

DRAFT SUBSTANTIAL AMENDMENT to the New Mexico 2020-2024 Consolidated Plan and 2020 Annual Action Plan

Summary

The New Mexico Mortgage Finance Authority (MFA) and the Department of Finance and Administration, Local Government Division (DFA) are seeking public comment on the DRAFT Amended State of New Mexico 2020-2024 Consolidated Plan and 2020 Annual Action Plan. In a memo released on April 1, 2020, HUD waived 24 CFR 91.105(c)(2) and (k), 91.115(c)(2) and (i) in order to balance the need to respond quickly to the growing spread and effects of COVID-19 with the statutory requirement to provide reasonable notice and opportunity for citizens to comment on substantial amendments. This 30-day minimum for the required public comment period was waived for substantial amendments, provided that no less than 5 days are provided for public comments on each substantial amendment. Based on this waiver, the State of New Mexico will provide at least a 5-day public comment period in the event of a substantial amendment through December 31, 2020.

The public comment period will begin on September 14, 2020 and end on September 21, 2020, and a virtual public hearing on the draft will be held on September 21, 2020. The 2020-2024 Consolidated Plan and 2020 Annual Action Plan are being amended to add Coronavirus Aid, Relief, and Economic Security Act (CARES Act) funds, move funding to different goals and modify the Methods of Distribution. The 2020 Annual Action Plan is the first annual implementation plan under the State of New Mexico 2020-2024 Consolidated Plan for Housing and Community Development. The Consolidated Plan is a five-year strategic plan that governs the administration of federal funding appropriated for housing and community development activities that benefit low- and moderate-income persons throughout the State of New Mexico. Such federal funding includes the following programs: HOME Investment Partnerships (HOME), Community Development Block Grant (CDBG), Emergency Solutions Grants (ESG), Housing Opportunities for Persons with AIDS (HOPWA) and the Housing Trust Fund (HTF). The CARES Act funds are available to CDBG, ESG and HOPWA. These funds will be identified as CDBG-CV, ESG-CV and HOPWA-CV.

Amended Plan Sections

The 2020-2024 Consolidated Plan and 2020 Annual Action Plan are proposed to be amended in the following sections:

- SP-35 Anticipated Resources - 91.315(a)(4), 91.320(c)(1,2)
- SP-45 Goals Summary – 91.315(a)(4)
- AP-15 Expected Resources – 91.320(c)(1,2)
- AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)
- AP-25 Allocation Priorities – 91.320(d)
- AP-30 Methods of Distribution – 91.320(d)&(k)
- AP-90 Program Specific Requirements – 91.320(k)(1,2,3)

Within these sections, the amendments are indicated by **red** font color.

SP-35 Anticipated Resources - 91.315(a)(4), 91.320(c)(1,2)

Introduction

Housing and community development resources are expected to be available to the State of New Mexico through HUD under several federal block grant programs. These block grants include the CDBG, HOME, ESG, HOPWA and HTF programs. The CDBG program provides much needed infrastructure improvements, planning grants, opportunities for economic development and housing. Other anticipated resources for the CDBG program include other federal funds, state and local funds as well as investments from local businesses. The HOME program will produce program income that will also be available for program-specific housing and community development activities in the State. MFA and its partner agencies may compete for additional resources under the Supportive Housing Program, Shelter Plus Care, Section 811 Housing, Section 202 Housing, Rural Innovation Fund, Housing Counseling or other types of programs. Many partners leverage their resources with other funding sources that they receive directly such as Self-Help Homeownership Opportunity Program (SHOP) and Native American Housing Assistance and Self Determination Act NAHASDA funding.

Additional federal resources utilized by MFA, DFA and their partners will include HUD's Recovery Housing Program, Victims of Crime Act grants, assistance from the Federal Emergency Management Agency, HUD Veterans Housing Rehabilitation Program, USDA Section 502 Program, FHA loan programs, Mortgage Revenue Bonds (MRBs), Low Income Housing Tax Credits (LIHTC) available from the Internal Revenue Service (IRS), HUD 542(c) Risk Sharing Program, United States Department of Agriculture (USDA) programs (i.e. Section 538, USDA Preservation Revolving Loan Fund), HUD Section 8 Project-Based Rental Assistance, HUD Section 811 Project Rental Assistance and the Federal Home Loan Bank (FHLB) Affordable Housing Program.

Other nonfederal resources that could be available to MFA, DFA and their partners include resources from State legislative allocations, New Mexico Human Services Department funding, New Mexico Children, Youth & Families Department funding, the New Mexico Housing Trust Fund, the Affordable Housing Charitable Trust, the MFA Primero Fund and the New Mexico Affordable Housing Tax Credit. Further, local governments may provide resources, and private support may be available from organizations such as the United Way and the Ventana Fund (a Community Development Financial Institution), or from developer contributions (e.g. - land, deferred developer fee, loans) and private donations.

As part of the Coronavirus Aid Relief and Economic Securities Act (CARES Act), MFA and DFA received funding from HUD that is available to CDBG, ESG and HOPWA. These funds will be identified as CDBG-CV, ESG-CV and HOPWA-CV. Unless otherwise noted or depicted separately, references in the Strategic Plan to CDBG, ESG and HOPWA also refer to CDBG-CV1, ESG-CV1 and HOPWA-CV1, respectively **for the first allocation and CDBG-CV2 and ESG-CV2, respectively for the second allocation.**

MFA received \$4,140,483.00 in ESG-CV1 funding. 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.

HUD awarded HOPWA-CV1 funding to the City of Albuquerque in the amount of \$76,795 and to MFA in the amount of \$69,375 for a total of \$146,170. 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.

DFA received \$6,802,356 in CDBG-CV1 funding and \$5,528,301 in CDBG-CV2 funding. The CARES Act adds additional flexibility for CDBG in these unprecedented times. The objective, as such, shall be to help New Mexicans to the greatest extent possible, the majority of whom are low to moderate income.

The chart below describes how each HUD program is supported by additional funds from other federal sources and state, local and private funding.

Anticipated Resources

Because the citizen participation process was conducted prior to receiving the 2020 allocations of funding amounts from HUD, the draft Consolidated Plan published for comment was based on estimated funding amounts and included contingency provisions stating that all proposed budgets would be proportionally increased or decreased from the estimated funding levels to match actual allocation amounts. Once the final allocations were made, the State adjusted its funding amounts accordingly before submission of the Consolidated Plan to HUD.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Admin and Planning Acquisition Economic Development Housing Public Improvements Public Facilities Homelessness Prevention	11,577,987	250,000	400,000	12,227,987	47,229,545	The State will set aside 10% of its CDBG allocation for Colonias. State CDBG funds are not used on state tribal reservations. The State anticipates receiving approval from HUD to transfer program income received from the Neighborhood Stabilization Program to the CDBG Program. In Year 1, this is projected to be \$250,000, and in Years 2-5, this is projected to be \$917,597.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG-CV1	public - federal	To prevent, prepare for and respond to the Coronavirus	6,802,356	0	0	6,802,356	0	CDBG-CV1 funds to be used to prevent, prepare for and respond to the Coronavirus.
ESG-CV1	public - federal	To prevent, prepare for and respond to the Coronavirus	4,140,483	0	0	4,140,483	0	ESG-CV1 funds to be used to prevent, prepare for and respond to the Coronavirus.
HOPWA-CV1	public - federal	To prevent, prepare for and respond to the Coronavirus	146,170	0	0	146,170	0	HOPWA-CV1 funds to be used to prevent, prepare for and respond to the Coronavirus.
CDBG-CV2	public - federal	To prevent, prepare for and respond to the Coronavirus	5,528,301	0	0	5,528,301	0	CDBG-CV2 funds to be used to prevent, prepare for and respond to the Coronavirus.

