



MFA Strategic Plan Dashboard, Q2 FY2015

All New Mexicans will have quality affordable housing opportunities



Strategic Plan
FY 9/30/2015

Priority 1 - Operational Excellence		
1.1 - Maintain prudent stewardship of MFA's financial resources		
Benchmark	Comments	Status
General fund cash reserves at minimum level consistent with policy	As of 3/31/15, general fund cash reserves are \$76,552k, which exceeds the policy requirement.	On Target
Unqualified opinion on MFA financial statements and no material weakness in internal control over financial reporting or major programs (excluding first-time audits)	MFA received an unqualified opinion on the 9/30/2014 financial statements with no material weaknesses reported. The Board approved the audit reports on 1/21/2015.	Met
Operating performance and profitability equal to net revenues over total revenues of at least 5.25 percent (based on five-year average)	As of 3/31/15, MFA's operating performance and profitability five-year average ratio was 6.08%.	On Target
Balance sheet strength equal to net asset position over total bonds outstanding of at least 20.32 percent (based on five-year average)	As of 3/31/15, MFA's balance sheet strength five-year average ratio was 19.90%.	On Target
Maintain or improve credit rating	Moody's upgraded MFA's issuer credit rating to a Aa3, which is the equivalent of our current Standard & Poor's (S&P) issuer credit rating. Both S&P and Moody's will be updating our issuer credit rating in the next 3-4 months as of 9/30/14 financial statements.	On Target
Successful conversion of accounting software	Three test conversions have been conducted successfully. Final testing is being conducted. Accounting staff have been trained on the new system.	On Target
1.2 - Create a fulfilling work environment to attract and retain quality employees		
Benchmark	Comments	Status
Conduct and evaluate annual employee satisfaction survey	Based on employee survey results, further discussions with employees and collaboration within the employee satisfaction committee, the committee has identified six priority items to focus on. The executive team has approved these priorities and small working groups for each priority have been created.	On Target
1.3 - Identify and implement technology solutions that improve operational efficiency, data security and customer service		
Benchmark	Comments	Status
Protect MFA data and systems from threats through semi-annual vulnerability scans	REDW performed vulnerability scan on December 14, 2014. Our rating dropped from 1.4 to 1.3. Overall risk score is low.	On Target
Maintain system availability at 99 percent	No incidents reported in Quarter 2. Overall, MFA had 99.95 system availability.	On Target
1.4 - Maintain standards of excellence and promote innovation in MFA programs		
Benchmark	Comments	Status
Manage and distribute 95 percent of all funding	As of 3/31/2015, 100% of all funding has been managed and distributed.	On Target
1.5 - Manage organizational risks		
Benchmark	Comments	Status
Complete internal audit risk assessment report	Staff has coordinated with REDW on implementing a more comprehensive risk assessment process. REDW is scheduled to perform this work in Quarter 3 and staff plans to report on this topic at the Board Retreat.	On Target

