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## FISCAL IMPACT REPORT

**SPONSOR** Rodriguez **ORIGINAL DATE** 01/20/16  
**LAST UPDATED** \_\_\_\_\_ **HB** \_\_\_\_\_

**SHORT TITLE** NM Housing Trust Fund **SB** 63

**ANALYST** Amacher

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY16	FY17		
	\$5,000.00	Nonrecurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files  
 New Mexico Mortgage Finance Authority (MFA)

### SUMMARY

#### Synopsis of Bill

Senate Bill 63 makes an appropriation of \$5 million from the general fund to the New Mexico housing trust fund for expenditure in fiscal year 2017, and subsequent fiscal years, by the New Mexico Mortgage Finance Authority (MFA) to carry out the provisions of the New Mexico Housing Trust Fund Act. Any unexpended or unencumbered balance remaining at the end of the fiscal year shall not revert to the general fund. This bill is endorsed by the Mortgage Finance Authority Act Oversight Committee.

### FISCAL IMPLICATIONS

Senate Bill 63 makes a nonrecurring appropriation from the general fund for \$5 million for expenditure in fiscal year 2017, and subsequent fiscal years, by the MFA to carry out the provisions of the New Mexico Housing Trust Fund Act (Act). Any unexpended or unencumbered balance remaining at the end of the fiscal year shall not revert to the general fund. The New Mexico Housing Trust Fund Act was created by the Legislature in 2005. The purpose of which was to provide flexible funding for a housing initiative in order to produce significant additional housing investment in the state. Appropriated funds and other matching funds may be used to finance in whole or in part any loan or grant projects that will provide affordable housing. In addition, money from the fund may be used to reimburse for actual expenses incurred in administering the fund in an amount not to exceed five percent of total funds

disbursed from the fund. The MFA outlines that this provision covers its administrative operating costs.

Since 2005, the MFA reports that appropriations totaling \$18.7 million for the housing trust fund have been used to construct or rehabilitate over 2,400 homes. To date, the housing trust fund has leveraged \$362 million in other funding sources, which represent a 19 to 1 return on the state's \$18.7 million investment. The housing trust fund has also received \$18.4 million in loan repayments and interest.

### **SIGNIFICANT ISSUES**

MFA estimates 500 affordable housing units will be financed with the \$5 million appropriation outlined in SB 63. Pursuant to the Act, the housing trust fund advisory committee reviews all project applications and makes recommendations for funding consideration by the board of directors for MFA. The MFA reports annually on the activity of the advisory committee and the housing trust fund on an annual basis to the Mortgage Finance Authority Act oversight committee.

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

The MFA advises that financial assistance for approximately 500 units of affordable housing in the state will not be constructed in fiscal year 2017.

JMA/jle/jo