

LFC Requester: _____

**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

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{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 1/12/2024

Bill No: SB 71

Sponsor: M. Padilla
Short Title: CREATING THE OFFICE OF HOUSING

Agency Name and Code: DFA—341
Number: _____
Person Writing: Shanna Sasser
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		

(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		\$1,582	\$789		Recurring	

(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

Senate Bill 71 (SB71) creates an office of housing that is administratively attached to the Department of Finance and Administration (DFA). The purpose of this new housing office is to study, evaluate, and coordinate housing efforts across the state. The Director of Housing will be appointed by the Governor and may employ technical and support staff positions upon legislative appropriations. The new Housing Office shall submit a state housing plan in collaboration with state, local, tribal, and private sector housing stakeholders to the Governor by July 1, 2024, and annual updates by January 1st. Other duties of the Housing Office will be to provide technical assistance to local governments and developers in the assembling of financial packages, project management of housing and necessary infrastructure development for housing projects, provide technical assistance and training to local governments and tribal entities in their development of housing plans, provide a statewide strategic framework for all aspects of housing creation and collect, report and evaluate housing market data. This bill also adds the Director of Housing to the New Mexico Mortgage Finance Authority as an ex-officio nonvoting member.

This bill has an emergency clause and would take effect immediately upon signature by the governor.

FISCAL IMPLICATIONS

A housing office that can coordinate initiatives and work with New Mexico housing partners is necessary if the state is going to improve housing situations for New Mexicans. However, SB71 does not include an appropriation but needs one. The Executive Budget recommendation allocated \$1 million for initial set-up costs and \$750,000 for recurring expenses to establish the Office of Housing for FY25 with an estimated 5 full-time employees (FTE)

DFA's preliminary costs are estimated to be approximately \$800 thousand for initial set-up and for recurring expenses (See Table 1 and 2).

Table 1: Preliminary Initial Set-up Costs

Description	Amount	Cost Assumptions
IT onboarding	\$ 19,500.00	5 FTE Includes smartphone, laptop, docking station, dual monitors, HCM, various licenses, docusign, etc.
marketing/advertising	\$ 300,000.00	initial information campaign plus outreach to all areas of the state
fleet/travel Pcard	\$ 3,009.64	4x4 for travel in-state including tribal lands, 2021 GSD prices, 8,000 miles travel
Travel/meals/hotels	\$ 180,000.00	estimate of \$1,200 per round trip per employee at 5 staff with 30 round trips
Office space	\$ 6,000.00	\$20 avg. ABQ sq ft office, 1,200 sq ft
fleet/travel Pcard	\$ 9,677.00	4x4 for travel in-state including tribal lands, 2021 GSD prices, 12,000 miles travel
Travel/meals/hotels	\$ 54,000.00	estimate of \$1,200 per round trip per employee at 3 staff with 15 round trips
licenses/dues/fees	\$ 32,000.00	professional/law licenses, memberships, annual conferences
SPO shared services	\$ 15,321.64	modeled on AHO SPO shared services
DoIT support services	\$ 15,500.00	modeled on AHO DoIT shared services
marketing/advertising	\$ 60,000.00	
Office space	\$ 24,000.00	\$20 avg. ABQ sq ft office, 1,200 sq ft
DoIT support services	\$ 28,371.45	545700 DoIT rates
Specialized services	\$ 45,000.00	Consulting costs for services not provided in-house
Total	\$ 792,380	

Table 2: Preliminary Recurring Costs

Annual Costs	Amount	Cost Assumptions
Director Payroll/Benefits	\$ 207,578.20	\$150Kannual plus
Legal Counsel Payroll/Benefits	\$ 181,750.20	\$130Kannual plus
Law Clerk Payroll/Benefits	\$ 113,306.00	\$77Kannual plus
Tribal Liason Payroll/Benefits	\$ 136,551.20	\$95Kannual plus
Program Manager Payroll/Benefits	\$ 150,756.60	\$106Kannual plus
Total Recurring Costs	\$ 789,942	
Grand Total (Upfront Costs with Annual Costs)	\$ 1,582,321.93	

SIGNIFICANT ISSUES

New Mexico lacks an oversight agency for housing which has posed a challenge for the distribution, management, and funding for housing projects. The oversight of housing needs for the state is complicated and having a Housing Office to assist local governments and tribal entities with the expertise and navigation of this area is necessary to move these needs forward.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

SB71 indicates that DFA is to provide administrative services to the newly created Housing Office which may include duties such as providing fiscal oversight and program management for state and federal housing funds. DFA has been making housing grant awards for the past two years and the demand for housing assistance continues to remain high. In order to successfully implement the legislative intent of SB 71, the Department would need at minimum an FTE to provide administrative support to the Office of Housing. DFA estimates that one FTE is needed to provide

adequate support to this Office at \$139,000 which includes salary, benefits, and equipment.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Senate Bill 7 is related to SB 71 as it makes an appropriation of \$500 million to the housing trust fund and stipulates the New Mexico Mortgage Finance Authority (NM MFA) execute the provisions outlined in the New Mexico Housing Trust Fund Act. Additionally, Senate Bill 31 makes an appropriation to DFA for the NM MFA to carry out purposes of the Affordable Housing Act.

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS