
Restoring Our Communities

Program Overview



Ethan Howe
Program Manager



Introduction

The Program Objectives:

1. Provide funding for acquisition and rehabilitation of vacant or abandoned properties to increase affordable housing units in New Mexico.
2. Create and preserve affordable housing and provide affordable housing opportunities for low-moderate- and middle-income homebuyers.

Funding:

Initial allocation for FY2023 is **\$4,000,000**.

Additional allocation for FY2025 is **\$1,500,000**

The Notice of Funding Availability (NOFA) will remain open as long as there are available funds.





Eligible Activities

ACQUISITION

Identify vacant properties

Confirm clear title of the property

Obtain a pre-purchase appraisal to negotiate the purchase of the property

REHABILITATION

Perform an inspection and document the condition of the property

Obtain/provide detailed cost estimates for improvements needed

RESALE

Obtain an after-rehab appraisal to market

List the property for the lesser of the total project cost or the after-rehab value

Property must be sold to an eligible homebuyer and must be the homebuyer's principal residence (owner-occupied).



Eligibility Information

Eligible Applicants:

- Public and private nonprofit organizations
- For-profit organizations
- Governmental housing agencies, authorities, entities, or instrumentalities
- Regional housing authorities
- Public housing authority
- Tribal governments
- Tribal housing agencies
- Housing authorities
- Developers
- Builders
- Corporations
- Limited liability companies
- Partnerships
- Joint ventures
- Syndicates
- Associations
- Other entities that can assume contractual liability and legal responsibility through execution of a Performance Agreement and/or other written agreements with MFA.



Service Providers

The service provider is responsible for the entire process from the project **acquisition** to **disposition**.

The process includes but is not limited to the following major functions:

Identify Potential Property

Title Search

Pre-Purchase Property Appraisal with “As Is” and “Subject to Repairs” values.

Evaluation and cost estimates of rehabilitation activities (ROC Program Needs Assessment Field Report)

Determine viability of project

Acquisition

Rehabilitation

Certificate of Occupancy (if applicable)

Updated Appraisal (after Rehabilitation)

Marketing of the property for resale to an eligible homebuyer

Resale

Project Reporting/Close Out



TWO STEP APPLICATION PROCESS

Service Provider Application

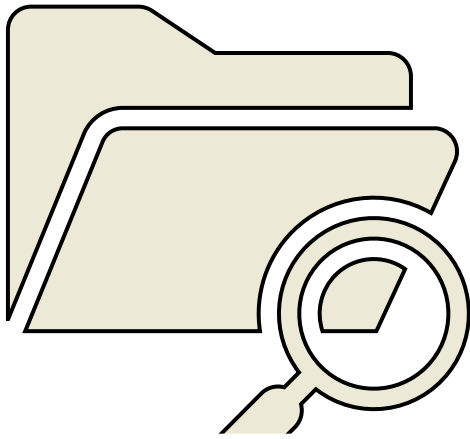
1. Complete and submit the [Service Provider application form](#) and [all required documents](#) in the Service Provider application checklist.
2. MFA staff will evaluate the application using the [Minimum Qualifications and Requirements, and Service Provider evaluation and scoring criteria](#) listed in this NOFA.
3. Upon approval, MFA and the Service Provider will enter into a [Performance Agreement](#) for a two-year term with an option for three additional one-year renewals.
4. Upon execution of the Performance Agreement, project applications can be submitted for project awards.

Project Applications

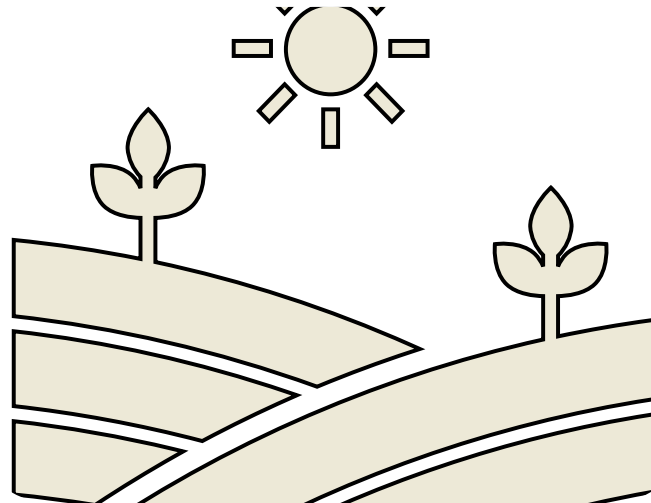
1. Upon execution of the Performance Agreement, a Service Provider can complete and submit [individual project application forms with all required documents](#) included in the Project application checklist.
2. MFA staff will evaluate the project application using the [Project Feasibility and Eligibility evaluation criteria](#) listed on the NOFA.
3. Service Providers will be allowed up to [five](#) open project awards at any one time. [Awards will be granted in order of receipt of complete project application\(s\) with all required documents and available funding.](#)



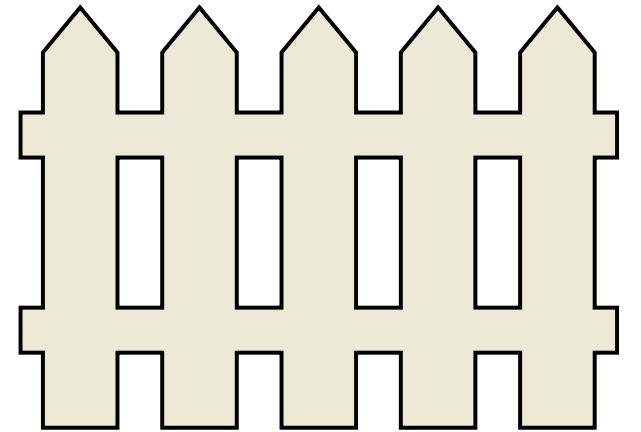
APPLICATION REVIEW INFORMATION



Qualified Applicants will submit a **Service Provider Application Form** which will be reviewed using the Minimum Qualifications and Requirements, and Service Provider evaluation and scoring criteria listed in this NOFA.



Applicants must score a minimum of **70** points of the 100 points possible.



To promote participation, Applicants with little to no experience may be considered for approval at MFA's discretion and will be **limited to one (1) open project** award at any one time.



PROJECT EVALUATION CRITERIA

Service Providers will submit a **Project Application** for each project, which will be evaluated using Project Feasibility and Eligibility criteria listed in the NOFA.

Project Feasibility is defined by a recovery of 85% percent of the total project cost.

Net proceeds from sale of
property to income eligible buyer

Acquisition + Rehabilitation +
Soft costs

$\geq 85\%$



PROJECT EVALUATION CRITERIA

A ROC project was completed earlier this year and sold for \$295,000. After closing costs were deducted, the net proceeds of the sale were \$275,000. The property was acquired for \$161,500, while rehabilitation and soft costs totaled \$158,500.

$$\frac{\$275,000}{\$320,000} = 85.9\%$$

PROJECT MANAGEMENT FEES

Project Management Fees:

- **Rural Projects** (Areas are outside Albuquerque, Las Cruces, Rio Rancho, and Santa Fe) receive **15%** of Total Project Cost, **not to exceed \$25,000**.
- **Urban Projects** receive **10%** of Total Project Cost, **not to exceed \$15,000**.



Project management fee will be provided **upon completion** of ROC Program projects.

Paid through the reimbursement process. Service Providers will submit the final reimbursement request along with a project completion form.



