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FISCAL IMPACT REPORT

SPONSOR Lundstrom/Alcon ORIGINAL DATE 03/11/19
LAST UPDATED _____ HM 87
SHORT TITLE Greater Gallup Area Housing Analysis SB _____
ANALYST Woods

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY19	FY20		
	See fiscal implications.		

Related to HB 535, SB 15

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Mortgage Finance Authority (MFA)

SUMMARY

Synopsis of Memorial

House Memorial 87 requests the city of Gallup, working with the Mortgage Finance Authority, conduct a housing analysis summarizing the demographics, describing the demand of housing, reviewing land use, and developing a new housing development plan for the “greater Gallup area”.

FISCAL IMPLICATIONS

This memorial does not appropriate any funds, though compensation would be required for the employees conducting the research.

SIGNIFICANT ISSUES

Housing is often a significant contributor to the economic development of a community.

The bill identifies the needs of Gallup as assessed by “several housing roundtable meetings with diverse partners, agencies and interests.”

There is a significant homeless issue in Gallup. In the agency analysis of HB535, MFA states the 2017 point in time (PIT) count identified 197 persons experiencing homelessness in McKinley County, 156 of whom were housed in emergency shelters and 41 of whom were in transitional housing. This memorial would be able to address the current need for housing projects in Gallup.

MFA also brings up the fact in November 2017, the city of Gallup submitted to MFA the city of Gallup's *Master Plan - Housing Element* for review, pursuant to the Affordable Housing Act. Subsequently, Part IX: The Housing Element 2016 Addendum, "was reviewed and approved by MFA on 11/7/2017. City Manager Maryann Ustick was notified of MFA's approval on 11/8/2017. Because the City's master plan was adopted by resolution on February 9, 2016, the adoption of the *Housing Element* was retroactive as certification of the city adopting an "affordable housing plan." Nonsignificant measures are already in place in Gallup.

MFA also states Gallup's *Housing Element* consists of a community housing profile -- demographics, housing stock, housing market averages, a housing needs assessment, including availability and demand, capacity, etc., and a land use and policy review of constraints, issues, etc. Additionally, the "Growth Management" element of the Master Plan identifies goals and quantifiable objectives – inclusive of housing.

ADMINISTRATIVE IMPLICATIONS

The city of Gallup in communication with MFA would conduct the housing analysis and develop the report. These entities would also recommend the next step for addressing the housing issues in Gallup.

MFA states they are

"happy to partner and work in cooperation with the City of Gallup in furthering a strategic plan and can provide housing assessment data, and would also be available to assist with identifying potential financing for housing development as outlined in HM87. If the City seeks further development of a strategic plan, then the previously approved Housing Element could serve as the basis for that.

MFA recently updated a "Housing Needs Assessment" for McKinley County as well as the Southwest region and is happy to share data on area demographics, housing stock, area median income, median housing costs, etc. However, MFA currently has no funding for consultants, planner fees, or implementation at this time."

RELATIONSHIP

House Bill 535 appropriates \$200 thousand from the general fund to the Department of Finance and Administration (DFA) to provide homeless services in Gallup County.

Senate Bill 15 seeks funding for "Affordable Housing Act Oversight Duties," which would assist in securing a planning consultant that typically completes affordable housing plans for local governments, and technical assistance with implementation of an affordable housing plan.

CW/sb