

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

**October 6, 2008
Mortgage Finance Authority Office
344 Fourth Street SW
Albuquerque**

The fifth meeting of the Mortgage Finance Authority Act Oversight Committee was called to order by Representative Daniel P. Silva, chair, at 10:17 a.m. on Monday, October 6, 2008, in the offices of the New Mexico Mortgage Finance Authority (MFA) in Albuquerque.

Present

Rep. Daniel P. Silva, Chair
Sen. Nancy Rodriguez, Vice Chair
Rep. Thomas A. Anderson
Sen. Mark Boitano
Rep. Roberto "Bobby" J. Gonzales
Sen. Cisco McSorley
Sen. Leonard Lee Rawson
Rep. Teresa A. Zanetti

Absent

Rep. Andrew J. Barreras
Rep. Jose A. Campos
Sen. Phil A. Griego
Sen. John T.L. Grubestic
Sen. H. Diane Snyder

Advisory Members

Rep. Daniel R. Foley
Sen. Richard C. Martinez

Staff

Chase Van Gorder, Staff Attorney

Guests

The guest list is in the meeting file.

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

Monday, October 6

New Mexico Mortgage Finance Authority (MFA) Update

Jay Czar, MFA executive director of programs, updated the committee on MFA events and activities. Mr. Czar gave a presentation regarding the MFA to the Legislative Finance Committee on September 25, including a report on the state of housing in New Mexico and MFA programmatic and budgetary information. The state received \$19.6 million through the federal Housing and Economic Recovery Act of 2008 for the purpose of acquiring and rehabilitating foreclosed and abandoned homes. Governor Richardson will decide on a program manager in the next month. Mr. Czar also reviewed seven groundbreaking and ribbon cuttings scheduled in rural areas around the state. On a motion by Representative Foley, seconded by Representative Zanetti, the committee voted without opposition to request approval from the Legislative Council for a December meeting.

Silver Gardens: Public-Private Affordable Housing in Albuquerque

Homer Robinson of Romero Rose, LLC, gave a presentation to the committee regarding the planned Silver Gardens residential development planned for downtown Albuquerque on a vacant lot near the bus station — he termed it "transit oriented infill development". Phase I will consist of 66 units, including five studio apartments, 46 one-bedroom apartments and 15 two-bedroom apartments. Eighty-five percent of the units are affordable housing units targeted at 60 percent or less of the area median income; 15 percent of the units will be at market rate rents. Phase II will include 55 additional dwelling units. Construction on Phase I is scheduled to begin in January 2009 with an anticipated move-in date of February 2010. The project has received LEED Gold certification and incorporates wind turbines and rainwater harvesting. The total cost of Phase I is \$13.2 million and will be financed through a variety of federal, state, city and private funding sources. Mr. Rose explained how the recent constitutional amendment regarding the anti-donation clause made this project feasible and described how the financing is being put together. Teresa Bell, also with Romero Rose, LLC, gave the committee additional information on the company and on projects it has done elsewhere, including Denver, Colorado.

Regional Housing Authorities — MFA Oversight and Update

Richard Chavez, MFA regional housing authorities liaison, updated the committee on the activities and status of the regional housing authorities. The Office of the State Auditor should be completing its audit of Region IV in the near future and then will be moving on to its audit of Region III. It is anticipated that Regions I and VII will be closed out in the course of the Region III audit. Mr. Chavez then introduced Tom Hart, director of the Community Strategies Institute (CSI), for a presentation of a study CSI recently completed of regional housing authorities and affordable housing in New Mexico. Mr. Chavez reviewed the areas that were the focus of the study: 1) provide a market analysis of affordable housing needs and services for the regional areas; 2) complete an organizational analysis of the financial capabilities, organizational skill sets and capacity requirements needed for regional housing authorities; 3) develop an affordable housing plan for each of the regional areas; and 4) provide recommendations, including program costs, for the regional housing authorities in order to enhance existing programs and services and provide for an expansion of housing-related services and production.

Mr. Hart reviewed the fact that CSI had performed an assessment of the regional housing authorities in 2006 and documented that a lack of resources and oversight from a state agency had created a dysfunctional system. Although changes were made in the Regional Housing Law during the 2007 legislative session, they were not sufficient to provide a permanent solution. Broader changes are needed to increase the capacity of the state's smaller communities to deal with their housing needs. Identified problems included a lack of oversight of regional housing authorities, insufficient funding to support the operations of regional housing authorities and a need for more programmatic guidance for the regional housing authorities. CSI recommends that there be three regional authorities to serve all areas of the state except the Albuquerque, Santa Fe and Las Cruces areas. The revamped regional housing authorities will need seed capital investment in the amount of \$450,000 annually for three years. Cuts in federal funding for affordable housing will require state governments to provide the funds needed to expand services and create a delivery system that will assist smaller communities to respond to the demand for affordable worker housing. The requested funding will permit the new regional housing authorities to hire essential staff and install a computerized information system that will extend the reach of affordable housing programs to towns and counties not presently served by any housing agency. Competent staff and investment in technology are keys to a successful regional housing strategy. The proposed three regional housing authorities could provide basic housing opportunities for residents. Tools for homeownership could include homebuyer education and coordination of existing homeownership efforts; centralized administration and management of federal housing programs; leadership of development teams to produce new affordable housing for homebuyers and renters; and expansion of existing housing preservation programs aimed at making health and safety improvements to owner-occupied dwellings and multi-family rentals. A copy of the full CSI report is available in the meeting file.

Adjournment

There being no further business before the committee, the fourth meeting of the Mortgage Finance Authority Act Oversight Committee for the 2008 interim was adjourned at 12:40 p.m. Following adjournment, committee members toured the Sawmill Lofts development in Albuquerque.