Table 18 - Anticipated Resource

SP-45 Goals Summary – 91.315(a)(4)

Goals Summary Information

Because the citizen participation process was conducted prior to receiving the 2020 allocations of funding amounts from HUD, the draft Consolidated Plan published for comment was based on estimated funding amounts and included contingency provisions stating that all proposed budgets would be proportionally increased or decreased from the estimated funding levels to match actual allocation amounts. Once the final allocations were made, the State adjusted its funding amounts accordingly before submission of the Consolidated Plan to HUD.

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	1A. Expand & Improve Public Infrastructure and Facilities	2020	2024	Non-Housing Community Development	Statewide	Expand & Improve Public Infrastructure & Facilities	CDBG: \$53,951,057	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 162,708 Persons Assisted
2	2A. Rehabilitate Owner-Occupied Housing	2020	2024	Affordable Housing	Statewide	Preserve & Develop Affordable Housing	HOME: \$19,007,016 CDBG: \$1,627,079	Homeowner Housing Rehabilitated: 193 Household Housing Units
3	2B. Increase Homeownership Opportunities	2020	2024	Affordable Housing	Statewide	Preserve & Develop Affordable Housing	HOME: \$1,435,135 [Pending Separate 30-Day Public Comment Period - \$1,167,597 of CDBG]	Homeowner Housing Added: 8 Household Housing Units [Pending Separate 30-Day Public Comment Period – Changed to 16 Households] Direct Financial Assistance to Homebuyers: 8 Households Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
4	2C. Develop Affordable Rental Housing	2020	2024	Affordable Housing	Statewide	Preserve & Develop Affordable Housing	HOME: \$12,558,774 CDBG: \$1,084,720	Rental units constructed: 21 Household Housing Units Rental units rehabilitated: 28 Household Housing Units
5	2D. Develop Housing for Vulnerable Populations	2020	2024	Affordable Housing	Statewide	Preserve & Develop Affordable Housing	Housing Trust Fund: \$16,830,000	Rental units constructed: 28 Household Housing Units Rental units rehabilitated: 28 Household Housing Units
6	3A. Provide Assistance for Job Creation	2020	2024	Non-Housing Community Development	Statewide	Economic Development Opportunities	CDBG: \$596,454	Jobs created/retained: 17 Jobs Businesses assisted: 1 Businesses Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
7	4A. Provide Assistance to Reduce Homelessness	2020	2024	Homeless	Statewide	Housing Assistance for Vulnerable Populations	ESG: \$2,852,615 ESG-CV1: \$2,404,290 CDBG: \$1,030,625 CDBG-CV1: \$6,802,356 CDBG-CV2: \$5,528,301	Tenant-based rental assistance / Rapid Rehousing: 1,532 Households Assisted Homelessness Prevention: 9,896 Persons Assisted

Table 51 – Goals Summary

Goal Descriptions

1	Goal Name	1A. Expand & Improve Public Infrastructure and Public Facilities
	Goal Description	The State will focus on providing a suitable living environment through improvements to and creation of infrastructure and facilities.
2	Goal Name	2A. Provide for Owner-Occupied Housing Rehab
	Goal Description	The state's aging housing stock is in need of assistance, and this goal can be addressed by facilitating owner-occupied housing rehabilitation and exploring funding for emergency repair, weatherization or accessibility improvements to owner-occupied units.
3	Goal Name	2B. Increase Homeownership Opportunities
	Goal Description	In New Mexico, many people wish to have the financial capability to be homeowners, and there remains a need to provide affordable new construction for single-family homeownership, homebuyer financial assistance and homebuyer education.
4	Goal Name	2C. Develop Affordable Rental Housing
	Goal Description	Because New Mexico's population is expanding in the more urban areas and a portion of this population may not be ready for homeownership, there remains a need to provide affordable new construction rental opportunities. Furthermore, in areas of static, or potentially declining populations, there remain opportunities to develop and redevelop sites with desirable rental housing, thereby assisting to resuscitate communities in New Mexico. In addition, throughout the state, there is a need for rehabilitation of aging rental properties.
5	Goal Name	2D. Develop Housing for Vulnerable Populations
	Goal Description	To address the housing challenges of vulnerable populations with extremely low incomes, including those experiencing homelessness and those with special needs, the State will provide funds for new construction or rehabilitation of rental units targeted to these populations.
6	Goal Name	3A. Provide Assistance for Job Creation
	Goal Description	The State will provide assistance for job creation efforts to support capacity building and self-sufficiency for low and moderate income individuals.
7	Goal Name	4A. Provide Assistance to Reduce Homelessness
	Goal Description	The State will provide funds for the provision of homelessness prevention and rapid re-housing assistance, including rental assistance, homeownership assistance and utility assistance.

