revised Program Acquisition/Purchase Price and Income Limits

Revised program limits will apply to *FIRST Home/FIRST Down* and *NEXT Home/NEXT Down*

Please be advised that reservations made today, April 30, 2020, and moving forward are subject to MFA's revised Household Income and Purchase Price Limits. The revised limits apply to the ***FIRST Home/FIRST Down* and *NEXT Home/NEXT Down* programs. As stated in memorandum 20-09, MFA cannot grant any exceptions regarding the revised income and purchase price limits to participate in MFA's programs.**

Click [***MFA Income and Purchase price limits link***](#) to view MFA's current income and purchase price limits.

Thank you for participating in MFA's program. Should you have any questions, please contact a MFA homeownership representative.

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2020 Tax Credit Income Limits

2020 Income limits for the Tax Credit program have been released. Income limits are effective April 1, 2020 and must be put into effect by May 15, 2020.

To access the new income limits, visit http://housingnm.org/assets/content/2020_IncomeLimitsAndRents.pdf

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2020 FDIC Income and Rent Limits

2020 Income and Rent limits for the FDIC-RTC program have been released. Income limits are effective April 1, 2020.

To access the new income limits, visit http://housingnm.org/assets/content/2020_FDIC_Income_Rents_MFA.pdf

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New Mexico Housing Trust Fund Rental Assistance Notice of Funding Availability (NOFA) and Application

MFA has issued a Notice of Funding Availability (NOFA) for a new rental assistance program funded by the New Mexico Housing Trust Fund (NMHTF). A portion of NMHTF funds will be available under this NOFA to provide short-term rental assistance to eligible tenants of income-restricted properties monitored by MFA who are experiencing financial hardship caused by the COVID-19 pandemic. The NOFA is available at [New Mexico Housing Trust Fund Rental Assistance NOFA](#).

In order to be considered for funding, completed applications must be received no later than 5 p.m. MDT on May 25, 2020 for the first round. Applications may be submitted electronically starting May 18, 2020 via a link that will be posted at [MFA - New Mexico Housing Trust Fund Rental Assistance](#).

All applicants are encouraged to attend an online training session on application submission to be held on Monday, May 18, 2020 at 10 a.m. MDT. Details regarding the online training session will be posted at [MFA - New Mexico Housing Trust Fund Rental Assistance](#).



MEMO

TO: Participating Lenders
FROM: MFA Homeownership Department
DATE: May 8, 2020
RE: Memo No. 2020-12

Reminder: Borrower attestation must be obtained for all closings beginning May 11, 2020

As previously announced in Memo No. 2020-11 on April 30, MFA will require that lenders obtain attestation of continued employment from all borrowers.

Lenders are to use their own form. The borrower must attest that they are still employed and have not been notified of any pending layoff or reduction in hours or pay. Individual borrowers are each required to sign an attestation on their own behalf.

Borrowers whose income is derived solely from Social Security or another non-employment related source, are not required to sign this form.

This requirement is effective for all closings taking place on or after May 11, 2020.

This form is required to be included with all files delivered to Idaho Housing and Finance Association (IHFA), MFA's contract service provider.

While it is not necessary for lenders to submit their form to MFA for prior approval, it is strongly recommended that lenders seek approval from their own compliance and/or legal advisors.

Thank you for participating in MFA's program. Should you have any questions, please contact an MFA homeownership representative.

