



Affordable Housing Act Rules Amendment

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Legislative Oversight Committee
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Affordable Housing Act Rules Amendment

- Overview of the Affordable Housing Act (AHA)
- MFA's Role in Administering the AHA
- Process of Amending MFA's AHA Rules
- Significant Proposed Changes in the AHA Rules Amendment



Overview of the Affordable Housing Act (AHA)

- Constitutional Amendment 4 – Passed in General Election of 2004, allowed the Legislature to create the Affordable Housing Act (Section 6-27-3 NMSA 1978).
- **Exempts government donations to affordable housing from the Anti-Donation Clause of the New Mexico State Constitution.**



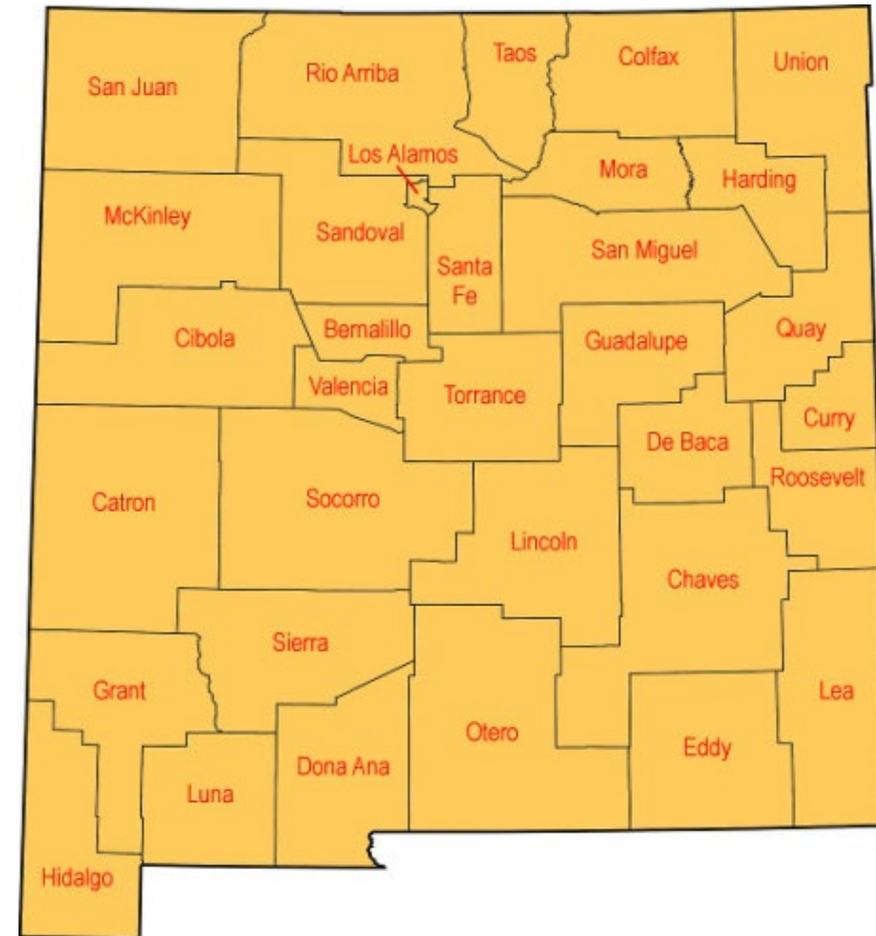
Overview of the Affordable Housing Act (AHA) (Continued)

Eligible Donors:

- The State of New Mexico
- Counties
- Municipalities
- School Districts or Post-Secondary Educational Institution

Eligible Donations to Affordable Housing Projects:

- Land or an existing building
- Provide or pay for infrastructure
- Provide financing (pay for the cost of acquisition, development, construction, financing, operating or owning)
- Abatement of locally-imposed fees



Overview of the Affordable Housing Act (AHA) (Continued)

How does a county or municipality use the AHA?

1. Develop an Affordable Housing Plan
2. Develop an Affordable Housing Ordinance
3. Certify Eligible Entities as Qualifying Grantees

Qualifying Grantees are the organizations that receive donations made under the AHA to develop affordable housing.



MFA's Role in Administering the AHA



MFA's Affordable Housing Act Rules govern how we administer the Affordable Housing Act. The Affordable Housing Act outlines the process for amending these Rules.



Process of Amending MFA's AHA Rules

- The Amendment is first drafted by MFA staff
- The Amendment is then initially approved by our internal Policy Committee (for this Amendment, this occurred on May 16, 2023)
- It is then subject to a minimum 30-day public comment period (from May 26, 2023 to June 27, 2023) and a public hearing (on June 26, 2023)
- The New Mexico Municipal League and the New Mexico Association of Counties then approve the Amendment (on July 18, 2023, and August 4, 2023, respectively)
- Comment must be sought from MFA's Legislative Oversight Committee (Today)
- Finally, MFA's Board of Directors must ratify this Amendment before it goes into effect



Significant Proposed Changes in the AHA Rules Amendment

Revise the definition of “Persons of Very Low, Low or Moderate Income” to include households making up to 150% (up from 120%) of Area Median Income (AMI)

- This AMI limit can be adjusted further for to accommodate “high-cost areas” as determined by MFA staff
- This revision only applies to non-federal, unrestricted funds only. The income restrictions placed on federal funds must still be followed.
- MFA staff believe this change will provide local governments greater flexibility when donating funds, particularly for more rural or high-cost areas of the state
- On Pages 9-10 of the Amendment



Significant Proposed Changes in the AHA Rules Amendment (Continued)

Reduce requirements needed by local governments to have a valid Affordable Housing Plan

- Makes an analysis of zoning an “if applicable” requirement
- Removes requirement of local governments to determine the feasibility of development sites
- Allows local governments to consider what constraints they face rather than having to consider constraints that MFA mandates
- Removes requirement to include minimum density calculations
- Deletes redundant requirements imposed on local governments
- On Pages 14-16 of the Amendment



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Significant Proposed Changes in the AHA Rules Amendment (Continued)

Reduce requirements imposed on local governments to certify entities as Qualifying Grantee

- Eliminates requirement for information already in a project narrative
- Deletes language requiring a qualifying grantee to have “significant activities” related to affordable housing in a mission statement; instead, qualifying grantees need only have these activities among their “purposes”
- No longer mandates that a qualifying grantee provide an executive summary of a potential housing project
- Removes requirement to receive a Qualifying Grantee’s annual budget
- Ends the need of a Qualifying Grantee to provide the “qualifications” for each of their employees
- On Pages 20-22 of the Amendment



I'd be happy to answer
any questions you might
have. Thank you.



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