8	Goal Name	4B. Provide Assistance for Shelters
	Goal Description	The State will provide assistance for emergency shelter operations and services.
9	Goal Name	4C. Provide Housing Assistance to Persons w/ HIV/AIDS
	Goal Description	The State will provide funds for the provision of short term rent, mortgage and utility payments, continued rental assistance for low-income households, and permanent housing placement assistance for individuals who are HIV-positive and/or are living with AIDS.

Estimate the number of extremely low-income, low-income and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.315(b)(2)

We estimate that the combined HOME, HTF and CDBG resources listed above will, through either new construction or rehabilitation, provide affordable housing to 28 extremely low-income families and 312 low-income families. Due to the high need for affordable housing for extremely low-income and low-income families, we will not target moderate-income families.

Action Plan

AP-15 Expected Resources – 91.320(c)(1,2)

Introduction

Housing and community development resources are expected to be available to the State of New Mexico through HUD under several federal block grant programs. These block grants include the CDBG, HOME, ESG, HOPWA and the HTF programs. The HOME program will produce program income that will also be available for program specific housing and community development activities in the State. MFA and its partner agencies may compete for additional resources under the Supportive Housing Program, Shelter Plus Care, Section 811 Housing, Section 202 Housing, Rural Innovation Fund and Housing Counseling. Many partners leverage their resources with other funding sources that they receive directly such as Self-Help Homeownership Opportunity Program (SHOP) and Native American Housing Assistance and Self-Determination Act (NAHASDA) grants.

MFA's additional federal resources include HUD's Recovery Housing Program, HUD's Veterans Housing Rehabilitation Program, the Capital Magnet Fund, United States Department of Agriculture (USDA) programs, Federal Housing Administration (FHA) loan programs, Mortgage Revenue Bonds (MRBs), Low Income Housing Tax Credits (LIHTC) available from the IRS, the HUD 542(c) Risk Sharing Program and HUD Section 811 Project Rental Assistance.

Other nonfederal resources expected to be available through MFA include resources from State legislative allocations, the New Mexico Housing Trust Fund, MFA's Primero Fund and the New Mexico Affordable Housing Tax Credit. Many partners also leverage other state resources, such as funding from the New Mexico Human Services Department and the New Mexico Children, Youth & Families Department. Further, local governments may provide resources, and private support may be available from organizations such as the United Way and the Ventana Fund (CDFI), or from developer contributions (land, deferred developer fee, loans) and private donations.

As part of the Coronavirus Aid Relief and Economic Securities Act (CARES Act), MFA and DFA received funding from HUD that is available to CDBG, ESG and HOPWA. These funds will be identified as CDBG-CV, ESG-CV and HOPWA-CV. Unless otherwise noted or depicted separately, references in the Action Plan to CDBG, ESG and HOPWA also refer to CDBG-CV1, ESG-CV1 and HOPWA-CV1, respectively **for the first allocation and CDBG-CV2 and ESG-CV2, respectively for the second allocation.**

MFA received \$4,140,483.00 in ESG-CV1 funding. 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.