Priority 1 - Operational Excellence		
1.5 - Manage organizational risks		
Benchmark	Comments	Status
Update disaster recovery plan	A project lead to update MFA's disaster recovery plan has been selected. A new team has been assembled and planning meetings have been scheduled.	On Target
1.6 - Improve collaboration throughout MFA		
Benchmark	Comments	Status
Develop work plan for collaboration activities	Work plan developed and interim committees established for the following collaboration activities: MFA Intranet, Board Reporting Improvements and Housing Data. Board reporting improvements are complete, MFA Intranet will launch in Quarter 3 as planned, Housing Data is ongoing with updates to the Housing Library and modeling of the data warehouse, two educational sessions have been held, and team building is ongoing.	Met
Priority 2 - New Resources		
2.1 - Market the Charitable Trust to generate tax deductible contributions for affordable housing		
Benchmark	Comments	Status
Develop educational materials	New Charitable Trust brochure completed in December 2014.	Met
Outreach to at least one professional group	MFA educated 26 CPAs on the Charitable Trust by participating in "Know your NM Tax Credits," a continuing education course offered by the NM Society of CPAs held on December 9, 2014. Brochures were provided for the Society of CPA offices. MFA also presented information on the Charitable Trust to MFA staff on December 15, 2014, along with information about United Way contributions.	Met
2.2 - Expand mission driven fee-for-service activities		
Benchmark	Comments	Status
Evaluate subservicing expansion opportunities	The Servicing Expansion Committee completed the evaluation of the sub-servicing model for the administration of MFA's single family program. The committee recommended implementation of a hybrid sub-servicing model in partnership with Idaho Housing Finance Association by March 1, 2016. The recommendation was approved by the Board on April 15, 2015.	Met
Evaluate physical inspection opportunities	MFA has provided REAC physical inspection training for Northern Regional Housing Authority and Capstone Management Company, LLC. MFA's two certified inspectors have participated in several webinars hosted by HUD regarding use of REAC's physical inspection software. In January 2015, MFA sent a representative to NCSHA's HFA Institute to attend a special session on the 2015 REAC physical inspection pilot. The evaluation of this opportunity is on target, with analysis beginning in Quarter 3. Communications continue to progress this quarter with HUD senior staff in charge of the umbrella White House initiative for harmonization across HUD/REAC/USDA in partnership with Housing Finance Agencies.	On Target
2.3 - Develop innovative funding streams for NM EnergySmart and other traditional grant funded programs		
Benchmark	Comments	Status

Priority 2 - New Resources		
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Benchmark	Comments	Status
Outreach to three new partners	Completed individual outreach to El Paso Electric and Columbus Electric Cooperative as well as 15 electric cooperatives at the statewide electric cooperative meeting at March 25, 2015. Met with the City of Santa Fe to discuss using the City's pilot energy metering program on NM EnergySmart homes.	Met
Increase funding from sources other than DOE and LIHEAP	New funding includes \$279k from New Mexico Gas Company for multi-family weatherization, \$35,000 from Central Valley Electric Cooperative, \$7,500 (committed) from Columbus Electric Cooperative and \$287,000 from state LIHEAP. Additional potential funding for 2015/2016 program year includes an increase in state LIHEAP from \$2.1 million to \$3.0 million and new funding from PNM for additional measures to the existing contract.	On Target
2.4 - Generate new resources for affordable housing through state programs, grant and private funding opportunities		
Benchmark	Comments	Status
Pursue two new funding sources	Submitted \$250k grant application for USDA Rural Community Development Initiative for Regional Housing Authority capacity building (grant application denied). Colonia Infrastructure Board (CIB) has agreed to ask NM Attorney General for an opinion on applicability of Affordable Housing Act on the Colonia Infrastructure Fund (CIF). Letter to AG has been drafted and MFA has provided an addendum making the case that CIF funds can be used for affordable housing on private land as long as all AHA requirements are met. Expect letter to be submitted to AG in near future.	Met
Priority 3 - Effective Partnerships		
3.1 - Develop the expertise and capacity of Regional Housing Authorities to provide a range of affordable housing services statewide		
Benchmark	Comments	Status
Provide Regional Housing Authority specialty training to enhance organizational capacity	Seven Regional Housing Authority staff attended Annual NAHRO Conference on April 14-20 and received Certified Procurement Officer training. Asset Management provided UPCS training and input on physical condition of housing inventory to Northern Regional Housing Authority (NRHA) staff on October 7-10, 2014. Report and survey issued to NRHA on Nov. 11, 2014. Survey results returned very positive. MFA provided extensive one-on-one training to Eastern Regional Housing Authority in relation to Jal/Eunice multifamily projects.	On Target
Assist Regional Housing Authorities with consolidation or transfers of troubled Public Housing Authorities	Northern Regional Housing Authority (NRHA) is in the first phase of transference activities with Rio Arriba Housing Authority. Meetings between NRHA and the Grant Housing Authority have also been held to begin dialogue about a potential transfer. MFA has been involved in continued negotiations with Gallup Housing Authority. Eastern Regional Housing Authority is in the final stages of transference of the Lovington Housing Authority, with transfer pending final approval from HUD.	On Target

