

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

**June 6, 2011  
Mortgage Finance Authority Office  
Albuquerque, New Mexico**

The first meeting of the Mortgage Finance Authority (MFA) Act Oversight Committee was called to order by Representative Joni Marie Gutierrez, chair, at 10:10 a.m. on June 6, 2011 at the office of the MFA in Albuquerque, New Mexico.

**Present**

Rep. Joni Marie Gutierrez, Chair  
Sen. Nancy Rodriguez, Vice Chair  
Sen. Mark Boitano  
Rep. Ernest H. Chavez  
Sen. Gerald Ortiz y Pino

**Absent**

Rep. Cathrynn N. Brown  
Rep. Nate Gentry  
Sen. Cisco McSorley

**Advisory Members**

Rep. Sandra D. Jeff  
Rep. Rick Little  
Sen. Lynda M. Lovejoy  
Rep. James Roger Madalena  
Sen. Richard C. Martinez  
Sen. Sander Rue  
Sen. David Ulibarri

Sen. Rod Adair  
Rep. Thomas A. Anderson  
Rep. Roberto "Bobby" J. Gonzales  
Rep. Dennis J. Roch

**Staff**

Kim Bannerman, Legislative Council Service (LCS)  
Claudia Armijo, LCS

**Guests**

The guest list is in the meeting file.

**Handouts**

Handouts and copies of written testimony are in the meeting file.

**Monday, June 6**

**Welcome**

Representative Gutierrez welcomed the members of the committee, the MFA staff and the guests to the meeting. She advised the members that the meeting would be video webcast and reminded them to keep sidebar conversations to a minimum to avoid noise interference with the webcast.

## **Legislative Interim Meeting Protocols**

Raúl E. Burciaga, director, LCS, addressed the committee members. After thanking the chair and the members for allowing him the opportunity to speak, Mr. Burciaga advised the committee regarding several key points related to their legislative interim committee work. He directed them to the copy of the tentative interim committee calendar for 2011, located in their meeting folders. He explained that the New Mexico Legislative Council had informed him that, as has been the case in the past several years, the goal for the 2011 interim is to develop an interim committee calendar with minimal conflicts for voting members. He noted that due to budget cuts, the legislative council reduced the number of 2010 interim committee meetings held and also spaced the meetings further apart than they had been scheduled in previous interims. He explained that this year, because of budget cuts and a partial veto of the funding for the Redistricting Committee, the legislative council directed the staff again to limit the number of interim committee meetings. As a consequence, the legislative council's intent is to keep the same number of meetings for the 2011 interim as were held in the 2010 interim. He noted that the MFA Act Oversight Committee's proposed meeting dates are reflected in the proposed work plan, which would be presented for discussion later in the meeting.

Mr. Burciaga reminded the members that the interim committees are to finish their work on or before December 1, 2011. He explained the "blocking provision", which states that no action shall be taken by the committee if a majority of the total membership from either house on the committee rejects the action. However, he noted that because the MFA Act Oversight Committee is statutorily created, the blocking provision does not apply to the committee.

Mr. Burciaga advised the members that the MFA Act Oversight Committee is composed of eight voting members, and he specified that a quorum for the committee requires that five voting members be present. He clarified that advisory members serve as nonvoting members of the committee. With regard to actions taken by the committee, Mr. Burciaga explained that, generally, some things can be done by consensus, such as drafting a letter on behalf of the committee requesting information from a state agency, drafting a letter by LCS staff for committee review and general requests for information. However, Mr. Burciaga emphasized that formal actions — i.e., voting on committee endorsement of bills; issuing a letter reflecting the committee's opinions, concerns or other statements; or creating a subcommittee — would require a majority vote by the voting members with a quorum present.

Mr. Burciaga further explained that functioning with a quorum allows the committee to take action, such as endorsing legislation. If there is no quorum, the committee can meet as a special subcommittee in one of two ways: 1) with one of the chairs, one house Republican, one house Democrat, one senate Republican and one senate Democrat present; or 2) with the number of legislators, voting or advisory, that constitutes the number needed for a quorum for this committee, albeit without the ability to take action.

Mr. Burciaga focused the members' attention on the topic of legislative interim committee travel, saying that the legislative council directed the LCS to develop cost-saving measures for the 2011 interim. One of the proposed cost-saving measures will likely be to allow travel outside the State Capitol only in July and August, meaning no travel in October or November. He noted that not allowing travel outside the State Capitol after September 30 is not new. Rather, there is a legislative council policy that states: "No council-created committee or any other committee whose work plan is subject to the approval of the council shall meet outside

the state capitol after September 30 without the permission of the council." Mr. Burciaga further noted that the MFA Act Oversight Committee regularly meets in Albuquerque, and that would most likely continue. He said that he understands the desires of legislators to travel to other parts of the state, especially for legislators and their constituents who would like to host committees in their respective communities. However, there usually are increased travel expenses when committees meet outside the State Capitol. Consequently, if the MFA Act Oversight Committee requests a meeting outside the Roundhouse after September 30, 2011, legislative council approval will be required.

On a similar note, Mr. Burciaga reminded the members that legislators have been allowed to attend up to four interim meetings of committees for which they are not members. He advised members that, as a cost-saving measure, those four "extra" or "ad hoc" meetings might be reduced to two or three. Additionally, no interim committees will be meeting from the day after Labor Day through September 30, 2011 because of the special session on redistricting. However, he noted that the governor issues the proclamation for a special session, so she will decide the date the special session will start. He said he hopes that her decision will be made in coordination with legislative leadership.

