1	AN ACT
2	RELATING TO HOUSING; AMENDING SECTIONS OF THE MUNICIPAL
3	HOUSING LAW; EXPANDING ELIGIBILITY TO MODERATE-INCOME
4	PERSONS; INCLUDING ELIGIBILITY FOR AFFORDABLE HOUSING
5	PROGRAMS; PROVIDING FOR MULTI-JURISDICTIONAL HOUSING
6	AUTHORITIES; REVISING THE GOVERNANCE AND OVERSIGHT OF
7	MUNICIPAL HOUSING AUTHORITIES; DECLARING AN EMERGENCY.
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9	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:
10	Section 1. Section 3-45-1 NMSA 1978 (being Laws 1965,
11	Chapter 300, Section 14-46-1) is amended to read:
12	"3-45-1. MUNICIPAL HOUSING LAWSHORT TITLEChapter
13	3, Article 45 NMSA 1978 may be cited as the "Municipal
14	Housing Law"."
15	Section 2. Section 3-45-2 NMSA 1978 (being Laws 1965,
16	Chapter 300, Section 14-46-2) is amended to read:
17	"3-45-2. FINDING AND DECLARATION OF NECESSITYIt is
18	hereby declared that:
19	A. unsanitary or unsafe dwelling accommodations
20	exist in the state;
21	B. persons of low and moderate income are forced
22	to reside in such unsanitary or unsafe accommodations;
23	C. within the state, there is a shortage of safe
24	or sanitary dwelling accommodations available at rents that

persons of low and moderate income can afford and that such

the state and impair economic values;

- D. these conditions necessitate excessive and disproportionate expenditures of public funds for crime prevention and punishment, public health and safety, fire and accident protection and other public services and facilities;
- E. these areas in the state cannot be cleared nor can the shortage of safe and sanitary dwellings for persons of low and moderate income be relieved through the operation of private enterprise and that the construction of housing projects for persons of low and moderate income, as defined in the Municipal Housing Law, would therefore not be competitive with private enterprise;
- F. the clearance, replanning and reconstruction of the areas in which unsanitary or unsafe housing conditions exist and the providing of safe and sanitary dwelling accommodations for persons of low and moderate income are public uses and purposes for which public money may be spent and private property acquired and are governmental functions of state and municipal concern; and
- G. it is in the public interest that work on projects for such purposes be commenced as soon as possible

in order to relieve a shortage of affordable housing, which now constitutes an emergency; and the necessity in the public interest for the provisions enacted by the Municipal Housing Law is hereby declared as a matter of legislative determination."

Section 3. Section 3-45-3 NMSA 1978 (being Laws 1965, Chapter 300, Section 14-46-3, as amended) is amended to read:

"3-45-3. DEFINITIONS.--The following terms, wherever used or referred to in the Municipal Housing Law, shall have the following respective meanings:

- A. "city" means any municipality and, unless the context otherwise clearly indicates, any county. "The city" means the particular city or county for which a particular housing authority is created. "County" means any county;
- B. "governing body" means, in the case of a city, the council or board of commissioners and, in the case of other state public bodies, the council, commissioners, board or other body having charge of the fiscal affairs of the state public body;
- C. "mayor" means the mayor of the city or the officer charged with the duties customarily imposed on the mayor or executive head of a city. In the case of a county, the term "mayor" means the board of county commissioners;
- D. "clerk" means the city recorder, the county clerk or the officer charged with the duties customarily

imposed on the clerk;

- E. "area of operation" includes all of the city or, in the case of a county, includes all of the county, except the area shall not include any area that lies within the boundaries of any city that has an established housing authority or housing agency without the consent of the city. Upon approval by the governing bodies of the cities involved, the area of operation of one city pursuant to the Municipal Housing Law may be enlarged to include the area within the boundaries of any other city. Any subsequent withdrawal of consent of a city for operation within its boundaries by another city shall not prohibit the development and operation of any housing projects initiated in the city by another city prior to the date of withdrawal;
- F. "authority" or "housing authority" means any agency or other instrumentality of a city created pursuant to the Municipal Housing Law;
- G. "state public body" means any county, municipal corporation, commission, district, authority, other subdivision or public body of the state;
- H. "federal government" includes the United States of America, the federal department of housing and urban development or any other agency or instrumentality, corporate or otherwise, of the United States of America;
  - I. "slum" means any area where dwellings

- J. "housing project" means any work or undertaking
  of the city:
- (1) to demolish, clear or remove buildings from any slum area. The work or undertaking may embrace the adaptation of the area to public purposes, including parks or other recreational or community purposes;
- dwellings, apartments, single-family dwellings or other affordable living accommodations for persons of low and moderate income. The work or undertaking may include buildings, land, equipment, facilities and other real or personal property for necessary convenient or desirable appurtenances, streets, sewers, water service, parks, site preparation, gardening, administrative, community, health, recreational, welfare or other purposes; or
- (3) to accomplish a combination of the foregoing.