HUD awarded HOPWA-CV1 funding to the City of Albuquerque in the amount of \$76,795 and to MFA in the amount of \$69,375 for a total of \$146,170. 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.

DFA received \$6,802,356 in CDBG-CV1 funding and \$5,528,301 in CDBG-CV2 funding. The CARES Act adds additional flexibility for CDBG in these unprecedented times. The objective, as such, shall be to help New Mexicans to the greatest extent possible, the majority of whom are low to moderate income.

The chart below describes how each HUD program is supported by additional funds from other federal sources and state, local and private funding.

Anticipated Resources

Because the citizen participation process was conducted prior to receiving the 2020 allocations of funding amounts from HUD, the draft Consolidated Plan published for comment was based on estimated funding amounts and included contingency provisions stating that all proposed budgets would be proportionally increased or decreased from the estimated funding levels to match actual allocation amounts. Once the final allocations were made, the State adjusted its funding amounts accordingly before submission of the Consolidated Plan to HUD.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Admin and Planning Acquisition Economic Development Housing Public Improvements Public Facilities Homelessness Prevention	11,577,987	250,000	400,000	12,227,987	47,229,545	The State will set aside 10% of its CDBG allocation for Colonias. CDBG funds are not used on tribal reservations. The State anticipates receiving approval from HUD to transfer program income received from the Neighborhood Stabilization Program to the CDBG Program. In Year 1, this is projected to be \$250,000.
CDBG-CV1	public - federal	To prevent, prepare for and respond to the Coronavirus	6,802,356	0	0	6,802,356	0	CDBG-CV1 funds to be used to prevent, prepare for and respond to the Coronavirus.
ESG-CV1	public - federal	To prevent, prepare for and respond to the Coronavirus	4,140,483	0	0	4,140,483	0	ESG-CV1 funds to be used to prevent, prepare for and respond to the Coronavirus.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOPWA-CV1	public - federal	To prevent, prepare for and respond to the Coronavirus	146,170	0	0	146,170	0	HOPWA-CV1 funds to be used to prevent, prepare for and respond to the Coronavirus.
CDBG-CV2	public - federal	To prevent, prepare for and respond to the Coronavirus	5,528,301	0	0	5,528,301	0	CDBG-CV2 funds to be used to prevent, prepare for and respond to the Coronavirus.

Table 52 - Expected Resources – Priority Table

AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)

Goals Summary Information

Because the citizen participation process was conducted prior to receiving the 2020 allocations of funding amounts from HUD, the draft Consolidated Plan published for comment was based on estimated funding amounts and included contingency provisions stating that all proposed budgets would be proportionally increased or decreased from the estimated funding levels to match actual allocation amounts. Once the final allocations were made, the State adjusted its funding amounts accordingly before submission of the Consolidated Plan to HUD.

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	1A. Expand & Improve Public Infrastructure and Public Facilities	2020	2020	Non-Housing Community Development	Statewide	Expand & Improve Public Infrastructure & Facilities	CDBG: \$10,396,406	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 33,057 Persons Assisted
2	2A. Rehabilitate Owner Occupied Housing	2020	2020	Affordable Housing	Statewide	Preserve & Develop Affordable Housing	HOME: \$6,673,651 CDBG: \$550,956	Homeowner Housing Rehabilitated: 68 Household Housing Units