There was a brief discussion regarding the issue of legislators who attend interim committee meetings for short periods of time, perhaps 10-15 minutes, and then leave the meetings after submitting completed payment vouchers for per diem compensation. Members questioned Mr. Burciaga as to whether the legislative council had taken or would take action to prevent such activities by legislators. Mr. Burciaga responded by telling members that no formal action has been taken. When asked how the legislature as a body could or should address the issue, Mr. Burciaga told the members that action would need to go through the legislative council. Some members requested that Mr. Burciaga mention their concerns about the issue to the legislative council and that the council consider granting interim committee chairs the authority to remove from committee membership legislators who continue appearing at meetings only long enough to complete a payment voucher. Mr. Burciaga said he would mention the issue to the legislative council at its next meeting, scheduled for June 29. He added that the terms for legislator reimbursement for interim committee meeting attendance are in the Constitution of New Mexico and that he has no recollection of any legislative initiatives on the subject.

### **Welcome and Introduction of the MFA Staff**

Jay Czar, executive director of the MFA, provided a summary of background information on the MFA. He reminded members that the MFA is a quasi-governmental entity, and its staff members are not state employees. The entity runs state programs and handles federal dollars through federal programs associated with the U.S. Department of Housing and Urban Development and the federal Department of Energy. He noted that the composition of the MFA board is provided for in statute, and he added that the board has two new members: John Sanchez, New Mexico's lieutenant governor, and Dennis Burke, a certified public accountant, who were appointed by the governor. Mr. Czar noted that there remains one vacancy on the board and said he hopes that the governor will announce the candidate to fill that vacancy soon.

Mr. Czar discussed some of the information members can expect to hear about in upcoming MFA Act Oversight Committee meetings, including the 2011 State of Housing Report that will be released during the week of June 13. He said that the MFA began producing the annual report three years ago and that it includes pertinent housing information related to the

entire state of New Mexico. He said members would receive information on the MFA FY 2012 budget and the American Recovery and Reinvestment Act of 2009 (ARRA) funds, which he reminded members are managed by the MFA. He added that most ARRA funds will expire in March 2012, but some will be in place until September 2012.

Mr. Czar told members that the MFA staff would appreciate any opportunity to show members some of the projects completed by the MFA, particularly projects located in Santa Fe and Albuquerque, and specifically, the Silver Gardens development located near the MFA offices, which Mr. Czar said is New Mexico's only one-room transition development designed to help people transition out of homelessness. Mr. Czar said that MFA staff members travel all over the state, and, as such, will likely see many of the legislators in their home districts.

Mr. Czar explained that a large percentage of New Mexico's housing is located in areas with existing infrastructure, but the housing is more than 50 years old. Accordingly, the MFA handles a lot of rehabilitation projects for older houses. He said the housing market shift toward renting is in large part due to credit becoming very tight.

Mr. Czar said that the MFA continues to experience a lot of activity with first-time homebuyer programs, but it was far more active before federal incentives for those buyers expired. He said that the MFA will be working with less money as the ARRA funds expire and budget cuts take place. The MFA is in the process of reviewing its strategic plan, which will be completed by September 2011 and presented to the committee. The previous plan was completed prior to the housing market collapse. The new plan will be very different, making the update very important, he said. Mr. Czar thanked the members for their continued support of the MFA.

Members briefly discussed a number of the successful projects completed with the assistance of the MFA, particularly a low-income housing project in Santa Fe that some members recently visited. They noted that the project serves many special-needs people in the Santa Fe community, and it received \$9 million in ARRA funds.

Members discussed the possibility of the committee taking the lead on certain important legislative issues. They expressed an interest in discussing the need for economics education in New Mexico's high schools and hearing more about the credit and lending situation. Mr. Czar told members that the MFA, along with 54 similar entities, belongs to a national organization that educates its members and others regarding pertinent issues for the housing industry. Members attend meetings in Washington, D.C., annually, where staff members work alongside legislative analysts and others to recommend housing policies and share concerns.

Mr. Czar provided committee members with a memorandum outlining the MFA's 2011 work plan items for the committee's consideration. He noted the specific items that are nondiscretionary, including the MFA's FY 2012 budget; changes, if any, to the MFA's rules and regulations; and the MFA's prospective legislative agenda.

### **MFA 2011 Reference Guide**

Erin Quinn, senior policy and program advisor, MFA, directed the members' attention to the MFA 2011 Reference Guide contained in their meeting folders. A number of committee members expressed their appreciation for the guide and stated that they have found all of the

previous guides extremely useful. Ms. Quinn walked the members through each section of the guide, highlighting specific sections, beginning with the MFA's priorities and legislative initiatives for the 2011 legislative session. Many committee members noted that most bills relating to the work of the MFA were not passed during the 2011 legislative session. Ms. Quinn explained where valuable information can be found in the guide, including descriptions of MFA programs and staff and board members' contact information.

### **2011 Interim Work Plan and Meeting Schedule Development**

Ms. Bannerman, staff attorney for the LCS, directed the members' attention to the proposed work plan and meeting schedule located in their meeting folders. She reminded them of the statutorily mandated duties of the committee, and she noted that the proposed meeting schedule provides for the MFA Act Oversight Committee to hold its meetings in Albuquerque at the MFA office. A discussion ensued regarding the possibility of travel to at least one other location in New Mexico. Members said that travel to various areas of the state is critical to the work of the committee because they learn about issues in areas other than their home districts or Albuquerque and Santa Fe. Mr. Czar advised that if the committee holds its August meeting in Farmington, members would be afforded the opportunity to tour an MFA project in that area. The committee voted without objection to request travel to Farmington for the August 24, 2011 meeting. Ms. Bannerman said she would make the request on behalf of the committee. After that, a motion to amend the work plan and meeting schedule was made and seconded and passed without objection.

### **Adjournment**

There being no further business before the committee, the meeting adjourned at 12:25 p.m.