

LFC Requester: _____

**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:

Analysis.nmlegis.gov

{Analysis must be uploaded as a PDF}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:

Original Amendment _____
Correction _____ Substitute _____

Date 1/29/2024

Bill No: HB260

Sponsor: Rod Montoya Agency Name and Code Number: Economic Development Department 41900
Person Writing: Channing Hofman
Short Title: MFA Affordable Housing Study Phone: 505-479-2071 Email: Channing.hofman@ed.d.nm.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
	\$500	Nonrecurring	General

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

House Bill 260 (HB260) directs the New Mexico Mortgage Finance Authority to conduct an affordable housing study to determine: (1) locations in the state where affordable housing is needed; (2) vacancies in state and locally owned properties; (3) state and locally owned land that could be used for housing development; and (4) the necessity of creating a fund to provide funding for building infrastructure.

The bill appropriates \$500,000 from the general fund for the study, which would be conducted from July 1, 2024, through October 1, 2024. Findings would be presented before November 30, 2024, to the Mortgage Finance Authority Act oversight committee.

FISCAL IMPLICATIONS

Lack of access to affordable housing can directly impact the New Mexico workforce and a business’s decision to relocate or expand within the state. In myriad conversations with economic development organizations, local governments and businesses, the New Mexico Economic Development Department (EDD) staff have noted the consistent complaint of a lack of affordable housing for potential workers. This is of particular concern in rural communities that are seeking to attract business development but are more likely to lack adequate infrastructure resources to support further housing developments.

Available workforce is an important factor in where a business chooses to locate or expand. If current housing trends persist in New Mexico, it is likely businesses will be less inclined to choose the state, negatively impacting local and state GRT revenues. The study directed by HB260 may begin to identify potential solutions to this urgent issue and have a long-term positive impact on local and state-wide economic development.

SIGNIFICANT ISSUES

It is likely there will be no major significant issues in conducting the study itself. There may be some difficulties in the amount of participation from local governments, particularly from under-resourced municipalities that may have inadequate staffing or record-keeping. Another possible

issue may be the allotted time for the study to be conducted – depending on Mortgage Finance Authority staffing and contracting procedures, three months may not be enough time to adequately conduct the study.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS