

**Grantee: New Mexico State Program**

**Grant: B-11-DN-35-0001**

**July 1, 2011 thru September 30, 2011 Performance Report**

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**Grant Number:**

B-11-DN-35-0001

**Obligation Date:****Award Date:****Grantee Name:**

New Mexico State Program

**Contract End Date:**

03/01/2014

**Review by HUD:**

Reviewed and Approved

**Grant Amount:**

\$5,000,000.00

**Grant Status:**

Active

**QPR Contact:**

No QPR Contact Found

**Estimated PI/RL Funds:**

\$0.00

**Total Budget:**

\$5,000,000.00

**Disasters:****Declaration Number**

No Disasters Found

**Narratives****Summary of Distribution and Uses of NSP Funds:**

On December 20, 2010 HUD published guidance on Mapping and Needs Data for State NSP3 Action Plans allowing state grantees to submit a description of the criteria they will use to select subrecipients or developers, and allowing the state to submit a second amendment with the final needs and target area mapping data and selections by June 30, 2011.

The identification of areas of greatest need will be accomplished through the use of the NSP3 mapping tool. Subrecipients will be required to use the NSP3 mapping tool, and submit the target area mapping data to the State of New Mexico by April 1, 2011. In addition, subrecipients will be required to provide market analysis, using the most current and accurate data available, in support of the proposed activities in the identified target areas.

Amendment #1: On March 3, 2011, the State of New Mexico entered the date of April 1, 2011, as the last day Grantee will accept applications from developers and that the NSP3 mapping tool must be used for the application

Amendment #2: On May 2, 2011, the State of New Mexico deleted the use of NSP3 funds to be used for Rental Housing Activities.

Amendment #3: On July 8, 2011, the State of New Mexico described the target areas for NSP3 funds to be used through the use of the NSP3 Mapping tool. Those areas as described in the NSP3 Mapping Tool are: Neighborhood ID: 8825286-ABQ-Small Southwest Valley North End; described as North: I-40; South: Central; Central: East Atrisco; West: Coors, Neighborhood ID: 6215484-ABQ-Small Southwest Valley Central to Bridge; described as North: Central; South: Bridge; East: Old Coors; West: Coors, Neighborhood ID: 2514465-ABQ-Small Mesa 98th to 118th Central to De Vargas; described as North: Central; South: De Vargas; East: 98th; West: 114th, Neighborhood ID: 4059967-ABQ-Small Mesa De Vargas to Denis Chaves 98th to 118th; described as North De Vargas; South: Denis Chaves; East: Snow Valley; West: 118th, Neighborhood ID: -7200958-ABQ-Small Bridge to Arenal around Atrisco; described as North: Bridge; South: Arenal; East: Golf; West: Old Coors, Neighborhood ID: -3517517-ABQ-Small Barelmas Area; described as North: Coal; South: Englewood; East: Broadway; West: 8th;/2nd, Neighborhood ID:-2544128-ABQ-North Valley ; described as North: Montano/Griegos; South: Menaul/Candelaria; East: I-25; West: 12th/Rio Grande, Neighborhood ID: -5067413-ABQ-Small Wyoming to Eubank, Indian School to Candelaria; described as North: Candelaria; South: Indian School; East: Eubank; West: Wyoming, Neighborhood ID: -2346374-ABQ-Small Wyoming to Eubank, Lomas to Indian School; described as North: Indian School; South: Lomas/I-40; East: Eubank; West: Wyoming, Neighborhood ID:-5066040-ABQ-Small Juan Tabo to Tramway Lomas to I-40; described as North: Lomas; South: I-40; East: Tramway; West: Juan Tabo, Neighborhood ID:-2270843-ABQ-Northeast South of I-40; described as North: Lomas/Copper/I-40; South: Central; East: Juan Tobo; West: Louisiana, Neighborhood ID:-5644470-San Pedro to Wyoming, South of Central; described as North Central; South: southern/Zuni; East: Wyoming; West: San Pedro/Louisiana, Neighborhood ID:-8473449-Rio Rancho- Northwest of Unser and Southern; described as North: Idalia; South: Southern; East

**Summary of Distribution and Uses of NSP Funds:**

: Unser; West: Rainbow, and Neighborhood ID:-2161254-Rio Rancho Blvd.; described as North: Leon Grande; South: S of Sara; West NM 528.

