

**MINUTES
of the
SECOND MEETING
of the
MORTGAGE FINANCE AUTHORITY ACT
OVERSIGHT COMMITTEE**

**July 1-2, 2009
Inn of the Mountain Gods, Mescalero
Roswell Public Library, Roswell**

The second meeting of the Mortgage Finance Authority (MFA) Act Oversight Committee was called to order by Representative José A. Campos, vice chair, at 10:15 a.m. on Wednesday, July 1, 2009, at the Inn of the Mountain Gods in Mescalero, New Mexico.

Present

Rep. José A. Campos, Vice Chair
Rep. Janice E. Arnold-Jones
Sen. Mark Boitano
Rep. Ernest H. Chavez
Sen. Eric G. Griego
Rep. Joni Marie Gutierrez
Sen. Cisco McSorley

Absent

Sen. Nancy Rodriguez, Chair

Advisory Members

Sen. Rod Adair
Rep. Thomas A. Anderson
Rep. Andrew J. Barreras
Sen. Richard C. Martinez
Sen. Gerald Ortiz y Pino
Sen. Sander Rue

Rep. Sandra D. Jeff
Rep. James Roger Madalena
Rep. Dennis J. Roch
Rep. Benjamin H. Rodefer

Also Present

Sen. Timothy Z. Jennings
Rep. Dennis J. Kintigh (7/2)

(Attendance dates are noted for those members not present for the entire meeting.)

Staff

Pam Ray, Staff Attorney, Legislative Council Service (LCS)
Chase Van Gorder, Staff Attorney, LCS

Guests

The guest list is in the meeting file.

Copies of all handouts and written testimony are in the meeting file.

Wednesday, July 1 — Inn of the Mountain Gods, Mescalero

Representative Campos welcomed committee members and guests to the meeting, and committee members introduced themselves. Senator Jennings also welcomed the committee to his district, expressed his appreciation that the committee had ventured beyond its usual meeting location in Albuquerque and described the state's efforts to work with the Mescalero Apache Tribe.

Welcome

Ben Martinez, tribal administrator for the Mescalero Apache Tribe, welcomed the committee to the Inn of the Mountain Gods on behalf of President Carleton Naiche-Palmer, who was attending a tribal council meeting and could not be present. Mr. Martinez characterized the tribe as progressive and actively promoting self-determination. There are many challenges for the tribe, but he noted that housing is at the top of the list of federal stimulus funding priorities. With a new tribal administration in place, Mr. Martinez noted that the tribe wants to build a new relationship with the state and that the tribe takes comfort in new efforts aimed at developing a collaborative partnership between the state and the tribe. Mr. Martinez commented on the relationship between the tribe and the City of Ruidoso and Lincoln County. He urged committee members to recognize that tribal needs are different between tribes and that one solution does not fit the needs of every tribe. Mr. Martinez emphasized the need for flexibility in developing state/tribal relationships.

MFA Involvement with Tribal Entities

Eric Schmieder, MFA staff member, briefed the committee on work the MFA has undertaken to assist New Mexico's Indian nations, tribes and pueblos with housing projects. Tribal housing development has been transformed by the federal Native American Housing and Self-Determination Act of 1996 (NAHASDA). Pursuant to NAHASDA, tribally designated housing agencies took the place of federal Department of Housing and Urban Development (HUD) housing agencies in providing for tribal housing. In an educational context, the MFA educates New Mexico's tribal entities on available housing resources and ways in which they can be used; creates ways in which to include tribal entities in its public processes; and facilitates outreach and technical assistance to tribes. The MFA has incorporated tribal housing needs into its plans and programs and has adapted its programs to meet the specialized needs and conditions found in Indian Country. In 1997, the MFA partnered with and helped fund the enterprise foundation Native American program to provide technical assistance to tribes for housing development. Mr. Schmieder reviewed examples of the adaptation of housing programs in New Mexico to meet tribal needs. As a result, all but six of New Mexico's tribal entities have enacted mortgage codes. Eight tribes have produced 365 units of rental housing within 11 developments using low-income housing tax credits and other MFA-administered programs totaling more than \$40 million. Over \$3 million in rural housing and economic development grants were obtained to support more than 300 units of affordable housing and two housing-led economic development projects. Nine tribes have produced more than 300 units of home ownership or rehabilitated homes using MFA-administered programs. Mr. Schmieder closed his presentation

by noting some of the unique challenges involved in housing development on tribal lands and new initiatives being undertaken by the MFA.

