

# Revised

## REQUEST FOR APPLICATION (RFA)

The City of Santa Fe

AND

Office of Affordable Housing  
Application for Affordable Housing Trust Funds (AHTF)



RFA # 22/01/R

**ISSUE DATE: October 15, 2021**

**DUE DATE: November 10, 2021**

## I. BACKGROUND INFORMATION

The City's Office of Affordable Housing is seeking applications for Affordable Housing Trust Fund (AHTF) to support housing solutions for people experiencing homelessness, those at risk of homelessness or who are precariously/unsuitably housed, those at risk of losing their housing either because of eviction, foreclosure or safety and condition issues, including homeowners, or renters/homeowners who are heavily cost burdened.

The primary purpose of the Affordable Housing Trust Fund (AHTF), as codified in SFCC 26-3, is to increase and preserve the supply of affordable housing in Santa Fe available to low- and moderate-income residents. The New Mexico Affordable Housing Act determines eligible uses for the fund; eligibility criteria for applicants; and application requirements in order for the disbursement of these funds to be compliant with the State of NM's Anti-Donation Clause. The New Mexico Mortgage Finance Authority (MFA) is responsible for ensuring compliance with the Act through the Affordable Housing Act Rules (the "Rules"). The NM Affordable Housing Act allows the City of Santa Fe to donate, provide, or pay for the costs of the following:

- Land upon which affordable housing will be constructed;
- An existing building that will be renovated, converted, or demolished and reconstructed as affordable housing;
- The costs of acquisition, development, construction, financing, and operating or owning affordable housing; or
- The costs of financing or infrastructure necessary to support Affordable Housing.

All recipients of assistance from AHTF-funded activities must be income-qualified as earning no more than 120% of the area median income (AMI) as determined through a Department of Housing and Urban Development (HUD) approved income certification process. Supportive services, administrative costs and other programming related expenses are not eligible uses for AHTF funds.

**Funding is subject to current and future revenues collected into the fund, through identified sources and budget appropriations approved by the City's Governing Body. No guarantee is made or implied by the City for the amount allocated to this RFA which will result in multiple contracts equal to that amount.**

## II. ELIGIBILITY

Funding is available to developers and sponsors of affordable housing, including partnerships, corporations, limited liability companies, joint ventures, public/private partnerships and non-profit organizations that are organized under state, local, or tribal laws and can provide proof of such organization. Eligible applicants must have proven financial capacity and organizational

experience to carry out the activities described in the proposal submitted to receive an AHTF allocation.

The MFA Affordable Housing Act Rules require the City of Santa Fe certifies that the applicant is a “Qualifying Grantee”, as defined by the MFA Housing Act Rules prior to approving an award, based on the Applicant Eligibility and Application requirements described in the Submittal Requirements. Specifically the City will certify that it has completed its review of the application; determined that the application is complete; determined that the requirements listed in this document are met. A “Qualifying Grantee” is defined as:

A. An individual who is qualified to receive assistance pursuant to the Act and is approved by the City of Santa Fe; and

B. A governmental housing agency, regional housing authority, tribal housing agency, corporation, limited liability company, partnership, joint venture, syndicate, association or a nonprofit organization that:

- Is organized under State, local, or tribal laws and can provide proof of such organization; and
- 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; and
- Has among its purposes significant activities related to providing housing or services to persons of low-to-moderate income; and
- Has no significant outstanding or unresolved monitoring findings from the City of Santa Fe, the MFA, HUD, or its most recent independent financial audit, or if it has any such findings, it has a certified letter from the City of Santa Fe, the MFA, HUD, or auditor stating that the findings are in the process of being resolved; and
- If a non-profit organization, has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual; and
- Is approved by the City of Santa Fe as a “Qualified Grantee” as determined by the submittal of materials required in this solicitation.

### **III. FUNDING/AWARDS**

For the FY22 year, a balance of \$3,000,000 in the AHTF is available. Applications will be reviewed and funding recommendations will be made by the City’s Community Development Commission (CDC). Awards will be based on the applicant’s demonstration of how the proposed project meets the City’s priority of preventing homelessness, ending homelessness, and/or stabilizing the housing situations of those who are at risk of losing their housing. This may include the construction, repair, or preservation of housing units or the conversion of structures into affordable housing. The intent is to serve the entire spectrum of housing needs

including those who are currently experiencing homelessness, renters, homebuyers, and homeowners.

The following criteria will be evaluated by the CDC to make funding recommendations:

- Funding: the proposed project budget is realistic, funds are leveraged at a 3:1 ratio from other sources (for every \$1 of AHTF, \$3 is from other sources), revenue is sufficient to accomplish the proposed project and matching funds are secured.
- Need/Benefit and Project Feasibility: the proposed project addresses underlying/systemic challenges in the community, is responsive to current/future market demand, and the applicant demonstrates feasibility through site control, if applicable, and provides a realistic timeframe for the completion of proposed activities.
- Affordability: the proposed project effectively meets the income eligibility requirements of the NM Affordable Housing Act, and applicant describes how affordability targets will be achieved and monitored over time for compliance, and how equity will be secured.
- Organizational Capability and Management: the applicant adequately describes its organizational experience, expertise in the proposed type(s) of housing or assistance, and demonstrates financial soundness.

