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## FISCAL IMPACT REPORT

SPONSOR: Lujan, B DATE TYPED: 03/07/03 HB 883/aHCPAC

SHORT TITLE: Affordable Housing Act SB \_\_\_\_\_

ANALYST: Gilbert

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
			NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Taxation and Revenue Department (TRD)

New Mexico Mortgage Finance Authority (NMMFA)

### SUMMARY

#### Synopsis of HCPAC Amendment

House Consumer and Public Affairs Committee amendment to House Bill 883 makes several non-substantive technical corrections. HB 883/aHCPAC also adds a new subsections (C) and (D) to Section 5, which pertain to enactment of ordinances authorizing housing assistance grants as outlined below:

C. The governing body of a post-secondary educational institution may transfer land owned by that institution to a municipality or county provided that:

1. the property transferred shall be granted by the municipality or county as part or all of an affordable housing grant; and
2. the post-secondary educational institution and the local government governing board shall enter into a contract that provides the post-secondary educational institution with a negotiated number of affordable housing units that shall be reserved for employees of the granting post-secondary educational institution.

D. As used in this section, “post-secondary educational institution” means a state university or a public community college.

Synopsis of Original Bill

House Bill 883 implements the Affordable Housing Act to effectuate the constitutional amendment (Subsection F of Section 14 of Article 9 of the Constitution of New Mexico) passed by voters in 2002. This Act enables the state, counties and municipalities to make housing assistance grants through enactment of laws or ordinances to stimulate development of affordable housing for low and medium income homebuyers.

The NM Mortgage Finance Authority (NMMFA) is responsible for adopting rules necessary to carry out the purposes of the Affordable Housing Act.

Significant Issues

Housing assistance grants are the donation by the state, a county or a municipality of:

- Land for construction of an affordable housing project;
- An existing building for conversion or renovation as affordable housing; or
- The costs of infrastructure necessary to support affordable housing (sewage, drainage, flood control, water systems, roads, trails recreational facilities, landscaping, electrical and gas distribution facilities, lighting systems, telecommunications lines, traffic control systems, and inspection and management costs).

School districts may also transfer land owned by the district to counties and municipalities to be further granted as part or all of an affordable housing grant.

**ADMINISTRATIVE IMPLICATIONS**

The state, counties and municipalities would need to enact laws or ordinances, as applicable, for each grant made. The NMMFA must adopt rules, regulations, policies and procedures to administer the mandates of the Act.

RLG/prr/lr