HOMEBUYER ASSISTANCE

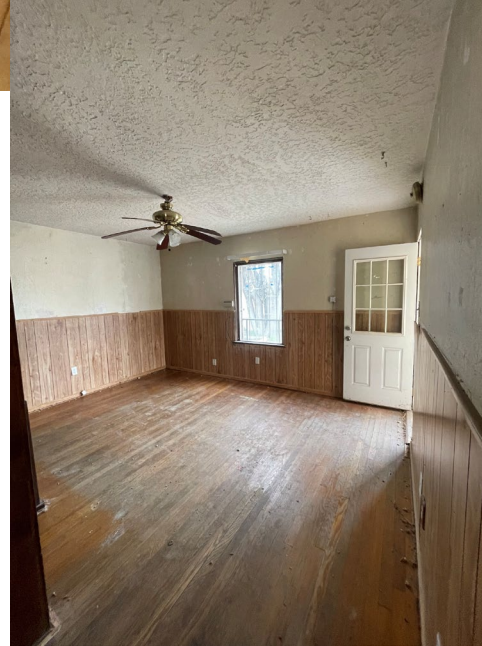
Homebuyer assistance investment in the property will be in the form of a **zero interest, non-amortizing, second mortgage loan** which is due upon sale, transfer, or refinance of the property.

MFA will place a lien on the property using a **Mortgage and Restrictive Covenant** and a **Promissory Note** signed by the homebuyer at the sale/closing of the property.

The Service Provider will determine the amount of the homebuyer assistance using the **Project Feasibility Tool** which establishes limits based on project viability.

\$1 to \$14,999	Reduced at a rate of twenty percent (20%) per year for five years
\$15,000 to \$39,999	Reduced at a rate of ten percent (10%) per year for ten years
\$40,000	Reduced at a rate of approximately six-point-seven percent (6.7%) for fifteen years.

COMPLETED PROJECTS





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CONTACT INFORMATION

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<https://housingnm.org/programs/restoring-our-communities-program>

RESTORING OUR COMMUNITIES PROGRAM

Housing NM Summit
Wednesday, September 17



BEFORE:

