Notice of Funding Availability (NOFA)

for Community Development Block Grant for Disaster Recovery (CDBG-DR) Post-Disaster Infrastructure Investment Program

The New Mexico Department of Homeland Security and Emergency Management (DHSEM) is accepting project proposals to the Post-Disaster Infrastructure Investment Program (PDIIP).

Overview

The State of New Mexico received a Community Development Block Grant for Disaster Recovery (CDBG-DR) in response to the 2024 Presidentially declared disasters, including the South Fork and Salt Fire (DR-4795-NM) and Severe Storm and Flooding (DR-4843-NM). The Post-Disaster Infrastructure Investment Program (PDIIP) is a CDBG-DR funded Program. The total amount of CDBG-DR funds allocated to the PDIIP is $27,319,100.00.

The PDIIP is designed to address critical infrastructure projects that are essential to community recovery but are not fully addressed by existing funding sources such as the FEMA's Public Assistance (PA) Program or other traditional federal infrastructure sources. The PDIIP prioritizes infrastructure investments that address unmet recovery needs, enhance long-term resilience to wildfire and flood risks, and support sustainable recovery in rural and underserved communities.

Federal Funding Source: U.S. Department of Housing and Urban Development (HUD)

Agency Listing Number: 14.228

Federal Opportunity Number: 97.008

The purpose of the Post-Disaster Infrastructure Investment Program is to provide capital investments for infrastructure projects which address disaster impacts and enhance post-fire watershed stabilization in disaster-affected counties.

Jurisdictions Served: Lincoln, Mescalero, Chaves, San Juan, Rio Arriba

HCDA Citation: Section 105(a)(1), Section 105(a)(2) Section 105(a)(3), Section 105(a)(4), Section 105(a)(5), Section 105(a)(7), Section 105(a)(9), Section 105(a)(11), Section 105(a)(13), Section 105(a)(26)

National Objective: LMI

Minimum Award: $50,000.00
Maximum Award: $10,000,000.00

Total Allocation: $27,319,100.00

The PDIIP is governed by all federal compliance regulations outlined in the State of New Mexico Fire and Flood Recovery (2024 Events) Community Development Block Grant – Disaster Recovery Action Plan and the Post Disaster Infrastructure Investment Program Guide available on DHSEM's CDBG-DR website at www.dhsem.nm.gov/cdbg-dr2025.

Project Proposal Template

The required project proposal template is available on DHSEM's CDBG-DR website at www.dhsem.nm.gov/cdbg-dr/2025. Hard copies are available by request to PDIIP@dhsem.nm.gov or to a State Applicant Liaison.

Eligible entities have 90 days to submit a project proposal. All project proposals must be submitted **by September 13, 2026, at 11 p.m. MDT.** Project proposals must be submitted using **one** of the following methods:

- **Electronic Submission:** Submit online through DHSEM's CDBG-DR website at: www.dhsem.nm.gov/cdbg-dr2025.
- **E-Mail:** PDIIP@dhsem.nm.gov
- **In-Person Submission:** Provide the completed project proposal packet to a DHSEM State Applicant Liaison (SAL).
- **Mail Submission:** Mail your completed proposal packet to DHSEM at:

  Department of Homeland Security and Emergency Management
  Attention: Post-Disaster Infrastructure Investment Program
  PO Box 27111
  Santa Fe, NM 87502

Eligibility Requirements

To be considered for funding under the Post-Disaster Infrastructure Investment Program (PDIIP), entities must submit a complete project proposal and meet all of the following minimum eligibility requirements:

- **Disaster Impact**: The proposed project must be physically located in one of the following HUD-designated or State-designated MID areas:
  - Lincoln County (HUD-designated MID area)
  - Chaves County (HUD-designated MID area)
  - San Juan County (State-designated MID area)
  - Rio Arriba County (State-designated MID area)
  - Mescalero Apache Tribe (State-designated MID area)

- **Local Government or Political Subdivision**: The entity must be a unit of local government or recognized political subdivision (includes acequias).
- **Low- to Moderate-Income Area Benefit (LMA)**: The project must qualify as an LMA activity, demonstrating that at least 51% of the beneficiaries are low- and moderate-income persons.
- **Cost Reasonableness**: The entity must utilize a reasonable cost method for determining overall project cost.

Eligible entities must also meet the following minimum requirements:

- Be legally established and authorized to operate in the State of New Mexico.
- Possess a valid and current Unique Entity Identifier (UEI).
- NOT be on SAM.gov's exclusion list or HUD's Limited Denial of Participation list.

Entities that do not meet all the above requirements will not be considered for funding.

Prioritization

In addition to minimum eligibility requirements, DHSEM will prioritize funding for projects meeting certain prioritization criteria. Prioritization will be given to:

- **Projects Located in HUD-Designated MID Areas (Lincoln and Chaves Counties)**: To maintain compliance with spending targets for HUD-designated MID areas, DHSEM intends to allocate and spend at least 50% of PDIIP funds in HUD-designated MID areas (approximately $13,659,550.00).
- **Projects Serving Rural and Agricultural Communities**: Both the South Fork Fire, Salt Fire, and flooding event; as well as the Chaves County flooding event, had serious impacts on rural communities. Projects which address post-disaster impacts and capacity for infrastructure in rural and agricultural areas will be prioritized.
- **Projects Incorporating Hazard Mitigation**: Projects that are specifically designed to reduce future wildfire or flood risk and/or improve long-term resilience in disaster-impacted areas will receive priority consideration.

Eligible Activities

Eligible activities under the PDIIP are categorized into three primary buckets:

- **Public Infrastructure Rehabilitation**: Repair and restoration of damaged public infrastructure to restore essential services and support long-term resilience.
- **Public Infrastructure Replacement or New Construction:** Construction or full

replacement of critical infrastructure elements where damage is severe or systems are outdated, with a focus on resilience and hazard mitigation.

- **Community Enhancement and Hazard Mitigation**: Infrastructure investments for facilities, projects, and other features that reduce future disaster risk, promote community resilience, and support recovery in underserved or vulnerable areas.

Potentially eligible activities are provided below. This is not an all-inclusive list, and activities not included in the table below will be reviewed to determine eligibility.

Eligible Project Activities	
Road and Bridge Repair	Repairing or replacing damaged roads, bridges, and related transportation infrastructure to restore mobility and emergency access.
Drainage and Stormwater Improvements	Enhancing or repairing drainage systems, levees, waterways, culverts, and stormwater infrastructure to mitigate future flood risk and protect public safety.
Utility System Restoration	Restoring or upgrading water, wastewater, and electrical systems impacted by disaster to ensure continued service delivery.
Acequia Restoration	Rehabilitating damaged acequias, including debris removal and structural repairs, to support functionality of acequia infrastructure.
Demolition and Clearance	Removing unsafe or deteriorated public structures to eliminate hazards and support redevelopment.
Public Facility Rehabilitation	Constructing, repairing, or restoring community facilities (e.g., community centers, public safety buildings, health facilities) that serve disaster-affected populations.
Code Enforcement	Supporting code enforcement under new local regulations, to make public facilities more resilient in disaster-impacted areas

	to prevent deterioration and promote recovery.
Accessibility Improvements	Enhancing public infrastructure to improve accessibility for individuals with disabilities, in compliance with ADA standards.
Flood and Fire Mitigation Measures	Installing protective infrastructure which facilitate watershed restoration, mitigation projects, or other measures in service to disaster-affected communities.
Public Space Rehabilitation	Rehabilitating or enhancing plazas, parks, and town centers that serve as economic, cultural, and social hubs in disaster-affected communities.
Non-Federal Cost Share	Covering the non-federal match requirement for FEMA, NRCS, or other federally funded infrastructure projects eligible under CDBG-DR guidelines.

Ineligible Activities

The following activities are ineligible for funding:

Ineligible Project Activities	
Buildings for the General Conduct of Government	Construction, rehabilitation, or furnishing of government buildings used for general operations (e.g., city halls, courthouses) is not allowed. Note: Removal of architectural barriers for ADA accessibility is permitted.
General Government Expenses	Routine costs related to local government operations, such as salaries, administrative functions, or operating budgets, are not eligible.
Political Activities and Lobbying	CDBG-DR funds may not be used to support political campaigns, lobbying, or partisan activities.

Purchase of Equipment	Equipment purchases are generally ineligible, unless essential to a public service or necessary for the administration of a CDBG-funded activity (e.g., temporary generators during project implementation).
Operating and Maintenance Costs	Funds cannot be used for ongoing operating expenses or maintenance of public infrastructure, facilities, or services (e.g., utility bills, janitorial services, landscaping).
Direct Income Payments	The Program does not allow direct financial payments to individuals, including cash grants, housing stipends, or down payment assistance, under infrastructure program activities.