#### **IV. APPLICATION SEQUENCE OF EVENTS**

Applications will be accepted on a continuous basis until the balance of funds in the AHTF is expended. The Community Development Commission will meet monthly to hear applicant presentations and consider funding requests. Applications received by the Office of Affordable Housing by the monthly application deadline will be reviewed at the regular Community Development Commission meeting, scheduled for the third Wednesday of every month at 3:30pm. Once staff certifies the completeness of an application, applicants will be invited to make short presentations about their proposed project at the CDC meeting and to answer questions posed by the Commission members. Once the initial funding recommendation is made, the scope of work will be drafted and the funding agreement considered by the City Council Committee process for final approval by the Governing Body.

#### **V. QUESTIONS ABOUT THE APPLICATION PROCESS**

All questions must be submitted via email to **Program Manager (Alexandra Ladd), Director, Office of Affordable Housing** at [agladd@santafenm.gov](mailto:agladd@santafenm.gov). Written responses to written questions will be posted on the City's website:

[https://www.santafenm.gov/funding\\_opportunities](https://www.santafenm.gov/funding_opportunities) for the benefit of all applicants.

A non-binding letter of interest may also be emailed to **Program Manager (Alexandra Ladd), Director, Office of Affordable Housing** at [agladd@santafenm.gov](mailto:agladd@santafenm.gov). This will ensure that all prospective applicants receive notice of changes to this application process. The letter of interest is a simple note indicating that you intend to apply for funding, a brief description of the proposed project, and contact information for the organization.

## **VI. PRE-APPLICATION ORIENTATION INFORMATION SESSION**

All interested applicants may attend the optional pre-application orientation session via Zoom. This meeting is to ensure understanding of the application process and requirements for funding. The virtual meeting will take place on **October 27, 2021** from **10am to 11:30am**. Please email [agladd@santafenm.gov](mailto:agladd@santafenm.gov) to receive meeting link. Spanish interpretation provided upon request.

An archived recording of this information session will be made available on the City's website, [https://www.santafenm.gov/funding\\_opportunities](https://www.santafenm.gov/funding_opportunities), along with a procurement library that contains links to useful resources.

## **VII. APPLICATION SUBMISSION AND DUE DATE**

Complete and signed applications are due to the **Office of Affordable Housing** no later than **5PM MDST/MST on November 10, 2021**. Applications will be electronically submitted via email or Dropbox to: [agladd@santafenm.gov](mailto:agladd@santafenm.gov); **Attn: Alexandra Ladd, Program Manager, Director, Office of Affordable Housing; RFA Name: Application for Affordable Housing Trust Funds (AHTF); RFA Number: 22/01/R**

**Late and Incomplete submissions will not be accepted.**

## **VIII. APPLICATION FORMAT AND RESPONSE**

In accordance with the New Mexico Affordable Housing Act, individual Applicants and all other Applicants wishing to apply for a Housing Assistance Grant or Affordable Housing Trust Funds are also required to submit to the City of Santa Fe the following, as applicable:

A. All Applications shall contain a cover letter signed by the person who is empowered by the organization's governing body to make application for funds stating that the information provided is true and correct to the best of the Applicant's information, knowledge, and behalf. The letter must provide the contact name and information for the person responsible for the Application, the name of the Project and the amount of funds requested;

B. One original Application, together with all required attachments (Attachment 1) which describes the scope of the Affordable Housing Project proposed by the Applicant and for which the Applicant is applying for funds or a grant under the Act, and which describes the type

and/or amount of assistance which the Applicant proposes to provide to Persons of Low or Moderate Income. The City of Santa Fe will require that the Applicant provide proof of matching funds, leveraged funds, and/or in-kind donations to the AHTF proposal in connection with the Application for funds under the Act, as per the proposed budget provided in the Application. Nothing contained herein shall prevent or preclude an Applicant from matching or using local, private, or federal funds in connection with a specific Housing Assistance Grant or a grant of Affordable Housing Funds under the Act;

C. Documentation that the Applicant is duly organized in accordance with State or local law and is in good standing with any state authorities such as the Public Regulation Commission (e.g. Articles, Bylaws, and Certificate of Good Standing for a Corporation; Articles, Operating Agreement, and Certificate of Good Standing for a Limited Liability Company; partnership agreement and certificate of limited partnership for a partnership);