Priority 3 - Effective Partnerships

3.1 - Develop the expertise and capacity of Regional Housing Authorities to provide a range of affordable housing services statewide

Benchmark	Comments	Status
Hold three peer exchange meetings annually	Peer exchange meeting was held with Northern, Eastern and Western Regional Housing Authority Executive Directors during the Annual NAHRO Conference on April 10, 2015. Continue to conduct quarterly regional housing authority teleconference calls which also include HUD and MFA staff, most recently adding guest speakers.	On Target
Implement one new service or program as capacity and funding allow	Eastern Regional Housing Authority has been designated as a certified housing counseling agency. Researching viability with Northern Regional Housing Authority (NRHA) to implement the Linkages Program beginning July 1, 2015. Ongoing negotiations with Town of Taos, Taos County and NRHA regarding contractual agreements pertaining to an Affordable Housing Plan for Taos County.	On Target

3.2 - Provide quality training and technical assistance to our partners

Benchmark	Comments	Status
Assist three local governments in creating affordable housing plans and ordinances	MFA has assisted 13 local governments in creating affordable housing plans and ordinances. The local governments assisted include: Harding County, Dona Ana County, Village of Ruidoso, Village of Los Lunas/Valencia County, City of Santa Rosa/Guadalupe County, Eddy County, City of Carlsbad, Bernalillo County, City of Albuquerque, and Rio Arriba County/City of Espanola.	Met
Hold 12 outreach meetings	In addition to 11 outreach meetings conducted in Quarter 1, presented EnergySmart Program at the statewide electric cooperative meeting on March 25, 2015 and participated in Lea County Housing, Inc. strategic planning session with their Board of Directors.	Met
Provide directed management and/or administrative technical assistance to at least three organizations	Overseeing targeted technical assistance by the Rural Community Assistance Corporation (RCAC) to El Camino Real and Western Regional Housing Authority on sharing skill sets and strengths between the two organizations. Overseeing RCAC organizational assessment and strategic planning for Lea County Housing, Inc.	Met
Facilitate five stakeholder meetings with non-profits, owners/managers, developers and servicing partners	Presentations were made at quarterly Behavioral Health Collaborative meetings held in January and April 2015 regarding supportive housing gaps and HUD's Section 811 program. Held a Linkages meeting with all providers and provided fair housing and programmatic training. Held a WAP (Weatherization Assistance Program) PAC meeting that included funders and service providers in April 2015.	On Target

3.3 - Strengthen MFA's influence on affordable housing policy and funding at the state and federal levels

Benchmark	Comments	Status

Priority 3 - Effective Partnerships		
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Benchmark	Comments	Status
Develop state legislative agenda and lobby for appropriations and policy	MFA developed its state legislative agenda and had it approved by the MFA Legislative Oversight Committee in 2014. MFA produced tri-fold and cards for each piece of legislation and distributed these to legislators. Web alerts were sent to targeted constituents by MFA program managers when MFA bills were heard during the session. MFA received funding/approval for the following during the 2015 Legislative Session: SB250: \$250k for Affordable Housing Act administration, SB50: \$200k for Regional Housing Authority oversight, SB61: Amendment of the Affordable Housing Act, SB62: Amendment of the Affordable Housing Tax Credit Act. \$50,000 in homeless funding was also received.	Met
Develop federal policy priorities and communicate them to NM's congressional delegation	MFA developed its annual letter of federal policy priorities and provided it to the NM Congressional Delegation. Because MFA did not attend the NCSHA Legislative Conference due to weather-related flight cancellations, staff has requested in-state meetings with each member. MFA's 2015 federal policy priorities include: protect housing bonds and the housing credit in tax reform, expand the LIHTC program, allow GNMA securitization of Risk Sharing loans, restore HOME funding, support weatherization programs.	Met
Undertake year-round outreach with state and federal officials	State outreach: Secured sponsors for 2015 MFA state legislation. Outreach included LOC meetings and individual meetings with state legislators. Federal outreach: Requested federal support in appealing a HUD sanction of the Northern Regional Housing Authority (appeal granted October 2014) and in requesting increased HOME funding (Dear Colleague letter, March 2015).	On Target
3.4 - Increase visibility and public awareness of MFA		
Benchmark	Comments	Status
Develop and update MFA materials including brochures, annual report and Housing Services Directory	2015 annual report has been printed and distributed. 2015-16 Housing Services Directory has been printed and distributed. Created and produced new Fair Housing brochures in English and Spanish; reprinted Fair Housing posters; updated and produced NM EnergySmart brochure in English and Spanish. Contract has been signed with vendor to produce MFA video.	On Target
Organize public events and outreach	Organized sponsorships, display booths and giveaways for NAHRO conference, GAAR awards gala and NM Coalition to End Homelessness conference. Planning for 2015 Open House has been begun; collateral incorporates 40th anniversary branding. Preliminary talks with potential 2016 summit partners have begun. 40th anniversary campaign is underway with new collateral pieces, website branding, signage and giveaways.	On Target
Maintain website content and database	Website has been redesigned and all content updated. Front page news is updated weekly. A new 40th anniversary website has been designed and is currently being populated with content. It will tie into the main website. The last eblast that was sent to the entire database had a 2.8 percent bounce back rate, down from a high of 24 percent a year ago. All bounce backs from the last two mass eblasts were researched and either updated or deleted.	On Target
Priority 4 - Expanded Homeownership Opportunities		