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
3	2B. Increase Homeownership Opportunities	2020	2020	Affordable Housing	Statewide	Preserve & Develop Affordable Housing	HOME: \$937,450 [Pending Separate 30-Day Public Comment Period - \$250,000 of CDBG]	Homeowner Housing Added: 5 Household Housing Units [Pending Separate 30-Day Public Comment Period – Changed to 6 Households] Direct Financial Assistance to Homebuyers: 5 Households Assisted [Pending Separate 30-Day Public Comment Period – Changed to 6 Households]
4	2C. Develop Affordable Rental Housing	2020	2020	Affordable Housing	Statewide	Preserve & Develop Affordable Housing	HOME: \$4,409,576	Rental units constructed: 7 Household Housing Units Rental units rehabilitated: 7 Household Housing Units
5	2D. Develop Housing for Vulnerable Populations	2020	2020	Affordable Housing	Statewide	Preserve & Develop Affordable Housing	Housing Trust Fund: \$4,830,000	Rental units constructed: 8 Household Housing Units Rental units rehabilitated: 8 Household Housing Units

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
6	3A. Provide Assistance for Job Creation	2020	2020	Non-Housing Community Development	Statewide	Economic Development Opportunities	CDBG: \$0	Jobs created/retained: 0 Jobs Businesses assisted: 0 Business Assisted
7	4A. Provide Assistance to Reduce Homelessness	2020	2020	Homeless	Statewide	Housing Assistance for Vulnerable Populations	ESG: \$570,523 ESG-CV1: \$2,404,290 CDBG: \$1,030,625 CDBG-CV1: \$6,802,356 CDBG-CV2: \$5,528,301	Tenant-based rental assistance / Rapid Rehousing: 1,050 Households Assisted Homelessness Prevention: 8,339 Persons Assisted

Table 53 – Goals Summary

AP-25 Allocation Priorities – 91.320(d)

Introduction

The following section describes the allocation priorities by goals in this plan.

Funding Allocation Priorities

	1A. Expand & Improve Public Infrastructure & Public Facilities (%)	2A. Rehabilitate Owner-Occupied Housing (%)	2B. Increase Homeownership Opportunities (%)	2C. Develop Affordable Rental Housing (%)	2D. Develop Housing for Vulnerable Populations (%)	3A. Provide Assistance for Job Creation (%)	4A. Provide Assistance to Reduce Homelessness (%)	4B. Provide Assistance for Shelters (%)	4C. Provide Assistance to Persons w/ HIV/AIDS (%)	Colonias Set-Aside	Total (%)
CDBG	75	5	2	0	0	0	8	0	0	10	100
HOME	0	55	8	37	0	0	0	0	0	0	100
HOPWA	0	0	0	0	0	0	0	0	100	0	100
ESG	0	0	0	0	0	0	48	52	0	0	100
HTF	0	0	0	0	100	0	0	0	0	0	100
CDBG-CV1	0	0	0	0	0	0	100	0	0	0	100
ESG-CV1	0	0	0	0	0	0	58	42	0	0	100

HOPWA- CV1	0	0	0	0	0	0	0	0	100	0	100
CDBG- CV2	0	0	0	0	0	0	100	0	0	0	100

Table 54 – Funding Allocation Priorities

Reason for Allocation Priorities

Through experience, data analysis and consultation, the allocation priorities for CDBG and HOME have been identified as noted above. These priorities reflect the estimated amount of funds necessary to meet the goals set forth in this Plan and address the priority needs identified by the State. HUD funds are being targeted to priority housing and community development needs, including owner-occupied rehabilitation, homeownership opportunities, affordable rental housing, homelessness, rapid rehousing, job creation and infrastructure needs. These funds will be leveraged by other state and federal funds.

For the traditional State CDBG program, the allocation percentages are based on totals given the demand-driven nature of the program and HUD regulation. Most CDBG funds are allocated through annual competition. This competitive process prioritizes funding in part to applicants that describe and document significant need. This need-based review prevents DFA from predicting the ultimate geographic distribution of assistance, as areas of need can change over the course of a year. This method of distribution ensures that the funding is allocated to eligible, non-entitlement, low-income areas with demonstrated need and capacity. CDBG-CV funds are to be used in response to complications associated with COVID-19 and add additional flexibility in these unprecedented times to include waivers and alternative requirements. CDBG-CV1 and CDBG-CV2 activities shall provide assistance to reduce homelessness in the most general sense possible in an effort to help New Mexico in these difficult and unforeseen times.

