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FISCAL IMPACT REPORT

SPONSOR: Romero DATE TYPED: 03/01/03 HB _____

SHORT TITLE: State Housing Trust Fund Revenue Sources SB SJM 64

ANALYST: Kehoe

APPROPRIATION

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

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

New Mexico Mortgage Finance Authority (MFA)

SUMMARY

Synopsis of Bill

Senate Joint Memorial 64 requests the New Mexico Mortgage Finance Authority (MFA) to convene and lead a task force comprised of stakeholders to recommend revenue sources for a state housing trust fund.

Significant Issues

SJM 64 is a result of SJM 15 passed during the 2202 Legislative Session requesting MFA to conduct a State Housing Trust Fund Feasibility Study. MFA completed the study and reported its findings to the New Mexico Mortgage Finance Authority Oversight Committee in November 2002. SJM 64 requests that a taskforce lead by MFA and comprised of a geographically diverse group of stakeholders perform an analysis of funding sources. The results will serve as a reference and will facilitate discussions regarding a statewide housing trust fund and will provide policy guidance for legislators, the governor and other decision-makers to address the housing needs in New Mexico.

FISCAL IMPLICATIONS

The State Housing Trust Fund Feasibility Study included a possible revenue stream from various sources. One option proposes a combination of minor increases in certain licensing fees, a per unit surcharge paid by private activity bonds issuers, portions of general fund distribution of both the unclaimed property and severance tax permanent funds and existing Land Title Trust Fund revenues. MFA estimates the combination of funds could provide an estimated \$3.9 million in the first year, but would require a \$3.1 million appropriation from the legislature in succeeding years. Other proposed funding options developed by the proposed task force will be reported on by the time the next legislature convenes in 2004.

OTHER SUBSTANTIVE ISSUES

The New Mexico Mortgage Finance Authority (MFA), a non-government entity, was established by the 1975 Legislature to assist in providing adequate housing for families of low and moderate income who are unable to be served by the private sector.

On behalf of the State of New Mexico, the MFA administers numerous housing and homeless programs. The funding sources for housing services are derived from state, federal, MFA general fund, the Land Title Trust Fund, and private resources. The MFA has provided more than \$2 billion in affordable housing grants and loans, administers a \$12 million self-funded low income Housing Opportunity Fund, and receives no operating funds from the state. Excluding federal and state programs, the MFA's book assets through June 30, 2001 exceed \$1.3 billion. Including federal and state programs, MFA's assets under management are almost \$2.1 billion.

As the state's designated affordable housing authority, MFA has the capability and staff support to lead a task force to examine revenue streams for a statewide housing trust fund.

LMK/njw:sb