

**SANTA FE COUNTY
COMMUNITY DEVELOPMENT
DEPARTMENT**



**NOTICE OF FUNDING OPPORTUNITY (NOFO)
AND REQUEST FOR APPLICATIONS FOR
HOUSING ASSISTANCE LOANS ISSUED
PURSUANT TO THE SANTA FE COUNTY
DEVELOPER ASSISTANCE PROGRAM FOR NEW
AFFORDABLE HOUSING RENTAL
DEVELOPMENTS IN SANTA FE COUNTY, NM**

NOFO NO. 2024-DAP-1/RH

August 2024

I. ADVERTISEMENT

Santa Fe County (County) is issuing a Notice of Funding Opportunity (NOFO) for affordable housing loans issued pursuant to the County's Developer Assistance Program for affordable rental housing projects that serve households at or below 80% of Area Median Income for the Santa Fe Metropolitan Statistical Area. All applications submitted pursuant to this NOFO shall be valid for sixty (60) days subject to action by the County. The County reserves the right to reject any and all applications in part or in whole. A completed application shall be submitted indicating the application title and NOFO number along with the Applicant's name and address clearly marked on the first page. All applications must be received by **5:00PM on September 13, 2024, at the Santa Fe County Community Development Department, located at the Santa Fe County Administrative Complex (240 Grant Avenue, Second Floor, Santa Fe, NM 87501), and shall be submitted to the attention of the Office of Affordable Housing.** Applications may also be submitted via email to debenavidez@santafecountynm.gov.

By submitting application for this NOFO each Applicant is certifying that it is a qualified applicant and its application complies with the requirements stated within the NOFO request.

EQUAL OPPORTUNITY: All qualified Applicants will receive consideration of funding award without regard to race, color, religion, sex or national origin, ancestry, age, physical and mental handicap, serious medical condition, disability, spousal affiliation, sexual orientation or gender identity.

Request related to this NOFO can be made by contacting Denise Benavidez, Community Development Deputy Director, 240 Grant Avenue Santa Fe, NM 87501, or by telephone (505) 986-6264, or by email at debenavidez@santafecountynm.gov or on our website at <https://www.santafecountynm.gov/housing-services/affordable-housing/developer-assistance-program>.

II. PURPOSE AND BACKGROUND

Santa Fe County (“County”) is seeking applications from development groups requesting financial support for the development of new affordable rental housing projects in Santa Fe County.

According to the County’s 2023 Affordable Housing Plan (“Plan”), approximately 1 of 3 households in Santa Fe County are currently cost burdened as it relates to their housing costs. The Plan further estimates that an additional 6,232 subsidized rental units are need within the Santa Fe County area. In addition, the Plan showed a significant need for groups with special housing needs, including approximately 600 households experiencing homelessness or who were otherwise unstably housed, and 2,290 senior households living in poverty in the County. This NOFO, including its various goals and objectives, are aimed at addressing these community housing needs by providing financial resources for affordable rental housing projects for this sector of the housing market.

In Fiscal Year 2024 the Board of County Commissioners (“BCC”) budgeted four million dollars (\$4,000,000) to provide gap financing to affordable housing rental projects in Santa Fe County through the Developer Assistance Program. This is the inaugural funding round for the Developer Assistance Program, which was approved by the BCC on October 10, 2023 (*SFC Resolution No. 2023-083*). The Developer Assistance Program was adopted by the BCC pursuant to the New Mexico Affordable Housing Act (*NMSA 1978, 6-27-14 et seq*), the New Mexico Affordable Housing Act Rules, the County’s 2023 Affordable Housing Plan (*SFC Resolution No. 2023-083*) and the County’s Housing Assistance Grant and Loan Ordinance (*SFC Ordinance No. 2023-05*).

The County’s goals and objectives for this request include:

- a) Increasing affordable rental housing by providing critical gap funding, as well as assisting development projects be more competitive for state and federal housing resources;
- b) Providing subsidies to projects to enable projects to serve lower income households;
- c) Funding the construction of new rental units which will prioritize and accept tenants who receive federal, state or local rental subsidy;
- d) Encouraging high quality affordable housing development that complements the aesthetics and character of the surrounding community and integrates with the surrounding community uses;
- e) Increasing capacity for nonprofit and public entities engaging in affordable housing development; and
- f) Encouraging the set-aside of units for households that need services to remain housed, often referred to as special needs housing, in the New Mexico Qualified Allocation Plan.

The County is issuing this NOFO to support an affordable housing development pipeline in its jurisdictional area, and to address the community shortfall of affordable rental housing as identified in the County’s 2023 Affordable Housing Plan.

III. ELIGIBLE USES OF FUNDING

Eligible uses of Developer Assistance funding issued pursuant to this RFP include:

1. acquisition of an affordable rental housing project site,
2. construction costs for an affordable rental housing project,
3. the rehabilitation of an affordable rental housing project,
4. the conversion of an existing structure into an affordable rental housing project,
5. infrastructure necessary to support an affordable rental housing project, or
6. as low-interest capital financing for an affordable housing project.

IV. FUNDING PARAMETERS

The County will award funding of up to ten thousand dollars (**\$10,000**) per unit, or up to two million dollars (**\$2,000,000**) per project, for affordable rental developments that serve households at or below 80% of Area Median Income for the Santa Fe Metropolitan Statistical Area. Applicants need to demonstrate a completed application to be considered for funding, as well as document the project's need for financial assistance to ensure project feasibility. All funding awards will be made as low-interest loans, cash flow only, with a land use restriction that matches the New Mexico Mortgage Finance Authority's affordability period requirements. The interest rate will be determined based on the needs of the project prior to closing. Loan underwriting will follow MFA guidelines, when possible, as they are considered best practice for affordable housing financing in New Mexico.

V. DESIGNATED APPLICATION CONTACT

The County has designated a NOFO Contact who is responsible for the conduct of this NOFO whose name, address and telephone number is listed below. All deliveries via express carrier should be addressed as follows:

Denise Benavidez, Deputy Director
Community Development Department
240 Grant Avenue
Santa Fe, NM 87501
Phone: (505) 986-6264
Email: debenavidez@santafecountynm.gov

Any inquiries or requests regarding this procurement should be submitted to the NOFO Contact in writing. **Applicants may ONLY contact the NOFO Contact listed above regarding this notice and application.**

VI. SERIES OF EVENTS

The NOFO Contact will make every effort to adhere to the following schedule:

<u>Action</u>	<u>Responsibility</u>	<u>Date</u>
1. Issuance of NOFO	Community Development Department	August 23, 2024
2. Deadline to Submit Questions	Applicants	August 28, 2024
3. Written Response to Questions Posted Online	Community Development Department	August 30, 2024
4. Submission of APPLICATION (5:00 PM)	Applicants	September 13, 2024
5. Application Evaluation Review	Developer Assistance Review Committee	September 16 -27
6. Selection of Recommended Awardees	Developer Assistance Review Committee	September 30 th
7. Recommendation of Award to BCC	Community Development Department	October 8, 2024 or October 29, 2024
8. Letter of Commitment	Community Development Department	Day of Approval of Award by BCC
9. Execution of Award Agreements	Community Development Department	Post Selection

VII. EXPLANATION OF EVENTS

The following paragraphs describe the activities listed is the sequence of events shown in Section

1. Issuance of NOFO

This NOFO is being issued by the Santa Fe County Community Development Department.

2. Deadline to Submit Questions

Any applicant wishing to submit questions related to the NOFO, can submit questions via email to debenavidez@santafecountynm.gov. *ADD DATE FROM ABOVE*

3. Written Response to Questions Posted Online

All question received related to the NOFO will be collected and responded to in writing by CDD. The responses will be posted on the County's Developer Assistance Webpage: <https://www.santafecountynm.gov/housing-services/affordable-housing/developer-assistance-program>. *ADD DATE TO ALL*

6. Submission of Application

ALL Applicant APPLICATIONS MUST BE RECEIVED FOR REVIEW AND EVALUATION BY THE NOFO CONTACT NO LATER THAN 5:00 PM, on September 13, 2024. *Applications received after this deadline will not be accepted.* The date and time of receipt will be recorded on each application. Applications must be addressed and delivered to the NOFO Contact at the address listed in Section V. Applications must be sealed and labeled on the outside of the package to clearly indicate that they are in response to the County's NOFO No. 2024-DAP-1/RH. **Applications may also be submitted electronically via email to dbenavidez@santafecountynm.gov.**

Applications must be delivered to:

Denise Benavidez, Deputy Director
Santa Fe County Community Development Department
240 Grant Avenue (Second Floor)
Santa Fe, New Mexico 87501

A public log will be kept of the names of all Applicants who submitted applications. The contents of any application shall not be disclosed so as to be available to competing Applicants during the negotiation process.

7. Application Evaluation Review

The evaluation of applications will be performed by Developer Assistance Review Committee in accordance with SFC Resolution No. 2023-106. This process will take place during the timeframe indicated in Section VI. During this time, the NOFO Contact may initiate discussions with Applicants who submit responsive or potentially responsive applications for the purpose of clarifying aspects of the applications, but applications may be accepted and evaluated without such discussion.