Project Proposals

Each project under consideration must submit a completed and signed proposal, along with certifications and supporting documents, to support eligibility verification, scoring, and evaluation. At a minimum, the project proposal must include:

- **Project Description** – A clear narrative describing the purpose, scope, and location of project activities.
- **Disaster Tie-Back Justification** – Documentation establishing either a direct or indirect connection to DR-4795 or DR-4843.
- **Alignment with Unmet Needs Assessment** – All projects funded the PDIIP must demonstrate clear alignment with the unmet infrastructure needs identified in the State of New Mexico CDBG-DR Action Plan, including but not limited to damages and recovery gaps associated with transportation systems, water infrastructure, drainage, acequias, and watershed stabilization.
- **National Objective** – A description of the geographic area served, identification of beneficiaries, and documentation supporting how this meets the LMI Area Benefit National Objective.
- **Budget and Cost Information** – A complete cost estimate, broken down by project phases, with all known or anticipated funding

sources identified. Entities may not request CDBG-DR funds to supplant other funding sources that have been allocated for the project.

- **Operations and Maintenance (O&M) Plan** – A preliminary plan describing how the project will be operated and maintained for its useful life, including responsible entities and estimated costs.
- **Readiness to Proceed Documentation** – Permits, site control and land acquisition (if applicable), completed environmental reviews and environmental studies (if applicable), project design, and anticipated implementation schedule.
- **Environmental and Floodplain Compliance** – Documentation to demonstrate compliance

Supporting Documentation

Each project under consideration must, at a minimum, submit the following supporting documents along with the project proposal template:

- **If** the project proposal involves multiple jurisdictions **must** include a draft of an Interlocal Agreement, Memorandum of Understanding, or similar agreement that defines each entity's roles and responsibilities regarding the project, including for such items as ongoing maintenance, transfer of property that needs to be acquired, etc.
- Project Summary Additional Documents (e.g., Site Plans, Planning Documents, etc.)
- Documentation demonstrating the project's role in supporting long-term post-disaster recovery. Acceptable forms of documentation include, but are not limited to:
    - FEMA damage assessments or project worksheets (if applicable);
    - Engineering, hydrologic, or condition assessment reports;
    - Local or State damage assessments and planning documents developed in response to the disaster;
    - Hazard mitigation plans, flood studies, or risk assessments;
    - Geographic or hazard data (e.g., GIS mapping, modeling);
    - Photographs, inspection records, or other verifiable evidence of disaster impacts or vulnerabilities.
- Policies and procedures that outline internal controls for financial management, procurement, and recordkeeping including:

  - Financial Management Policy
  - Procurement Policy
  - Recordkeeping Policy
  - Other Applicable Internal Controls, Policies, and Procedures

- Map of project location (using Google Maps or comparable tool), including markings to delineate the project's physical location and footprint.
- Photos of the project site and existing conditions.
- Project site plans, floor plans, development plans, and other related drawings and documents.
- HUD Service Area Map (see Appendix A for instructions)
- Low- and Moderate-Income Summary Data (LMISD) (see Appendix A for instructions) for the proposed service area, **OR** CDBG-DR Income Surveys (Appendix B) for all households in the proposed service area (if LMISD data does not prove that at least 51 percent of the residents in the proposed service area are LMI persons).
- Citizen Participation Plan (use template in Appendix C if applicable)
- Duplication of Benefits Worksheet (Appendix E)
- Application for Federal Assistance Standard Form 424 (SF-424) (Appendix F)
- Conflict of Interest Disclosure Form (Appendix G)

Project Proposal Evaluation

Project proposals will be evaluated based on criteria outlined in the PDIIP Program Guide available on DHSEM's CDBG-DR website at dhsem.nm.gov/cdbg-dr2025.

PDIIP Proposal Scoring Rubric

Categories	Maximum Points
Entity Capacity	30
Project Scope	50
Project Location and Service Area	25
Target Population	50
Citizen Participation	20
Project Schedule	25
Financial/Budget	40

Certifications/Disclosures/Signature	10
Maximum Total Points	**250**

DHSEM will award eligible projects through a competitive process until all PDIIP funds are exhausted.