



Proposed 2015 MFA Legislative Agenda

Amendments for October 8, 2014 meeting in red

Appropriation Requests

- 1. Regional Housing Oversight** **\$250,000—Recurring**
In 2006, MFA was mandated by the state to restructure and oversee the Regional Housing Authorities. However, as a governmental instrumentality, MFA receives no operating funds from the state. MFA is requesting recurring funding for oversight and to ensure that New Mexico's three Regional Housing Authorities have the support and training necessary to operate efficiently and to create affordable housing in rural and unserved areas. In the past, MFA has requested that this mandate be transferred to DFA if recurring funding for MFA is not approved.
- 2. Affordable Housing Oversight Duties** **\$250,000—Recurring**
MFA is mandated by the state to oversee the Affordable Housing Act, which permits state and local governments to contribute public funds, buildings and other resources for affordable housing. However, as a governmental instrumentality, MFA receives no operating funds from the state. MFA is requesting recurring funding for MFA oversight of the Affordable Housing Act and to provide technical assistance to local communities for development and implementation of affordable housing plans and ordinances. In the past, MFA has requested that this mandate be transferred to DFA if recurring funding for MFA is not approved.
- 3. New Mexico Housing Trust Fund** **\$5 million**
The Housing Trust Fund was created by the State Legislature in 2005 with an initial appropriation of \$10 million and additional appropriations of \$8.7 million since that time. For every dollar appropriated, at least \$14 additional dollars are leveraged to finance affordable housing. A \$5 million appropriation will leverage \$70 million to build more than 500 quality affordable homes for low-income New Mexicans.
- 4. Low-Income Residential Energy Conservation** **\$1 million—Recurring**
MFA's NM Energy \$mart program weatherizes the homes of approximately 1,000 low-income families each year. State funding is leveraged five to one with two federal programs. An estimated 85,000 low-income New Mexicans are eligible for weatherization services. A \$1 million appropriation will provide weatherization for approximately 200 additional homes statewide, creating jobs and saving low-income families hundreds of dollars on energy bills each year.
- New 5. Emergency Home Repair** **\$2 million**
An appropriation for Emergency Home Repair will enable MFA to fund home repairs for low-income households throughout the state. Measures include health and safety repairs; repairs to the dwelling's envelope, interior walls and roofs; and accessibility



modifications for disabled persons. When possible, funds will be leveraged with other programs to address major rehabilitation or weatherization needs.

MFA requested appropriations for Emergency Home Repair in 2007, 2008 and 2009.

Law Changes

6. **Affordable Housing Act Amendment**

The Affordable Housing Act permits state and local governments to contribute public funds, buildings and other resources for affordable housing. In the 10 years since the Act was signed into law, two issues have emerged that this amendment would resolve: 1) an exemption to the long-term affordability requirement is needed to resell foreclosed properties, and 2) a penalty provision is needed so the Act can be enforced.

7. **Affordable Housing Tax Credit Act Amendment**

The intent of the Affordable Housing Tax Credit Act of 2005 was to encourage investment in affordable housing by issuing tax credits in exchange for donations of land, buildings, materials, services or cash. This amendment will clarify that local government contributions are not eligible for state tax credits. This will preserve state tax credits for intended recipients—individuals, private entities, and non-profits.



Recommendations from MFA's Legislative Oversight Committee

Housing for Millennials

Senator Cisco McSorley has requested legislation to spur homeownership among the Millennial Generation. MFA already provides down payment assistance and makes first-time home buyer loans to younger borrowers. Therefore, legislation for millennials would most likely take the form of an appropriation for pre-purchase and financial literacy counseling and/or educational and marketing efforts targeting younger buyers.

Appropriation for Homeless Programs/Supportive Housing or Capital Outlay for Halfway Houses/Shelters

The MFA Legislative Oversight Committee hopes to fund supportive housing such as halfway houses for inmate reintegration. Recommendations to support and expand halfway houses have been discussed by the Criminal Justice Reform Subcommittee and are contained in the Legislative Finance Committee's 2012 report on the NM Corrections Department, *Reducing Recidivism, Cutting Costs and Improving Public Safety in the Incarceration and Supervision of Adult Offenders*. It should be noted that halfway houses fall under the purview of the NM Corrections Department and its providers.