D. For non-profit organizations, proof of 501(c) (3) tax status and list of current board members;

E. Most recent independent financial audit and financial certifications, as follows, if applicable:

1) Evidence that the Applicant has a functioning accounting system that is operated in accordance with generally accepted accounting principles, or has a designated entity that will maintain such an accounting system consistent with generally accepted accounting principles;

2) Evidence or certification that the Applicant has no significant outstanding or unresolved monitoring findings from the City of Santa Fe, the MFA, or its most recent independent financial audit; or if it has any significant outstanding or unresolved monitoring findings from the City of Santa Fe, the MFA, or its most recent independent financial audit, it has a certified letter from the City of Santa Fe, the MFA, or the auditor stating that the findings are in the process of being resolved;

F. Organizational chart, including job titles and qualifications for the Applicant's employees who will be contributing toward or working on the AHTF-funded project as proposed, or as otherwise may be required by the City of Santa Fe and/or the MFA in its discretion. Job descriptions may be submitted as appropriate;

G. For Multi-family Housing Project applications, additional requirements include the following:

1) A verified certificate that identifies every Multi-Family Housing Program, including every assisted or insured project of HUD, RHS, FHA and any other state or local government housing finance agency in which such Applicant has been or is a principal;

- 2) Except as shown on such certificate, a statement that:
  - (a) No mortgage on a project listed on such certificate has ever been in default, assigned to the United States Government or foreclosed, nor has any mortgage relief by the mortgagee been given;
  - (b) There has not been a suspension or termination of payments under any HUD assistance contract in which the Applicant has had a legal or beneficial interest;
  - (c) Such applicant has not been suspended, debarred or otherwise restricted by 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; and
  - (d) The Applicant has not defaulted on an obligation covered by a surety or performance bond.

3) If such Applicant cannot certify to each of the above, such Applicant shall submit a signed statement to explain the facts and circumstances which such Applicant believes will explain the lack of certification. The Governmental Entity and/or the MFA may then determine if such Applicant is or is not qualified.

4) The experience of the Applicant in developing financing and managing Multiple-Family Housing Projects.

5) Whether the Applicant has been found by the United States Equal Employment Opportunity Commission or the New Mexico Human Rights Commission to be in noncompliance with any applicable civil rights laws.

H. If the Applicant is a Mortgage Lender, additional requirements apply including:

- 1) The financial condition of the Applicant;
- 2) The terms and conditions of any loans to be made;
- 3) The aggregate principal balances of any loans to be made;
- 4) The City of Santa Fe's assessment of the ability of the Applicant or its designated servicer to act as originator and servicer of Mortgage Loans for any Multi-family Housing Programs or other programs to be financed; and
- 5) Previous participation by the Applicant in the MFA's programs and HUD, FHA, or RHS programs.

**APPLICATION EVALUATION FACTORS**

The City’s Community Development Commission is designated to make the initial funding recommendation of Affordable Housing Trust Funds (AHTF). At its discretion, the City reserves the right to alter the membership and size of the committee. Scores of the evaluation committee members will be totaled to determine the top rated projects.

CRITERIA	Weighted Value	Evaluation Points (1-5)	Total Points	Max. Score
<b>A. Funding Feasibility</b> <ul style="list-style-type: none"> <li>Budget Narrative</li> <li>Leverage amounts from other sources</li> <li>Operating budget shows evidence of sufficient revenue to administer the proposed program</li> <li>Secured matching resources</li> </ul>	20%			100
<b>B. Need/Benefit &amp; Project Feasibility</b> <ul style="list-style-type: none"> <li>The proposal is responsive to current and future market demand</li> <li>Income mix, if applicable</li> <li>Site control, if applicable</li> <li>Realistic time frame for completion of proposed project/program activities</li> <li>Proposed use of funds addresses underlying/systemic challenges in the community</li> </ul>	50%			250
<b>C. Demonstrated Capability – Organizational Management</b> <ul style="list-style-type: none"> <li>Staff capacity and expertise</li> <li>Organizational experience</li> <li>Expertise in type(s) of housing or service(s) proposed</li> <li>Demonstrated financial soundness</li> </ul>	30%			150
<b>TOTAL:</b>	<b>100%</b>			<b>500</b>

Table 1: Evaluation Point Summary      **EVALUATION POINTS:      1 -- Lowest      5 – Highest**

Compliance with NM Affordable Housing Act (Check one) and Leveraging Requirements	Pass	Fail
<ul style="list-style-type: none"> <li>The proposal effectively meets affordability requirements, serving households earning no more than 120%AMI.</li> <li>The Offeror demonstrates appropriate affordability controls to secure long term affordability through the use of funds.</li> </ul>		
Project achieves leveraging requirement: \$3 match for every \$1 AHTF		

**Note that in order to be considered for AHTF funding, application must “pass” on all criteria**

**Appendix A**

**APPLICATION FOR AHTF FUNDS**

**APPENDIX B**

**CAMPAIGN DISCLOSURE STATEMENT**