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Tab 18



Quarterly Report to the MFA Board of Directors Q2 FY2020

Production Statistics	Current Quarter	Same Quarter Last Year	Fiscal Year to Date
Homeownership			
Number of loans reserved	886	733	1,587
Amount of loans reserved	\$145,014,398	\$111,148,593	\$258,048,632
Number of loans purchased	674	681	1,396
Amount of loans purchased	\$108,963,330	\$102,558,122	\$224,243,942
Number of homebuyers counseled	816	796	1,702
Number of lenders/REALTORS contacted	1,658	1,631	3,396
Housing Development			
Amount of MF loans/grants/bonds	\$4,075,000	\$0	\$6,475,000
Amount of SF loans/grants	\$0	\$0	\$0
Amount of TC: LIHTC (MF) & State (MF & SF)	\$0	\$223,500	\$7,500,686
Number of MF units	0	4	462
Number of SF units	0	1	0
Housing Rehab & Weatherization			
Amount of rehab expenditures	\$194,612	\$1,287	\$620,812
Number of units rehabilitated	0	1	0
Amount of NM EnergySmart expenditures	\$1,384,970	\$1,245,309	\$2,635,914
Number of units weatherized	237	175	514
Shelter & Supportive Housing Programs			
Amount of shelter supportive service	\$303,091	\$302,743	\$719,971
Number of persons served ¹	1,171	1,553	2,879
Amount of rental assistance ²	\$655,958	\$691,518	\$1,392,953
Number of persons assisted	434	837	962

1 - EHAP & CoC

2 - Linkages, HHRHI, RAP & HOPWA



The need for housing rehabilitation and weatherization:

New Mexico has aging housing stock. 47 percent of its homes were built before 1980; only 18.4 percent were built after 2000.

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



The Need for Assistance Programs:

The New Mexico Coalition to End Homelessness estimates that 17,000 New Mexicans experience homelessness in a year. In 2017, approximately 14,000 homeless New Mexicans sought assistance at HUD-funded agencies.

Emergency assistance with rent and utilities can help people at risk of homelessness



The need for MFA mortgage products:

MFA borrowers have an average annual income of \$51,257 and purchase homes with an average price of \$154,255. 25 percent are single-parent households; 48 percent are minorities.

MFA targets below market mortgage rates, and all first-time homebuyers receive pre-purchase counseling. MFA provides down payment assistance to 99 percent of its borrowers. Without these programs, many borrowers could not buy a home.



The need for housing development:

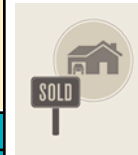
Only 4 percent of New Mexico's housing units are located in apartment complexes of 20 units or more. Many of these are old and in poor condition.

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



Quarterly Report to the MFA Board of Directors Q2 FY2020

Servicing	Current Quarter	Same Quarter Last Year	Target Rate
First Mortgage delinquency rate	10.38	5.47	
Partners Program delinquency rate	16.67	15.20	
DPA loan delinquency rate	8.67	8.91	
Multifamily loan delinquency rate	2.27	0.00	
Combined delinquency rate - Current Month	8.77	8.86	
Combined average delinquency rate-FY	9.54	10.62	10.50
Default rate (writeoffs/foreclosure losses)	0.64	0.68	1.50
Master Servicing MBS delinquency rate	7.30	5.73	
REO Inventory - # of loans	0	1	
REO Inventory - Exposure	\$0	\$52,312	



MFA's Servicing Department:

Provides servicing for over 14,000 loans with a principal balance over \$366 million.

Many of the loans MFA services are for internal programs that target higher risk borrowers. MFA's Mortgage-Backed Securities (MBS) portfolio is serviced by master servicers and our sub-servicer. Delinquency rates in this portfolio can be benchmarked to Mortgage Banker Association averages - 4.50 percent for all loans in New Mexico and 7.33 percent for FHA in New Mexico for Quarter 2 2019.

Monitoring	Current Quarter	Year to Date	Fiscal Year Monitoring Required
Asset Management			
Number of properties monitored	31	115	154
Number of units inspected	272	1213	N/A
Number of PBCA activities	313	614	N/A
Community Development			
Number of required monitorings ³	9	29	35

³ - based on program year, 7/1 - 6/30



MFA's Asset Management Department:

Monitors 274 properties and 18,036 units of housing financed by MFA, providing unit inspections and review of records and finances on a regular basis. Asset Management also supports 87 properties and 5,230 units under MFA's HUD Project Based Contract Administrator (PBCA) contract.



MFA's Community Development Department:

Manages nine programs with 12 different funding sources and approximately 70 partners across the state. Our partners deliver housing to more than 11,000 individuals and receive approximately \$10 million in funding. Monitoring is performed on a regular basis to ensure program compliance.