Francine Hatch, senior policy analyst, and Rebecca Martinez, capital outlay manager, both of the Indian Affairs Department, commented on state efforts to develop tribal housing, noting that the Indian Affairs Department has no programs that involve housing development, but that other community capital projects are funded through the Tribal Infrastructure Fund.

Minutes

Upon a motion by Representative Gutierrez, seconded by Representative Anderson, the draft minutes for the committee's meeting on June 2, 2009 were approved without objection.

Following the approval of the minutes from the committee's meeting on June 2, 2009, committee members toured the new Mescalero 30-family single housing development "I-Sha'-Din'-Dii" that has been undertaken with the assistance of the MFA and that is scheduled for a grand opening on July 17, 2009.

MFA Strategic Plan — Overview

Jay Czar, MFA executive director, explained to the committee how the MFA strategic plan had been developed. Erin Quinn, MFA senior policy and program advisor, reviewed the elements and status of goals contained in the strategic plan in the following areas: development of stronger communities; homeownership; rental and group shelter; talent and operations; and financial stewardship. A copy of the status report is included in the meeting materials.

MFA Role in Federal Stimulus Funding Pursuant to the American Recovery and Reinvestment Act of 2009

MFA staff reviewed the status of federal funds coming into New Mexico pursuant to the American Recovery and Reinvestment Act of 2009 (ARRA) that might be used to assist MFA housing programs. These funds include \$13.8 million for the tax credit assistance program that will be utilized to assist stalled housing projects; \$8.5 million for homelessness prevention; \$26.8 million for weatherization assistance; \$5.5 million for project-based rental assistance; and \$19.6 million for the neighborhood stabilization program. A complete listing of these funds is included in the meeting materials.

New Mexico Housing Data

Pursuant to a committee request at its meeting on June 2, 2009, MFA staff presented selected housing data comparing New Mexico with adjoining states and the nation. Specific data were presented on homeownership rates, manufactured housing placements, loan performance, home sales and the issuance of single family residential building permits. A complete listing of the data presented is included in the meeting materials.

Following the presentation regarding New Mexico housing data, Representative Campos recessed the meeting at 3:02 p.m.

Thursday, July 2 — Roswell Public Library

The second meeting of the MFA Act Oversight Committee for the 2009 interim was called back into session by Representative Campos on Thursday, July 2, 2009, at 9:37 a.m. at the Roswell Public Library. Representative Campos welcomed committee members and guests to the meeting, and committee members introduced themselves.

Weatherization Programs

Joseph Montoya, MFA deputy director of programs, briefed the committee on the MFA weatherization program known as New Mexico Energy\$mart. The program is modeled after the weatherization assistance program, a grant program administered by the federal Department of Energy. The MFA has managed this program since 1997 and utilizes four nonprofit organizations located throughout the state to act as service providers for the program. The purposes of the Energy\$mart program include increasing the energy efficiency of low- and moderate-income households, reducing total residential energy expenditures and addressing health and safety issues. The program has weatherized 8,712 homes since 1997. It is estimated that there are more than 300,000 families in New Mexico that might be eligible to participate in this program. Emphasis has been given to elderly and disabled residents. Almost \$27 million has been appropriated through ARRA to fund residential weatherization programs. Pursuant to ARRA, the amount that can be expended on one home has increased from \$2,966 per unit to \$6,500 per unit. Eligibility has been expanded to include families within 200 percent of the federal poverty income level.

Eastern Regional Housing Authority — Status Update

Chris Herbert, executive director of the Eastern Regional Housing Authority, gave the committee a summary of the housing projects in which the authority is involved: HUD housing choice voucher program (1,850 Section 8 housing vouchers), Sandstone Manor Apartments (84 units of multi-family development in Roswell, Capitan and Carrizozo), Rio Felix Apartments (20 multi-family units in Hagerman), Colonial Hillcrest and LaPosada Apartments (88 multi-family units in Carlsbad), Woodleaf Apartments (152 units of affordable housing) and Casa Hermosa Apartments (88 units of multi-family housing). The Eastern Regional Housing Authority also sponsors homeownership and weatherization programs.

Following the status update of the Eastern Regional Housing Authority, committee members attended a demonstration of the authority's home energy audit and weatherization project and toured two different housing projects undertaken with the assistance of the MFA: a single-family housing development using pre-assembled modular units and a multi-family rehabilitation rental housing project.

Adjournment

There being no further business before the committee, the second meeting of the MFA Act Oversight Committee for the 2009 interim was adjourned at 2:00 p.m.