HOME funds are allocated to activities as indicated above on an annual basis, after MFA learns the amount of funding from HUD for the upcoming year. Applications for HOME funds for multifamily developments can be made through the competitive LIHTC process. HOME multifamily funding applications without LIHTC can be submitted at any time. HOME funding for homeowner rehabilitation or homebuyer assistance is provided on a first-come, first-served basis for as long as funding is available.

HTF funds will be allocated to applicants selected based on the criteria described in the HTF Allocation Plan and the Notice of Funding Availability issued by MFA.

ESG funds are allocated to the Emergency Homeless Assistance Program (EHAP) and the Rental Assistance Program (RAP). EHAP funds are provided to emergency shelters that assist homeless individuals as well as those fleeing domestic violence. Shelters receiving EHAP funds are selected through a competitive process that includes a number of criteria, such as the shelter's capacity and previous performance. These criteria ensure that the highest number of individuals will be served by shelters that are most qualified to serve them. RAP funds are awarded to agencies providing homeless prevention and rapid rehousing services. These agencies are selected through a competitive process that includes criteria such as agency experience and level of need in the agency's service area. Annual funding allocations received by these agencies are determined through a combination of factors, including past performance and poverty levels in the geographic areas served. These criteria ensure that services are targeted according to need and are provided by agencies that are qualified and experienced. ESG-CV1 funding will be awarded to EHAP and RAP. Sub-recipients that are selected from the competitive EHAP RFP will be awarded ESG-CV1 funding thus eliminating the process of completing

another lengthy RFP. Additionally, eligible shelters that were not selected in the EHAP RFP will be offered a portion of the ESG-CV1 funding. These eligible shelters will receive the portion of ESG-CV1 funding if they successfully followed ESG regulations and have previously received EHAP funding. Sub-recipients that are currently administering RAP will be awarded ESG-CV1 funding thus eliminating the lengthy RFP process. Information will be collected from previously selected RAP sub-recipients to determine how to distribute the funds. RAP sub-recipients will be awarded ESG-CV1 funding for each responded request based on the information collected.

HOPWA funds are used for housing assistance for persons with HIV/AIDS and are allocated to agencies selected through a competitive process that includes criteria such as the agency's capacity and experience. Annual funding amounts received by these agencies are proportional to the numbers of persons at or below the federal poverty level who are diagnosed with HIV/AIDS in the counties served by each agency. These criteria ensure that services are targeted according to need and are provided by agencies that are qualified and experienced. HOPWA-CV1 funding will be awarded to sub-recipients that are currently administering HOPWA thus eliminating the lengthy RFP process. A designated amount of HOPWA-CV1 funding is awarded and used only for the City of Albuquerque. The remaining HOPWA-CV1 funding is awarded to the Balance of State. In order to determine the Balance of State funding allocations, the Department of Health provides MFA the number of persons living with HIV/AIDS with incomes below the federal poverty level. Depending on the number provided, the funding will be allocated for each region to be served across the state.

How will the proposed distribution of funds will address the priority needs and specific objectives described in the Consolidated Plan?

The proposed distribution of funds will address the priority needs of the plan by meeting the objectives designed to meet those needs. The funds allocated to different goals are designed to effectively meet needs across the State as distributed through the various methods of distribution.

AP-30 Methods of Distribution – 91.320(d)&(k)

Introduction

New Mexico has designed its Method of Distribution (MOD) according to the State’s vision of how CDBG funds and other formula grants should be distributed within the State, consistent with State program requirements and HUD Notice CPD-06-11. The MOD only summarizes selection criteria in this section of the Consolidated Plan because details are promulgated in official state publications that are widely disseminated to eligible applicants. This includes criteria used to select applications for funding including relative importance of the criteria. The MOD also includes, where appropriate, a description of how all resources will be allocated among funding categories and the threshold factors and grant size limits that are to be applied, including funding thresholds, number of applications allowed per grantee, as well as any grant limits that the State has imposed.

Distribution Methods

1	State Program Name:	Community Development Block Grant (CDBG) Program
	Funding Sources:	CDBG and CDBG-CV
	Describe the state program addressed by the Method of Distribution.	<p>DFA uses CDBG funds to address local community development needs. DFA provides assistance and oversight to local officials and other eligible applicants with the implementation of needed infrastructure, public buildings, housing rehabilitation, economic development, planning and other critical projects. Ten percent of each allocation is set aside for activities in the Colonias.</p> <p>The CARES Act adds additional flexibility for CDBG-CV grants in these unprecedented times. The objective, as such, shall be to help New Mexicans to the greatest extent possible, the majority of whom are low to moderate income.</p>
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	<p>DFA determines areas of CDBG funding based on need, readiness to proceed, uniform grant guidance and other current ranking criteria identified in the CDBG Rules and Regulations (NMAC 2.110.2).</p> <p>DFA has created a vetting process to ensure that set-aside funds for economic development and housing are efficiently utilized. Subrecipients are given an application after all parties involved agree that the project is eligible and has a low degree of risk. This process is designed to save time and eliminate unnecessary work.</p> <p>All CDBG-CV funds will be used as part of a needs-based response to COVID-19.</p>

<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>DFA maintains CDBG applications, manuals and other necessary information on its website at http://www.nmdfa.state.nm.us/CDBG_Information_1.aspx</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>Under the CDBG program, eligible applicants can apply for one of the following categories, contingent on funding availability: community infrastructure, housing, public facility capital outlay, economic development, public services or planning. Any of the funding categories above may be used in the Colonias</p>
<p>Describe threshold factors and grant size limits.</p>	<p>Traditional CDBG Funds (Non-CARES Act CDBG Funding)</p> <ul style="list-style-type: none"> • Eligible applicants can have one open project at any time for up to \$750,000 in CDBG infrastructure funds. • Eligible applicants can apply throughout the year for up to \$500,000 in housing funds, as long as funds are available. • Eligible applicants can have one open project at any time for up to \$750,000 for CDBG public facilities. • Eligible applicants can have one open project at any time for up to \$500,000 for CDBG economic development funds, as long as funds are available. • Eligible applicants may apply for up to \$50,000 for CDBG planning funds throughout the year, as long as funds are available. • Eligible applicants do not have a grant size limit for CDBG public services funding. <p>CDBG-CV</p> <ul style="list-style-type: none"> • Eligible subrecipients of CDBG-CV funding will receive assistance relative to the size of the organization and impact upon low and moderate income persons.
<p>What are the outcome measures expected as a result of the method of distribution?</p>	<ul style="list-style-type: none"> • Number of persons assisted with public infrastructure and facilities funds • Number of rental units rehabilitated with housing funds • Number of owner-occupied homes rehabilitated with housing funds • Number of jobs created or retained with economic development funds • Number of businesses assisted with economic development funds • Number of persons assisted with homelessness prevention funds

AP-90 Program Specific Requirements – 91.320(k)(1,2,3)

Introduction

In the implementation of programs and activities under the 2020 Action Plan, MFA will follow all HUD regulations concerning the use of program income, forms of investment, overall low- and moderate-income benefit for the CDBG program, recapture requirements for the HOME program, ESG performance standards, HOPWA project goals and HTF evaluation criteria. MFA certifies that it will pursue all resources indicated in this Plan and will not willingly or knowingly hinder the implementation of any planned activities. Grant-specific CDBG, HOME, ESG, HOPWA and HTF requirements are addressed on the following pages.

Community Development Block Grant Program (CDBG) Reference 24 CFR 91.320(k)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	0

Other CDBG Requirements

1. The amount of urgent need activities	\$3,082,664 (CDBG-CV)
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2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.

70.00%

Years covered: 2020-2022