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4.1 - Utilize best financing executions for MFA's homeownership program		
Benchmark	Comments	Status
Average internal rate of return on traditional single family bond programs equal to or greater than 14 percent	The internal rate of return for traditional single family bond programs for fiscal year 2014 is 16.22%, which is 2.22% above the benchmark.	Met
Average internal rate of return on pass through single family bond programs equal to or greater than 100 percent	The internal rate of return on pass through single family bond programs for fiscal year 2014 is 263.64%, which is 163.64% above the benchmark.	Met
Mortgage rates no more than 25 basis points above traditional market	MFA has continued to maintain mortgage rates close to the traditional market. The weighted average rate on MFA loans is 4.02% and the local mortgage rate average is 4.02% for the period 10/1/14 through 3/31/15.	On Target
Spread for bond issues of 1.1 percent to 1.125 percent	MFA closed 3 bond issues in March 2015. The 2015A bond issue is a tax exempt issue and has a spread of 1.124%. The 2015B and C bond issue programs are both federally taxable and are not subject to spread limitations.	On Target
Administrative fees of at least 18 basis points on all bond issues	MFA closed 3 bond issues in March 2015, all of which had an administrative fee greater than 18 basis points. The 2015A tax exempt bond issue has an administrative fee of .25%. The 2015B pass through refunding bond issue is federally taxable and has an expected authority fee of 2.70%. The 2015C pass through refunding bond issue is federally taxable and has an expected authority fee of .5575%.	On Target
Profitability of 1.5 percent on TBA executions	For Quarter 2, MFA has successfully maintained a threshold of 1.50% on TBA executions by adjusting mortgage rates as necessary. Our net profitability since program inception is 2.4%.	On Target
4.2 - Implement innovations in single family mortgage products and servicing to address customer needs and make MFA more competitive		
Benchmark	Comments	Status
Provide mortgage financing to 1,000 homebuyers	As of 03/31/2015, MFA has provided mortgage financing to 536 home buyers throughout the state of New Mexico.	On Target
Maintain MFA single family market share at 26.5 percent or greater	As of 03/31/2015, MFA has a single family program market share of 42.04%, which includes all purchase, first mortgage FHA loans originated by MFA-approved lenders from 04/01/2014 through 3/31/2015.	On Target
Maintain loan defaults, workouts and foreclosures to MFA below 2.30 percent	As of 3/31/15, loan defaults, workouts and foreclosure losses to MFA were 0.67 percent.	On Target
4.3 - Increase awareness and use of MFA mortgage products through marketing and REALTOR®/lender outreach		
Benchmark	Comments	Status
Develop and begin launch of co-branded marketing with REALTORS® and lenders	Staff will be requesting a change to this benchmark to: Create and employ targeted marketing for specific groups of potential home buyers.	New
4.4 - Expand MFA's presence in housing and credit counseling		
Benchmark	Comments	Status
Provide homebuyer counseling to 1,000 homebuyers	As of 03/31/2015, MFA has provided homebuyer counseling to 684 new homeowners.	On Target
Priority 5 - Expanded Rental Opportunities		
5.1 - Foster sustainability of multifamily properties through sound underwriting and continual improvement of MFA financing programs		
Benchmark	Comments	Status