**How Fund Use Addresses Market Conditions:**

In 2009, New Mexico ranked 29th in the US with properties that had foreclosure filings, an increase of 75.33 percent from 2008 (Realtytrac.com: <http://www.realtytrac.com/content/press-releases/us-foreclosure-activity-decreases-6-percent-in-may-4956?acct=209374>). According to the State of New Mexico Analysis of Impediments to Fair Housing the 2000 census reported a total of 780,579 housing units in the State of New Mexico. Of these units 102,608 units or 13.1 percent of the entire housing stock of New Mexico was counted as vacant, more than 21.4 percent of the vacant units are in poor condition and not available to the marketplace. The remaining housing units (86.9 percent)



were occupied, approximately 70 percent were owned and 30 percent were rented. At the time the 2000 census was taken 10,678 of renter-occupied units were overcrowded and another 9,399 were severely overcrowded ([http://factfinder.census.gov/servlet/QTTable?\\_bm=y&-geo\\_id=04000US35&-qr\\_name=DEC\\_2000\\_SF1\\_U\\_DP1&-ds\\_name=DEC\\_2000\\_SF1\\_U](http://factfinder.census.gov/servlet/QTTable?_bm=y&-geo_id=04000US35&-qr_name=DEC_2000_SF1_U_DP1&-ds_name=DEC_2000_SF1_U)). Subrecipients will be required to submit an RFP to the State of New Mexico by April 1, 2011 included in the RFP will be market analysis for the areas identified, using the most current and accurate data available, in support of the proposed activities in the identified target areas.

### **Ensuring Continued Affordability:**

Ensuring Continued Affordability:

NSP3-assisted housing units must meet the affordability requirements for not less than the applicable period specified in the following table, beginning after project completion. The affordability requirements apply without regard to the term of any loan or mortgage or the transfer of ownership. Restrictions must be imposed by deed restrictions, covenants running with the land, or other mechanisms, except that the affordability restrictions may terminate upon foreclosure or transfer in lieu of foreclosure. Subrecipients must maintain copies of the recorded instruments in their project files.

Rental - Each subrecipient is encouraged to exceed the minimum periods of affordability as determined below for the longest feasible term. Affordability requirements will be maintained through a use restriction.

Rental Housing Activity

Rehabilitation or acquisition of existing housing per unit amount of NSP3 funds: Under \$15,000 - 5 years, \$15,000 to \$40,000 - 10 years, Over \$40,000 or rehabilitation involving refinancing- 15 years, New construction or acquisition of newly constructed rental housing (92.252.e) -20 years, The refinancing of existing debt secured by housing that is being rehabilitated with NSP3 funds (92.206.b)- 20 years,

Homeownership - For NSP3-assisted homeownership, resale or recapture provisions will be placed against the property in the form of a use restriction.

Grant Amount Per Unit

Under \$25,000 - 5 years, \$25,000 to \$50,000 - 10 years, Over \$50,000 - 15 years

In cases where the property was sold for market value (or total cost, whichever is less) and NSP3 funds provided a direct subsidy through a soft second or other form of homeownership assistance (below market value), the resale or recapture approach can be used. In cases where there is a development subsidy (above market value) or where there is no direct subsidy (sold for cost), then subrecipients must use the resale approach.

### **Definition of Blighted Structure:**

Blighted Structures:

The Metropolitan Redevelopment Act NMSA 1978M 3-60A-4, defines blighted structures as

“an area within the area of operation other than a slum area that, because of the presence of a substantial number of deteriorated or deteriorating structures, predominance of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility or usefulness, unsanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, improper subdivision or lack of adequate housing facilities in the area or obsolete or impractical planning and platting or an area where a significant number of commercial or mercantile businesses have closed or significantly reduced their operations due to the economic losses or loss of profit due to operating in the area, low levels of commercial or industrial activity or redevelopment or any combination of such factors, substantially impairs or arrests the sound growth and economic health and well-being of a municipality or locale within a municipality or an area that retards the provisions of housing accommodations or constitutes an economic or social burden and is a menace to the public health, safety, morals or welfare in its present condition and use.”

### **Definition of Affordable Rents:**

Affordable Rents:

The State of New Mexico will adopt the HOME affordable rent limits for NSP3 per 24 CFR Part 92.252. Fair market rents are established by HUD each year therefore subrecipients will be required to go to the following website below and use the most current rents established by HUD <http://www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/rent/>.