8. Selection of Finalists (If Applicable)

The Developer Assistance Review Committee may select and the NOFO Contact may notify the finalist Applicants on the date indicated in the Series of Events, Section VI.

9. Recommendation of Award to BCC

All Developer Assistance Program awards must be approved by the BCC. The Community Development Department will present to the BCC the formal award recommendations made by the Developer Assistance Review Committee during the first or second BCC meetings in the month of October (October 8, 2024 or October 29, 2024).

10. Letter of Commitment

Following approval of Developer Assistance Awards by the BCC, the County will issue an executed letter of commitment to the awardee(s).

11. Execution of Award Agreements

Following an award approval by the BCC, all agreements related to the award, which are required pursuant to the New Mexico Affordable Housing Act, Affordable Housing Act Rules, and the County's Housing Assistance Grant and Loan Ordinance, shall be executed by the awardee and, as applicable, the County prior to the release of funding.

VIII. APPLICATION AND EVALUATION CRITERIA

The components of the application and an explanation of each mandatory scoring criteria are listed below. Applicants are encouraged to fully address each category completely, as points are assigned for responses to each. The County recognizes applications will reflect the Applicant's best estimate of project costs at the time of application.

1. Project Summary and Cost-Benefits Analysis

The Applicant shall provide a brief narrative introducing the project and development team. This narrative shall include the following information:

- a) The nature and scope of the project being proposed, including:
 - i. Number of Units by Type (e.g., studio, 1 bedroom, 2 bedroom) and Number Allocated by Income Range,
 - ii. Location,
 - iii. Project costs, and
 - iv. Anticipated project timelines.
- b) Describe the need for County funding.
- c) Identify the amount of County funding being requested,
- d) Identify the proposed terms of the low-interest loan requested (e.g., interest rate, loan term, payment schedule, etc.).
- e) How the Project meets the goals of this NOFO and the County's Affordable Housing Plan.
- f) A cost-benefit analysis for the project, describing the level of benefit from the project to the community and/or purported beneficiaries of the project,

compared to the amount of County support requested pursuant to this NOFA or otherwise.

2. Project Team Experience

The Applicant shall provide the following information:

- a) Identify the Applicant's entity's name, street address, mailing address (if different), telephone number, and e-mail address.
- b) Specify the legal form of the organization (e.g., corporation, partnership, joint venture, non-profit, other).
- c) A list of the members of the Applicant's current Board of Directors or other governing body.
- d) Identify persons with the authority to represent and make legally binding commitments for the Applicant. Identify the principal point of contact for the Applicant and that person's relevant experience.
- e) Describe Applicant's affordable housing development experience. Describe the project team's experience, including but not limited to; acquisition, sale, rehabilitation, construction, management and/or support services. Specifically, share if applicant has any experience in New Mexico.
- f) Provide supporting documentation regarding your experience developing and operating affordable rental projects and, as applicable, tax credits projects. This should be in the form of a company resume with a list of projects with dates of award, construction and completion for at least the last 10 years.
- g) Administrative structure/organizational chart – identify the roles of each team member that will be responsible for working on the proposed project, including employee or consultant status.
- h) Identify other members of the development team including consultants, architects, engineers, contractors, financial or equity partners, lenders, and any known participating entities.

3. Environmental Design and Sustainability

The Applicant shall provide a narrative describing the overall project design and layout including:

- a) Green building and sustainability features, and identify which rating system is being followed (energy Star, LEED, etc.) and how this system aligns with state and local requirements.
- b) Building height, number of stories, number of units, unit types.
- c) Development amenities, exterior and community spaces and first floor amenities.
- d) Anticipated operational costs because of green features.
- e) Identify any funding sources awarded to support these green building features.

4. Project Feasibility

The Applicant shall provide a narrative describing the Applicant's proposed approach to financing the Project and attach a pro forma as detailed below. This narrative shall include the following information:

- a) Detailed description of funding sources and whether they have been secured, pending or to be applied for.

- b) The name of the entity or entities responsible for financing the Project.
- c) The estimated total cost of the Project.
- d) Description of project readiness including estimated time of completion and a description of critical path items estimated completion date, including but not limited to entitlement process, zoning and any other factors that will be necessary.
- e) Include a pro forma that shows the basic details of the Project, unit mix, sources and uses of funds, development costs, operational expenses and revenues (using MFA's standard schedules from the tax credit application is preferred). The pro forma should include, but is not limited to:
 - i. An all-in development budget including all direct, indirect, and financing costs, that clearly specifies key assumptions and how calculations are made, including from pre-development up to, and including, stabilized operation.
 - ii. A stabilized year operating statement detailing assumptions for all sources of income, a vacancy factor, detailed operating expense budget including proposed lease payment (if applicable), net operating income, capital reserves, debt service, and equity returns.
 - iii. A sources and uses table during pre-development, construction, and permanent phases of the Project.
 - iv. A clear statement regarding the Applicant's profit/return requirement and how it is calculated.
 - v. A long-term operating cash flow (15 years).

Mandatory Scoring: Applications must score at least 100 (out of 170) to be considered for funding. Mandatory criteria are outlined in the "Evaluation Scoring Elements" table below.

5. Extra Points

Extra points will be awarded for Applicants with the following:

- a) Documented commitment to working with local trades, general contractors, and vendors, generally hired to develop affordable housing communities.
- b) Proposals that include set-asides for special needs populations and coordinating supportive services for this population.
- c) Willingness to provide a Right of First Refusal to Santa Fe County at year fifteen.
- a) Location near essential services (within 2 miles).

I.X EVALUATION SCORING

The County will evaluate responsive applications and assign a numerical score in each category, not to exceed the maximum allowed score for that category, as determined through the Applicant's attention to the factor detailed in the following sections. The amount of discussion to be applied to each listed topic is an individual choice of the Applicant; however, discussion should be detailed enough to inform and educate the Developer Assistance Review Committee.

Applications will be scored based upon a comparison of the information submitted by each Applicant against the evaluation factors outlined below. Each Evaluation Factor is assigned the following points:

Evaluation Scoring Elements	Maximum Points
Mandatory Criteria:	
Project Summary and Cost-Benefits of Analysis	60
Project Team Experience	50
Environmental Design and Sustainability	20
Project Feasibility	50
Extra Points:	
Documented Commitment to Working with Local Trades, etc.	5
Special Needs Set-Aside	10
Right of First Refusal	20
Location Near Essential Services (within 2 miles)	10
Total Allowed Points	225

The County anticipates awarding the agreement(s) on the date in the "Sequence of Events" at Section VI. These dates are subject to change at the discretion of the County. The agreement(s) shall be awarded to the applicant(s) whose proposal is most advantageous to the County, taking into consideration the evaluation factors set forth in the NOFO. The most advantageous proposal may or may not have received the most points.

X. APPLICATION ORGANIZATION AND REQUIREMENTS

Completed application packets shall contain the following components:

1. A cover letter describing the applicant's intent to apply under this NOFO, with a brief summary of the project and applicant's organization. The letter shall be executed by an authorizing official for the applicant's organization.

2. The applicant shall provide all of the narrative and supporting documentation listed in Section VII of this NOFO.
 - a. Project Summary and Cost-Benefits Analysis
 - b. Project Team Experience
 - c. Environmental Design and Sustainability
 - d. Financial Capacity
 - e. Verification of Eligibility of Extra Points Criteria
3. Copy of applicant's most recent financial audit.
4. A written certification attesting that the project will be administered in accordance with Title 42 Chapter 45 of the United States Code, commonly referred to as the Fair Housing Act.
5. Proof of organization and good standing under state laws.
6. Verification of functioning accounting system that is operated in accordance with Generally Accepted Accounting Principles ("GAAP").
7. Proof that the Applicant conducts significant activities related to developing Affordable Housing for persons of low to moderate income
8. Proof that the Applicant has no significant, outstanding or unresolved monitoring findings from the County, the New Mexico Mortgage Finance Authority or its most recent independent financial audit, or if it has such findings, the Applicant must provide a certified letter from the monitoring entity or auditor that the findings are in process of being resolved.
9. A verification signed by the Applicant before a notary public that any and all information provided in the application, is true and correct to the best of the Applicant's information, knowledge and belief, upon penalty of perjury.

ADDITIONAL DOCUMENTS FOR NON-PROFIT APPLICANTS

10. Verification that the primary mission of the Applicant is to provide or develop housing or housing services for persons of low or moderate income.
11. Proof of 501.C.3 designation.
12. Verification that no part of the Applicant's net earnings inure to the benefit of any member, founder, contributor or individual.

The applicant whose proposal is most advantageous to the County, taking into consideration the evaluation factors in Section I.X., will be recommended for an award. Please note, however, that a serious deficiency in the response to any one factor may be grounds for rejection regardless of overall score.