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| LFC Requester: | Cally Carswell |
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**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

and

DFA@STATE.NM.US

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

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: SB 216

| | |
|---|--|
| Sponsor: <u>Nancy Rodriguez</u> | Agency Name and Code Number: <u>New Mexico Mortgage Finance Authority (MFA) 992</u> |
| Short Title: <u>NMFA AFFORDABLE HOUSING PROJECTS</u> | Person Writing: <u>Robyn Powell</u> |
| | Phone: <u>505-767-2271</u> Email: <u>rpowell@housingnm.org</u> |

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

| Appropriation | | Recurring or Nonrecurring | Fund Affected |
|---------------|------|---------------------------|---------------|
| FY24 | FY25 | | |
| NFI | NFI | NFI | NFI |

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

| Estimated Revenue | | | Recurring or Nonrecurring | Fund Affected |
|-------------------|------|------|---------------------------|---------------|
| FY24 | FY25 | FY26 | | |
| NFI | NFI | NFI | NFI | NFI |

(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 | NFI | NFI | NFI | NFI | NFI | NFI |

(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 216 amends the New Mexico Finance Authority (NMFA) Act to allow for the financing of affordable housing projects and allows for non-profit housing developers to be eligible to receive financing for affordable housing projects. The bill would also allow for financing local government affordable housing plans.

FISCAL IMPLICATIONS

Senate Bill 216 does not appropriate funds to NMFA.

SIGNIFICANT ISSUES

Increasing resources available for affordable housing is a key solution to addressing the challenges of New Mexico’s housing opportunity landscape. The New Mexico Mortgage Finance Authority (MFA) administers housing programs to cover the full spectrum of housing. MFA’s income limits can go up to 240% of the area median income (AMI). It is important to ensure that housing funded by NMFA does not duplicate MFA’s programs. While not defined in the legislation, it is our understanding that the funds would be focused on infrastructure. The high cost of infrastructure is among the barriers to more housing development.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Through the enabling legislation of the Affordable Housing Act (AHA), the New Mexico state constitution permits donations (i.e. funding) for affordable housing initiatives. The AHA defines affordable housing as housing for households at or below 150% area median income (AMI). Table 1 shows the income limits for 150% AMI by county. The AHA provides flexibility to increase the AMI to that required to afford a median priced home. That AMI is currently calculated at 240% for several areas around the state. The intention of the exception is to address affordable housing solutions for persons of low or moderate income, including those in the workforce that fall within these income limits.

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS

Table 1: 150% Area Median Income (AMI) by County

| County | 2023 Median Income | 150% AMI Income |
|------------|--------------------|-----------------|
| Bernalillo | \$ 86,500 | \$129,750 |
| Catron | \$ 58,100 | \$87,150 |
| Chaves | \$ 64,600 | \$96,900 |
| Cibola | \$ 65,100 | \$97,650 |
| Colfax | \$ 60,500 | \$90,750 |
| Curry | \$ 66,000 | \$99,000 |
| DeBaca | \$ 74,900 | \$112,350 |
| Dona Ana | \$ 59,600 | \$89,400 |
| Eddy | \$ 92,000 | \$138,000 |
| Grant | \$ 66,700 | \$100,050 |
| Guadalupe | \$ 49,800 | \$74,700 |
| Harding | \$ 61,700 | \$92,550 |
| Hidalgo | \$ 66,300 | \$99,450 |
| Lea | \$ 65,200 | \$97,800 |
| Lincoln | \$ 68,100 | \$102,150 |
| Los Alamos | \$ 168,500 | \$252,750 |
| Luna | \$ 52,900 | \$79,350 |
| McKinley | \$ 55,800 | \$83,700 |
| Mora | \$ 50,000 | \$75,000 |
| Otero | \$ 69,300 | \$103,950 |
| Quay | \$ 46,100 | \$69,150 |
| Rio Arriba | \$ 70,700 | \$106,050 |
| Roosevelt | \$ 69,000 | \$103,500 |
| Sandoval | \$ 86,500 | \$129,750 |
| San Juan | \$ 61,100 | \$91,650 |
| San Miguel | \$ 52,800 | \$79,200 |
| Santa Fe | \$ 95,600 | \$143,400 |
| Sierra | \$ 62,200 | \$93,300 |
| Socorro | \$ 56,600 | \$84,900 |
| Taos | \$ 71,900 | \$107,850 |
| Torrance | \$ 86,500 | \$129,750 |
| Union | \$ 54,500 | \$81,750 |
| Valencia | \$ 86,500 | \$129,750 |