The term "housing project" also may be applied to the planning of the buildings and improvements, the acquisition of property or existing structures, the demolition of

K. "low-income person" means any individual, couple or family whose gross income does not exceed eighty percent of that person's particular area median income and who cannot afford to pay more than thirty-five percent of gross annual income for housing rent or mortgage payments or a "low-income person" as defined by the federal government;

L. "bonds" means any bonds, notes, interim certificates, debentures or other obligations issued by a city pursuant to the Municipal Housing Law;

M. "real property" includes all lands, including improvements and fixtures on the lands and property of any nature appurtenant to the lands or used in connection with the lands, and every estate, interest and right, legal or equitable, therein, including terms for years and liens by way of judgment, mortgage or otherwise and the indebtedness secured by such liens;

N. "obligee" includes any holder of bonds issued pursuant to the Municipal Housing Law, trustees for any such bondholders, or lessor demising to a city property used in connection with a housing project, or any assignee or assignees of the lessor's interest or any part of the lessor's interest and the federal government when it is a

1	party to any contract with a city in regard to a housing
2	project;
3	0. "affordable housing" means any housing
4	accommodations that serve the needs of low- and
5	moderate-income persons;
6	P. "affordable housing program" means an ongoing
7	delivery system of affordable housing services that assists
8	persons of low and moderate income;
9	Q. "moderate-income person" means any individual,
10	couple or family whose gross annual income is not less than
11	eighty percent of that person's particular area median income
12	and does not exceed one hundred twenty percent of that area
13	median income;
14	R. "multi-jursidictional housing authority" means
15	two or more housing authorities joined or cooperating for the
16	purposes of consolidating administrative duties and
17	obligations and providing more effective and efficient
18	housing projects and programs within their jurisdictions; and
19	S. "immediate family member" means:
20	(l) a spouse, including a former spouse, a
21	de facto spouse or a former de facto spouse;
22	(2) a child or an adult child, including an
23	adopted child, a step-child or an ex-nuptial child;
24	(3) a parent or a step-parent;
25	(4) a grandparent;

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1	(5) a grandchild;
2	(6) a sibling or a step-sibling;
3	(7) a first cousin;
4	(8) an aunt or an uncle;
5	(9) a father-in-law or a mother-in-law;
6	(10) a sister-in-law or a brother-in-law;
7	and
8	(ll) any other relative who is financially
9	supported."
10	Section 4. Section 3-45-4 NMSA 1978 (being Laws 1965,
11	Chapter 300, Section 14-46-4, as amended) is amended to read:
12	"3-45-4. POWERS
13	A. Every city, in addition to other powers
14	conferred by the Municipal Housing Law, may:
15	(1) within its area of operation, prepare,
16	carry out, acquire, purchase, lease, construct, reconstruct,
17	improve, alter, extend or repair any housing project or any
18	part of a housing project and operate and maintain the
19	housing project, and for any of those purposes, the governing
20	body of the city may appropriate money and authorize the use
21	of any property of the city;
22	(2) purchase its bonds issued pursuant to
23	the Municipal Housing Law at a price not more than the
24	principal amount thereof and accrued interest, all bonds so
25	purchased to be canceled;

1 lease or rent any dwellings, houses, (3) 2 accommodations, lands, buildings, structures or facilities 3 embraced in any housing project and, subject to the limitations contained in the Municipal Housing Law, establish 4 5 and revise the rents or charges therefor; own, hold and 6 improve real or personal property; purchase, lease, obtain options upon, acquire by gift, grant, bequest, devise or 7 8 otherwise any real or personal property or any interest in real or personal property; acquire by the exercise of the 9 10 power of eminent domain any real property; sell, lease, exchange, transfer, assign, pledge or dispose of any real or 11 personal property or any interest in real or personal 12 property; and procure or agree to the procurement of 13 insurance or guarantees from the federal government of the 14 15 payment of any bonds or parts of any bonds issued pursuant to the Municipal Housing Law, including the power to pay 16 premiums on any such insurance; 17

(4) enter on any lands, buildings or property for the purpose of making surveys, soundings and examinations in connection with the planning or construction or both of any housing project;

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- (5) insure or provide for the insurance of any housing project of the city against such risks as the city may deem advisable;
  - (6) arrange or contract for the furnishing

by any person or agency, public or private, of services, privileges, works or facilities for or in connection with a housing project or the occupants of a housing project; and include in any construction contract let in connection with a housing project stipulations requiring that the contractor and any subcontractors comply with employment requirements, including those in the constitution and laws of this state, as to minimum wages and maximum hours of labor and comply with any conditions that the federal government may have attached to its financial aid of the project;

investigate the living, dwelling and housing conditions and the means and methods of improving the conditions; determine where slum areas exist or where there is a shortage of decent, safe and sanitary dwelling accommodations for persons of low and moderate income; make studies and recommendations relating to the problem of clearing, replanning and reconstructing slum areas and the problem of providing dwelling accommodations for persons of low and moderate income and cooperate with the state or any political subdivision of the state in action taken in connection with the problems; and engage in research, studies and experimentation on the subject of housing and affordable housing programs; and

(8) exercise all or any part or combination

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of powers herein granted.

B. Any two or more cities or authorities may join or cooperate with one another in the exercise, either jointly or otherwise, of any or all of their powers for the purpose of financing, including the issuance of bonds, notes or other obligations and giving security therefor, or contracting with respect to housing projects or affordable housing programs located within the area of operation of any one or more of the cities or authorities. For that purpose, a city or authority may, by resolution, prescribe and authorize any other city or authority so joining or cooperating with it to act on its behalf with respect to any or all powers, as its agent or otherwise, in the name of the city or authority so joining or cooperating or in its own name."

Section 5. Section 3-45-5 NMSA 1978 (being Laws 1965, Chapter 300, Section 14-46-5, as amended) is amended to read:
"3-45-5. CREATION OF AUTHORITY.--

A. Every city, in addition to other powers conferred by the Municipal Housing Law, shall have power and is authorized, by proper resolution of its governing body, to create, as an agent of the city, an authority to be known as the "housing authority" of the city. The housing authority of the city may constitute a public body corporate. The city may delegate to the authority the power to construct, maintain, operate and manage any housing project or

affordable housing programs of the city and may delegate to the authority any or all of the powers conferred on the city by the Municipal Housing Law.

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When the governing body of a city adopts a resolution pursuant to Subsection A of this section, the mayor shall appoint five persons as commissioners of the authority created as agent for the city. The commissioners who are first appointed shall be designated to serve for terms of one, two, three, four and five years, respectively, from the date of their appointment, but thereafter, commissioners shall be appointed for a term of office of five years, except that all vacancies shall be filled for the unexpired term. A commissioner of an authority shall not hold any other office or employment of the city for which the authority is created. A commissioner shall hold office until a successor has been appointed and has qualified, unless sooner removed according to law. A commissioner may serve two or more successive terms of office. A certificate of the appointment or reappointment of any commissioner shall be filed with the clerk, and the certificate shall be conclusive evidence of the due and proper appointment of the commissioner. A commissioner shall receive no compensation for services for the authority in any capacity, but shall be entitled to the necessary expenses, including traveling expenses, incurred in the discharge of duties.

C. Two or more cities joined together pursuant to Subsection B of Section 3-45-4 NMSA 1978 shall establish their commissioners in accordance with Subsection B of this section, except that each city shall have equitable representation on the commission. The commissioners representing each city shall be appointed by the mayor of the city.

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Any powers delegated by a city to an authority shall be vested in the commissioners of the authority in office from time to time. Three commissioners shall constitute a quorum of the authority for the purpose of conducting its business and exercising its powers and for all other purposes. Action may be taken by the authority upon a vote of a majority of the commissioners present. commission shall organize itself at its annual meeting each even-numbered year. Any city creating a housing authority may authorize the authority to employ a secretary, who shall be executive director and who shall be removable only for cause. With the delegated authority from the commission, the executive director may hire or terminate, according to the procurement and personnel policies and procedures of the authority, technical experts and such other officers, attorneys, agents and employees, permanent and temporary, as the authority may require; determine their qualifications, duties and compensation; and delegate to one or more of them

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such powers or duties as the authority may deem proper."

Section 6. Section 3-45-6 NMSA 1978 (being Laws 1965, Chapter 300, Section 14-46-6) is amended to read:

"3-45-6. PROHIBITED ACTIONS.--Neither a housing authority nor any of its contractors or their subcontractors may enter into any contract, subcontract or agreement in connection with a housing project under any contract in which any of the following persons has an interest, direct or indirect, during the person's tenure or for one year thereafter:

- A. any present or former member of the commission of the housing authority or any member of the member's immediate family. The prohibition established by this subsection does not apply to any member who has not served on the governing body of a resident management corporation and who otherwise has not occupied a policymaking position with the resident management corporation or the housing authority;
- B. any employee of the housing authority who formulates policy or who influences decisions with respect to a housing project, any member of the employee's immediate family or any partner of the employee; or
- C. any public official, member of a governing body or state legislator, or any member of that person's immediate family, who exercises functions or responsibilities with respect to the housing project or the housing authority."

Section 7. Section 3-45-7 NMSA 1978 (being Laws 1965, Chapter 300, Section 14-46-7) is amended to read:

"3-45-7. REMOVAL OF COMMISSIONERS.--A commissioner of an authority may be removed by the mayor, but only for inefficiency, neglect of duty or misconduct in office and only after the commissioner has been given a copy of the charges at least ten days prior to the hearing on the charges and has had an opportunity to be heard in person or by counsel. In the event of the removal of any commissioner by the mayor, a record of the proceedings, together with the charges and findings, shall be filed in the office of the clerk. Commissioners may be removed for cause based on noncompliance with housing program regulations."

Section 8. Section 3-45-9 NMSA 1978 (being Laws 1965, Chapter 300, Section 14-46-9, as amended) is amended to read:

"3-45-9. OPERATION NOT FOR PROFIT.--It is declared to be the policy of this state that each city shall manage and operate its housing projects and affordable housing programs in an efficient manner so as to enable it to fix the rentals for dwelling accommodations at the lowest possible rates consistent with its providing decent, safe and sanitary dwelling accommodations and that no city shall construct or operate any housing project for profit. To this end, a city shall set the rental rates for dwellings in the housing projects it manages and operates at no higher rates than it

sufficient:

- A. to pay, as they become due, the principal and interest on the bonds or other obligations of the city issued under the Municipal Housing Law;
- B. to meet the cost of and to provide for maintaining and operating the housing projects and affordable housing programs, including the cost of any insurance, the administrative expenses of the city incurred in connection with the housing projects and affordable housing programs and the funding of any operational reserves as the authority deems appropriate;
- C. to fund such reserves to secure the payment of its bonds as the authority deems appropriate or convenient; and
- D. to allow private, profit-making entities to enter into agreements with the authority, and such agreements shall not be deemed to affect the nonprofit status of the authority or conflict with the intent of the creation of the authority."
- Section 9. Section 3-45-10 NMSA 1978 (being Laws 1965, Chapter 300, Section 14-46-10, as amended) is amended to read:

A. In the operation or management of housing projects and affordable housing programs or the sale of any property pursuant to the Municipal Housing Law, a city shall at all times observe the following duties with respect to rentals, property and tenant selection:

- (1) it may rent, lease or sell the dwelling accommodations in the housing project and affordable housing programs only to persons falling within federally established standards;
- (2) it may rent, lease or sell to a tenant dwelling accommodations consisting of the number of rooms, but no greater number, that it deems necessary to provide safe and sanitary accommodations to the proposed occupants without overcrowding; and
- (3) it shall not accept any person as a tenant in any housing program if the person has an annual net income in excess of federally established standards.
- B. Nothing contained in this section or Section 3-45-9 NMSA 1978 shall be construed as limiting the power of a city to vest in an obligee the right, in the event of a default by the city, to take possession and operate housing projects or affordable housing programs or cause the appointment of a receiver thereof, free from all the restrictions imposed by this section or Section 3-45-9 NMSA

1978."

Section 10. Section 3-45-12 NMSA 1978 (being Laws 1965, Chapter 300, Section 14-46-12, as amended) is amended to read:

"3-45-12. FORM AND SALE OF BONDS--INTEREST ON CERTAIN OBLIGATIONS.--

A. Bonds of a city issued under the Municipal Housing Law shall be authorized by its resolution and may be issued in any one or more series and shall bear such date, mature at such time, bear interest at such rate, be in such denomination, be in such form, either coupon or registered, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in such medium of payment at such place and be subject to such terms of redemption, with or without premium, as the resolution, its trust indenture or the bond so issued may provide.

- B. Obligations issued by a city that are true loan obligations made to the farmers home administration of the United States department of agriculture or the department of housing and urban development may bear interest at a rate of interest not exceeding par.
- C. The bonds shall be sold at not less than par at public sale held after notice published once at least five days prior to the sale in a newspaper having a general

circulation in the city jurisdiction and in a financial newspaper published in the city of San Francisco, California, or in the city of New York, New York; provided that the bonds may be sold to the federal government at private sale at not less than par, and, in the event less than all of the bonds authorized in connection with any housing project are sold to the federal government, the balance of the bonds may be sold at private sale at not less than par at an interest cost to the city not to exceed the interest cost to the city of the portion of the bonds sold to the federal government.

- D. In case any of the officers of the city, the authority or any of its instrumentalities whose signatures appear on any bonds or coupons cease to be officers before the delivery of the bonds, the signatures shall, nevertheless, be valid and sufficient for all purposes the same as if the officers had remained in office until delivery. Any provision of any law to the contrary notwithstanding, any bonds issued pursuant to the Municipal Housing Law shall be fully negotiable.
- E. In any suit, action or proceedings involving the validity or enforceability of any bond of a city or the security for the bond, any such bond reciting in substance that it has been issued by the city to aid in financing a housing project to provide dwelling accommodations for persons of low and moderate income shall be conclusively

deemed to have been issued for a housing project of that character, and the housing project shall be conclusively deemed to have been planned, located and constructed in accordance with the purposes and provisions of the Municipal Housing Law."

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Section 11. Section 3-45-20 NMSA 1978 (being Laws 1965, Chapter 300, Section 14-46-20) is amended to read:

"3-45-20. AID FROM STATE OR FEDERAL GOVERNMENT.--In addition to the powers conferred upon a city by other provisions of the Municipal Housing Law, a city is empowered to borrow money or accept contributions, grants or other financial assistance from the state or federal government for, or in aid of, any housing project or affordable housing program within its area of operation and, to these ends, to comply with such conditions, trust indentures, leases or agreements as may be necessary, convenient or desirable. Ιt is the purpose and intent of the Municipal Housing Law to authorize every city to do any and all things necessary, convenient or desirable to secure the financial aid or cooperation of the federal government in the undertaking, acquisition, construction, maintenance or operation of any housing project or affordable housing program of the city."

Section 12. Section 3-45-21 NMSA 1978 (being Laws 1965, Chapter 300, Section 14-46-21) is amended to read:

"3-45-21. COOPERATION IN UNDERTAKING HOUSING PROJECTS

## OR AFFORDABLE HOUSING PROGRAMS. --

- A. For the purpose of aiding and cooperating in the planning, undertaking, construction or operation of housing projects or affordable housing programs located within the area in which it is authorized to act, any state public body may, upon such terms, with or without consideration, as it may determine:
- (1) dedicate, sell, convey or lease any of its interest in any property or grant easements, licenses or any other rights or privileges therein to any city;
- (2) cause parks, playgrounds, recreational, community, educational, water, sewer or drainage facilities or any other works that it is otherwise empowered to undertake to be furnished adjacent to or in connection with housing projects or affordable housing programs;
- (3) furnish, dedicate, close, pave, install, grade, regrade, plan or replan streets, roads, roadways, alleys, sidewalks or other places that it is otherwise empowered to undertake;
- (4) cause services to be furnished for housing projects or affordable housing programs of the character that the state public body is otherwise empowered to furnish;
- (5) enter into agreements with respect to the exercise by the state public body of its powers relating

- (6) do any and all things necessary or convenient to aid and cooperate in the planning, undertaking, construction or operation of such housing projects;
- (7) incur the entire expense of any public improvements made by the state public body in exercising the powers granted in the Municipal Housing Law; and
- (8) enter into agreements that may extend over any period, notwithstanding any provision or rule of law to the contrary, with any city or multi-jurisdictional housing authority as agent therefor, respecting action to be taken by the state public body pursuant to any of the powers granted by the Municipal Housing Law.
- B. Any law or statute to the contrary notwithstanding, any sale, conveyance, lease or agreement provided for in this section may be made by a state public body without appraisal, public notice, advertisement or public bidding.
- C. In the event an authority is declared by the federal department of housing and urban development to be in default on its annual contributions contract with that department, the authority may, by resolution of its governing body, transfer its assets and operation to another housing authority, including a multi-jurisdictional housing authority

or regional housing authority. The multi-jurisdictional housing authority or regional housing authority shall accept, by resolution of its governing board, a transfer of assets and operations of an authority that has been declared by the federal department of housing and urban development to be in default of the annual contributions contract between that department and the authority." Section 13. EMERGENCY.--It is necessary for the public peace, health and safety that this act take effect immediately.\_\_\_\_\_ 

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