### **Housing Rehabilitation/New Construction Standards:**

Housing Rehabilitation Standards:

The State of New Mexico will adopt the Construction and Rehabilitation Standards of the HOME program at 24 CFR 92.252(a), (c), (e), and (f) and 92.254. The Construction and Rehabilitation Standards define a standard and code compliance level for the construction and rehabilitation necessary to correct health, safety and building code violations to achieve decent, sanitary, safe and affordable housing. The Construction and Rehabilitation Standards include the Lead Based Paint requirements and the requirements related to physical accessibility standards for persons with disabilities (Section 504 of the Rehabilitation Act).

Standards also include the following NSP3 requirements:

- All gut rehabilitation or new construction (i.e. general replacement of the interior of a building that may or may not include changes to structural elements such as flooring systems, columns, or load bearing interior or exterior walls) of residential buildings up to three stories must be designed to meet the standard for Energy Star Qualified New Homes.
- All gut rehabilitation or new construction of mid [or high]rise multifamily housing must be designed to meet American Society of Heating, Refrigerating, and Air Conditioning Engineers (ASHRAE) Standard 90.1]2004, Appendix G plus 20 percent (which is the Energy Star standard for multifamily buildings piloted by the Environmental Protection Agency and the Department of Energy).
- Other rehabilitation must meet these standards to the extent applicable to the rehabilitation work undertaken, e.g. replace older obsolete products and appliances (such as windows, doors, lighting, hot water heaters, furnaces, boilers, air conditioning units, refrigerators, clothes washers, clothes dryers, and dishwashers) with Energy Star]46 labeled products.
- Water efficient toilets, showers, and faucets, such as those with the WaterSense label, must be installed.
- Where relevant, the housing should be improved to mitigate the impact of disasters (e.g. earthquake, hurricane, flooding, and fires).



Subrecipients are encouraged to adopt energy efficiency standards such as Green Communities or Equivalent.

**Vicinity Hiring:**

Local hiring requirements:

NSP3-funded projects must to the maximum extent feasible provide for hiring of employees that reside in the vicinity (the neighborhood) of the NSP3-funded projects. For the purposes of administering this requirement, HUD adopted the requirements of the Section 3 thresholds for the CDBG program. NSP3 local hiring requirement does not replace the Section 3 requirements under NSP3. Contractors will be required to self-certify that they are making all efforts to hire employees that reside in the vicinity of the NSP3-funded project.

**Procedures for Preferences for Affordable Rental Dev.:**

NSP3 required that grantees and subrecipients establish procedures to create preference for the development of affordable rental housing. It was decided in Amendment #2 that Rental Activities are deleted from the NSP3 Activities. Therefore, the State of New Mexico anticipates that single family housing will be used to meet the 25 percent set-aside amount. Eligible subrecipients are required to submit a summary that describes the manner in which they will meet the 25 percent requirement providing preferences for affordable single family housing

**Grantee Contact Information:**

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<b>Overall</b>	<b>This Report Period</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$500,000.00
<b>Total Budget</b>	\$0.00	\$500,000.00
<b>Total Obligated</b>	\$0.00	\$0.00
<b>Total Funds Drawdown</b>	\$0.00	\$0.00
<b>Program Funds Drawdown</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Total Funds Expended</b>	\$0.00	\$0.00
<b>Match Contributed</b>	\$0.00	\$0.00



## Progress Toward Required Numeric Targets

Requirement	Required	To Date
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$750,000.00	\$0.00
Limit on Admin/Planning	\$500,000.00	\$0.00
Limit on State Admin	\$0.00	\$0.00

## Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	\$500,000.00	\$500,000.00

## Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$1,250,000.00	\$0.00

## Overall Progress Narrative:

The Department of Finance and Administration/ Local Government Division (DFA/LGD) received \$5,000,000.00 for the Neighborhood Stabilization Program (NSP3) funds for the State of NM. Out of the proposals received for NSP3, DFA/LGD awarded \$2,500,000.00 to The Kaspia Group. DFA/LGD and Kaspia plan to have the agreement for NSP3 executed within the next month with acquisition and rehab to commence immediately after. There will be an additional Request for Proposals (RFP) published in the near future for any additional applicants interested in participating in the program.

## Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
1-ADMIN, ADMIN FUNDS	\$0.00	\$500,000.00	\$0.00
11-KASPIA GROUP, THE KASPIA GROUP	\$0.00	\$0.00	\$0.00



## Monitoring, Audit, and Technical Assistance

Event Type	This Report Period	To Date
Monitoring, Audits, and Technical Assistance	0	30
Monitoring Visits	0	0
Audit Visits	0	0
Technical Assistance Visits	0	0
Monitoring/Technical Assistance Visits	0	0
Report/Letter Issued	0	13