In 2014, MFA received a recurring \$290,000 appropriation for supportive housing services for homeless persons (SB 173, Senator Howie Morales). The MFA Legislative Oversight Committee endorsed and sponsored similar appropriations in past sessions. An increase to the \$290,000 appropriation could be considered for the 2015 Legislative Session.

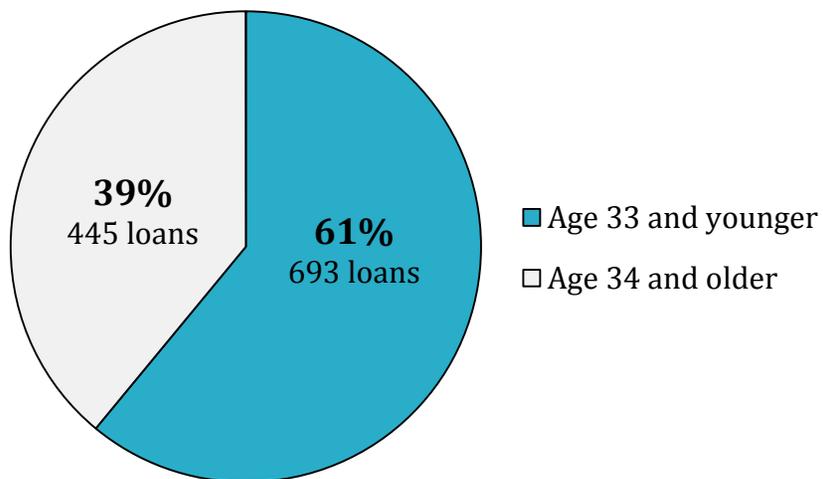
Recommendations from the Foreclosure Process Task Force

Sponsored by Senator Michael Padilla in the 2014 Legislative Session, SM 11 established a task force to study the foreclosure process in NM and make recommendations to protect neighborhood and community stability, prevent unnecessary and improper foreclosures and preserve the due process rights of financially strapped families. MFA is named in the legislation and is participating in the task force. The task force will issue a final report, including recommendations for specific legislation in the 2015 session, in September 2014. It is scheduled to present those recommendations to the MFA Legislative Oversight Committee in November. MFA's Legislative Oversight Committee anticipates endorsing legislation recommended by the task force.

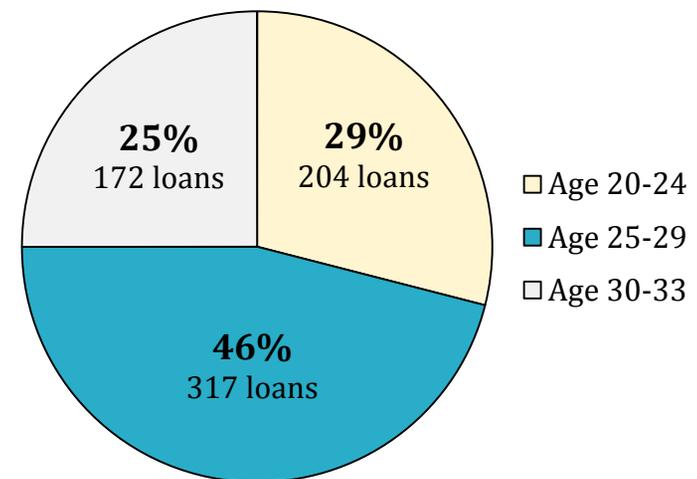
First-Time Homebuyer Loans to Millennials, 2013

Of 1,138 first-time homebuyer loans made by MFA in 2013, 693 or 61% were made to borrowers 33 years of age or younger.* All loans required homebuyer counseling and 90 percent included down payment assistance.

All MFA Loans, 2013



MFA Loans to Millennials, 2013



*Birth years defining the millennial generation vary, but are generally the early 1980s to the early 2000s. For this analysis, 1980 (age 33 in 2013) is used to define the oldest segment of the generation.