

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

**June 11, 2007
Mortgage Finance Authority Office
344 Fourth Street SW
Albuquerque**

The first meeting of the Mortgage Finance Authority Act Oversight Committee was called to order by Senator Nancy Rodriguez, chair, at 10:15 a.m. in the offices of the Mortgage Finance Authority in Albuquerque.

Present

Sen. Nancy Rodriguez, chair
Sen. Mark Boitano
Rep. Roberto "Bobby" J. Gonzales
Sen. Cisco McSorley
Rep. Teresa A. Zanetti

Absent

Rep. Daniel P. Silva, vice chair
Rep. Thomas A. Anderson
Sen. Leonard Lee Rawson

Advisory Members

Rep. Jose A. Campos
Rep. Daniel R. Foley
Sen. H. Diane Snyder

Rep. Andrew J. Barreras
Sen. Phil A. Griego
Sen. John T.L. Grubestic
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, June 11

Sen. Rodriguez welcomed committee members and guests to the meeting and committee members introduced themselves. Jay Czar, executive director of the Mortgage Finance Authority (MFA), introduced himself and staff members to the committee.

MFA 2007 Handbook — Overview

Erin Quinn, senior policy and program advisor with MFA, reviewed with the committee the MFA Handbook for 2007. Topics reviewed included housing-related bills considered during the 2007 legislative session, the MFA Act, MFA rules, the mandate, mission, vision and core values of MFA, the MFA organizational chart, the MFA strategic plan, a summary of estimated financial resources available to MFA and single-family, multifamily and targeted initiatives and production sheets. Questioning from committee members concerned projected MFA organizational growth, Section 8 housing, counseling services, nonprofit 501(c)3 partners, so-called "soft second mortgages", the weatherization program and outreach to local governments.

Review of 2007 Legislative Session

Mr. Czar thanked committee members for supporting MFA's legislative agenda and actively sponsoring many of MFA's legislative initiatives. One major success was the passage of Senate Bill 534 introduced by Sen. Rodriguez that amended the Affordable Housing Act. Two appropriation bills initiated by MFA, House Bill 267 introduced by Rep. Gonzales (\$2 million for emergency home repairs) and Senate Bill 114 introduced by Sen. Martinez (\$1 million supplemental for weatherization), received no funding, but Mr. Czar indicated that MFA would try again in the next session. Senate Bill 519, which passed at the very end of the session, provides for oversight by MFA of the regional housing authorities; this bill will be reviewed in more detail at a future committee meeting. Additional funding was approved for the Housing Trust Fund (Senate Bill 282), the residential energy efficiency loan program (Senate Bill 404) and low-income home heating relief (House Bill 372/Senate Bill 323). Other successful substantive legislative proposals concerned public housing authority audits (House Bill 372/Senate Bill 263) and expansion of a tax deduction for low-income housing material gross receipts (House Bill 833).

MFA Strategic Plan — Overview

Izzy Hernandez, director of program administration for MFA, reviewed the first two elements of the MFA strategic plan: 1) finance, produce and preserve housing; and 2) manage assets for quality, stability and risk control. Erin Quinn reviewed the other three elements of the MFA strategic plan: 1) ensure profitability and sustainability; 2) innovate, advocate, create and implement; and 3) align strategically and operationally. For each element, the presenters identified specific goals, the current status of progress toward meeting each goal and whether each goal had been met, was on target or indicated caution. All but two of the goals had either been met or were on target. Caution was indicated only in the two goals addressing single-family development and improvement or maintenance of funding commitments and expenditure rates. