

MFA 2019 Legislative Agenda

SB 212: New Mexico Housing Trust Fund

Requested: \$10 million

Awarded: \$2.2 million

Sponsor: Senator Nancy Rodriguez

This appropriation will help build or rehabilitate approximately 1,000 quality affordable homes for low-income New Mexicans. A \$5 million request has been included in MFA's FY 2020-2024 Infrastructure Capital Improvements Plan (ICIP).

Background: The New Mexico Housing Trust Fund was created by the New Mexico Legislature in 2005 with an initial appropriation of \$10 million and subsequent appropriations of \$8.7 million. **Results:** MFA has grown the fund to \$26.6 million through loan and investment interest and has awarded more than \$45 million by recycling interest and principal payments. The New Mexico Housing Trust Fund has helped to construct or rehabilitate 3,284 homes in 53 housing developments and has leveraged \$474 million in other funding—a 25-to-1 return on the state's investment.

SB 40: Regional Housing Authority Oversight

Requested: \$300,000

Awarded: \$200,000

Sponsor: Senator Mary Kay Papen

Twenty-five percent of this appropriation will be used to cover MFA's oversight costs, with the remaining 75 percent dedicated to specialized training, technical assistance and capacity building for New Mexico's three regional housing authorities, which exclusively serve rural counties.

Background: In 2009, MFA was mandated by the state to restructure and oversee the regional housing authorities (RHAs), which exclusively serve New Mexico's rural counties. MFA consolidated the seven RHAs into three (Northern RHA in Taos, Eastern RHA in Roswell, and Western RHA in Silver City and Deming) and began providing training and technical assistance and ensuring annual audits. MFA receives no recurring funds for its oversight function. **Results:** The RHAs continue to successfully administer Section 8 vouchers and public housing in rural areas, have consolidated with smaller public housing authorities, and have added new programs and housing development capacity. Furthermore, there has been no fraud, waste or abuse within the RHAs since MFA began its oversight function.

SB 15: Affordable Housing Act Oversight Duties

Requested: \$250,000

Awarded: \$232,000

Sponsor: Senator Stuart Ingle

This appropriation will enable MFA to 1) oversee the Affordable Housing Act, including review and approval of plans and ordinances, 2) provide direct technical assistance to local governments, and 3) offer planning and implementation grants to local governments on an as-needed basis.

Background: The Affordable Housing Act was signed into law in 2004. Like the Local Economic Development Act (LEDA), it is an exemption to the state’s Anti-Donation clause. It permits the state and local governments to contribute public funds, land, buildings and other resources to create and preserve affordable housing. MFA is charged with rulemaking authority and oversight of the Act but receives no funds for these purposes. **Results:** To date, MFA has assisted 40 local governments to create and implement affordable housing plans and ordinances. These local governments have donated land and resources totaling more than \$56 million for affordable housing.

SB 45: Low-Income Energy Conservation

Requested: \$2 million

Awarded: \$1 million

Sponsor: Senator Richard C. Martinez

This appropriation will weatherize and provide energy-efficiency upgrades for an additional 300 low-income households statewide. The request has been included in MFA’s FY 2020-2024 Infrastructure Capital Improvements Plan (ICIP).

Background: MFA has operated New Mexico’s weatherization program—NM Energy\$mart—since 1997. NM Energy \$mart weatherizes the homes of approximately 1,000 low-income families each year using two federal sources, the Weatherization Assistance Program (WAP) and the Low Income Home Energy Assistance Program (LIHEAP). Demand for the program is great. Based on income eligibility, more than 200,000 households across the state are eligible and our current wait list numbers 1,800 households. **Results:** Low-income homeowners, many of who are frail elderly with fixed incomes, save hundreds of dollars in monthly utility costs, realize an improved quality of life and are healthier and safer in their homes.

SB 46/HB 82: Home Rehab for Certain Veterans

Requested: \$2 million

Awarded: \$177,500

Sponsors: Senator Richard C. Martinez ; Representatives Eliseo Lee Alcon, Roberto “Bobby” J. Gonzales and Harry Garcia

This appropriation will rehabilitate an additional 120 homes of low-income, honorably discharged veterans. If funded, this request will be used as matching funds for HUD’s Veterans Home Rehabilitation and Modification (VHRM) pilot program, for which MFA has been awarded funding.

Background: New Mexico has a high percentage of veterans. Our state is home to 150,650 veterans representing 9.5 percent of our adult population, compared to only 7.7 percent in the U.S. Of these, 45,849 are disabled veterans and 5,075 are disabled veterans in poverty. More than 25,000 New Mexico veterans live in homes with one or more major problem with quality, crowding or cost and an estimated 248 veterans are currently homeless. Furthermore , approximately half of New Mexico veterans are over age 65, meaning the need to modify homes to address physical mobility and other age-related issues is increasing over time (Sources: Veterans Data Central, <http://veteransdata.info/>; VA state summary and U.S. Census, 2016). While veterans are eligible for MFA’s existing rehabilitation and weatherization programs, high demand and limited funding only enable us to assist approximately 100 veteran households each year.

HB 75: Low-Income Home Emergency Repairs

Requested: \$2 million

Awarded: \$0

Sponsors: Representative Roberto “Bobby” J. Gonzales and Representative Eliseo Lee Alcon

This appropriation will provide emergency home repair, including mitigation of health and safety hazards, roof replacement and accessibility improvements, for approximately 250 low-income households.

Background: New Mexico’s housing stock is aging. Forty-six percent of homes were built before 1980, with only 19.6 percent built since 2000. Furthermore, New Mexico has one of the highest rates of poverty (19.8 percent) and lowest household incomes (\$46,748) in the U.S. (U.S. Census, 2016) A high percentage of low-income households own their homes but often lack resources to make repairs, much less respond to life-changing conditions, natural disasters or emergencies. While MFA receives many requests for emergency assistance each year, it cannot fund these requests through its existing rehabilitation program due to high demand, limited funding and federal requirements that the home be brought fully up to code.



SB 36: Pre-Purchase Homebuyer Education

Requested: \$500,000

Awarded: \$0

Sponsor: Senator Michael Padilla

This appropriation will enable MFA to create and begin implementation of a statewide pre-purchase education program for first-time homebuyers. This legislation was originally proposed in 2015 by the Foreclosure Process Task Force, which was established by SM11 in 2014.

Background: Studies have found that pre-purchase homebuyer counseling significantly reduces the rate of delinquencies and foreclosures and is therefore an effective tool to promote neighborhood and community stability. MFA requires pre-purchase homebuyer education for all MFA loans and confirms these findings. However, pre-purchase homebuyer education is not required by other lenders unless they are using MFA mortgage products. This appropriation would allow MFA to develop a more robust homebuyer counseling program that can potentially be deployed statewide, by all lenders.