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5.1 - Foster sustainability of multifamily properties through sound underwriting and continual improvement of MFA financing programs		
Benchmark	Comments	Status
Evaluate at least one software alternative for the Low Income Housing Tax Credit program	Software vendors have been identified and product demonstrations will be scheduled in Quarters 3 and 4. MFA staff have been participating in product demonstrations and training provided by our current software vendor, as a full evaluation of our existing product is part of this overall process.	On Target
Evaluate HUD's risk rating system for use at MFA	Objective team members have started the evaluation process. Work on this objective has been expanded to include participation with HUD on their Real Estate Assessment System financial data and analysis initiative.	On Target
5.2 - Preserve existing properties through proactive oversight of MFA's portfolio and collaboration with property owners and managers		
Benchmark	Comments	Status
Yield a net increase of multifamily rental units in MFA's portfolio	Multifamily units will be measured and reported in Quarter 4.	On Target
Yield a collection rate of 95 percent or greater for compliance monitoring and fees	MFA's collection rate exceeded 95% for compliance monitoring fees, as of March 31, 2015.	Met
Provide at least three formal training events to housing partners	MFA provided three trainings in Quarter 1: (1) October 31, 2014 Monarch Properties, Inc. and Santa Fe Civic Housing Authority regarding Santa Fe Community Living project; (2) November 12, 2014 Qualified Allocation Plan training on Low Income Housing Tax Credits; and (3) December 4, 2014 NM Tribal Homeownership Coalition meeting and training on health care exchange, Section 184, Happy Trails, NAHASDA income calculations and 2015 projections.	Met
Inventory archive of completed 8609 forms	All 8609 forms collected in 2014 have been imaged for permanent storage. Collection of 8609 forms has continued in 2015. Additional outreach efforts are planned for Quarter 3.	On Target
Modify staff guidelines to increase owner response to closing out monitoring findings and deficiencies	Initial strategy meetings were held with staff in December 2014. Monitoring guidelines were developed to address the closeout of monitoring findings and deficiencies. Guidelines were implemented and phased in with the 2015 monitoring work plan which began in February 2015.	Met
5.3 - Evaluate and utilize refinancings and novel financing structures to address increased demand for rental housing		
Benchmark	Comments	Status
Evaluate two novel financing structures	The HUD resources currently under evaluation are Multifamily Accelerated Processing (MAPS) lending and 538 USDA-FHA loan program. MFA was awarded the HUD FY2013 Section 811 Project Rental Assistance Program grant in the amount of \$2,278,447. A project lead for this grant has been selected and staff training is underway. Planning for full implementation will continue through the end of this fiscal year.	On Target
5.4 - Continue to serve as New Mexico's Project-Based Contract Administrator for HUD Section 8		
Benchmark	Comments	Status
Continue to earn 100 percent base fees for PBCA contract	In quarters one and two, MFA billed and received \$478,266 in base fees for successful completion of all required contract duties.	On Target

Priority 5 - Expanded Rental Opportunities

5.4 - Continue to serve as New Mexico's Project-Based Contract Administrator for HUD Section 8

Benchmark	Comments	Status
Research HUD federal procurement requirements	The Supreme Court has confirmed it will not hear the Performance Based Contract Administrators' case against HUD and Department of Justice. HUD's only next step may be to create a full federal procurement vehicle which may take upwards of 18 months. Key staff have continued to stay in communication with Housing Finance Authority advocates and federal procurement attorneys in Washington D.C.	On Target