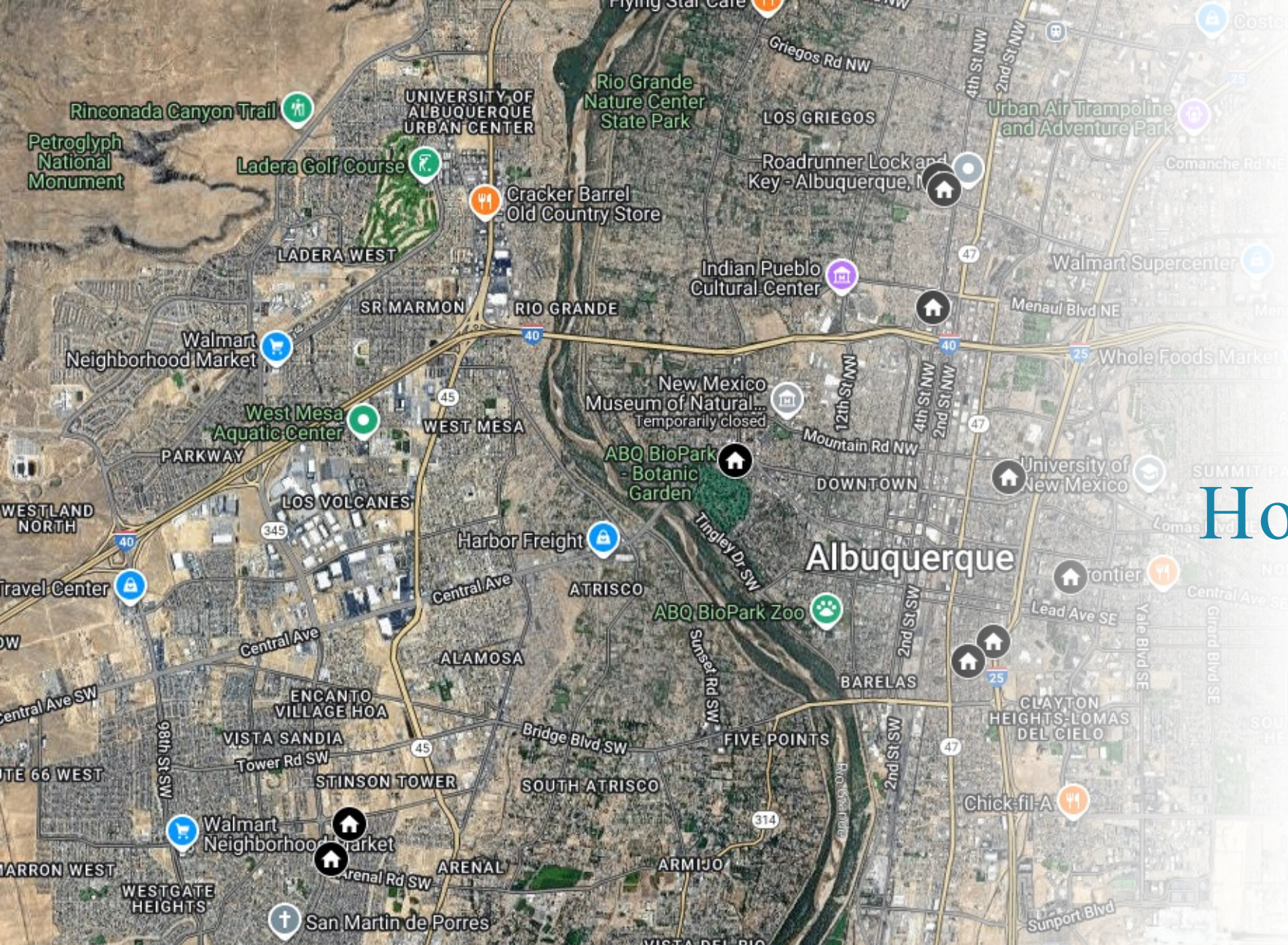


AFTER:

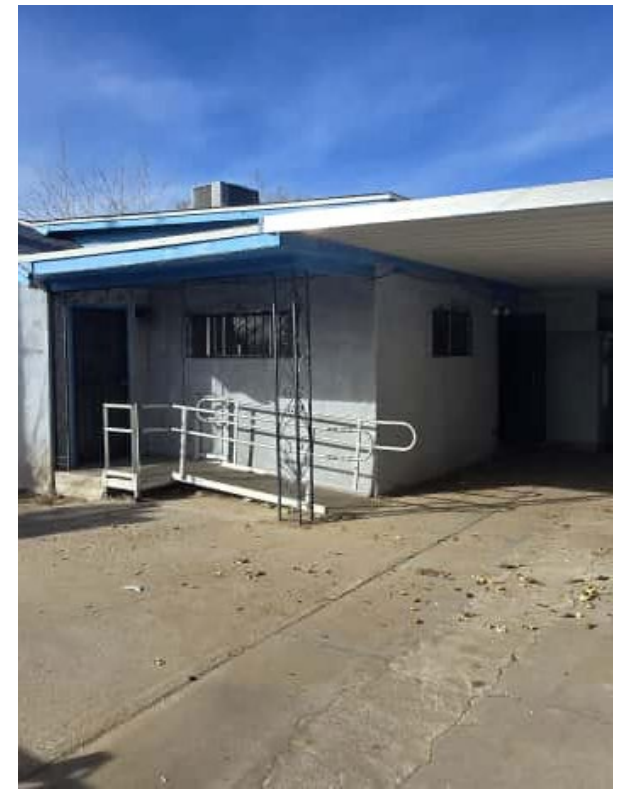


PROGRAM OVERVIEW

- Acquired first ROC home March 2024
- As September 2025, have closed 4 homes with 5 under construction
- Average age of home is 37 years old
- Average size of home is 1186 square feet
- Average rehab cost of \$158,000 home



ROC Home Locations



OPPORTUNITIES & CHALLENGES

Before Photos

After Photos

