

**MINUTES
of the
SECOND MEETING
of the
MORTGAGE FINANCE AUTHORITY ACT OVERSIGHT COMMITTEE**

**July 22, 2024
New Mexico Mortgage Finance Authority Office
344 Fourth Street SW
Albuquerque**

The second meeting of the Mortgage Finance Authority Act Oversight Committee was called to order by Senator Nancy Rodriguez, chair, on July 22, 2024 at 10:02 a.m. at the New Mexico Mortgage Finance Authority (MFA) Office in Albuquerque.

Present

Sen. Nancy Rodriguez, Chair
Rep. Eliseo Lee Alcon, Vice Chair
Sen. Roberto "Bobby" J. Gonzales
Sen. Michael Padilla

Absent

Rep. Meredith A. Dixon
Rep. Rod Montoya
Rep. Angelica Rubio

Advisory Members

Rep. Janelle Anyanonu
Rep. Cynthia Borrego
Rep. Kathleen Cates
Sen. Gerald Ortiz y Pino

Sen. Gregory A. Baca
Rep. Ambrose Castellano
Rep. Harry Garcia
Rep. Tara L. Lujan
Sen. Mark Moores
Rep. Andrea Romero
Rep. Patricia Roybal Caballero
Rep. Luis M. Terrazas

Staff

Cristina Vasquez, Staff Attorney, Legislative Council Service (LCS)
Ric Gaudet, Researcher, LCS

Guests

The guest list is in the meeting file.

Handouts

Handouts and other written testimony are in the meeting file and on the legislature's website at www.nmlegis.gov.

References to Webcast

The time reference noted next to each agenda item in this document is cross-referenced to the webcast of the committee meeting, which can be found at www.nmlegis.gov, under the "Webcast" tab. The presentations made and committee discussions for agenda items can be found on the recorded webcast for this meeting.

Monday, July 22

Welcome and Introductions (10:02 a.m.)

Senator Rodriguez welcomed everyone to the meeting and allowed committee members to introduce themselves.

Executive Director Update (10:04 a.m.)

Isidoro "Izzy" Hernandez, executive director and chief executive officer, MFA, welcomed committee members and discussed recent activities at the MFA. He discussed fiscal-year-to-date housing construction updates, the status of the Housing Trust Fund and the rebranding of the authority to "Housing New Mexico", which better describes the authority's total activities.

Housing Development in New Mexico (10:12 a.m.)

Bobby C. Griffith, chief financial officer and director of acquisitions, JL Gray Company, discussed the mission of JL Gray, which focuses exclusively on affordable housing development in five states. JL Gray has 132 affordable housing properties in New Mexico, including 108 that qualify for the federal low-income housing tax credit. The company also develops housing for farm labor, people with special needs and homeless people and engages in new construction and rehabilitation of older properties, including conversions of motels to permanent housing. Mr. Griffith said that the main obstacle to completing construction of affordable housing is getting the proper building permits from local governments, especially from Albuquerque and Santa Fe.

Approval of Minutes

The committee approved the minutes of the May 28, 2024 meeting without changes.

Housing Development Financing and Low-Income Housing Tax Credits (11:09 a.m.)

Jeff Payne, chief lending officer, MFA, and Tim Martinez, housing development supervisor, MFA, discussed the low-income housing tax credit program and how it helps finance affordable housing units. The federal credit is allocated to the MFA based on the state's population. The MFA then develops a qualified allocation plan, in conjunction with the Office of the Governor, to allocate the value of the credit toward affordable housing projects. Affordable housing developers can use the credit as additional equity toward constructing a new project or the rehabilitation of existing developments. The credit is often worth more than 60 percent of the total equity in a project and is the most important financing tool available for affordable housing projects. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=MFA&Date=7/22/2024&ItemNumber=3>.

New Mexico Housing Trust Fund Update (11:57 a.m.)

Robyn Powell, director, Policy and Planning, MFA, discussed the history and use of the New Mexico Housing Trust Fund. Between 2005 and 2022, the fund received \$61 million in appropriations for housing development. Since 2022, the state has contributed an additional \$122 million to the fund from appropriations and severance tax bond issuances, and the

legislature recently expanded the purpose of the fund to include other housing-related activities. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=MFA&Date=7/22/2024&ItemNumber=4>.

Statewide Housing Needs Assessment (12:06 p.m.)

Sonja Unaru, senior research and development manager, MFA, and Stephanie Gonzales, research and development manager, MFA, discussed the statewide housing needs assessment recently completed by the MFA. The study highlighted economic and demographic housing trends in the state, including ongoing racial disparities in homeownership, the growing gap between median household income and median home price, the gap between median rent and median renter income and the cost burden of housing for renters and homeowners. The study also described the current housing stock in the state and discussed the increase in homelessness in recent years. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=MFA&Date=7/22/2024&ItemNumber=5>.

Adjournment

There being no further business before the committee, the meeting adjourned at 12:37 p.m.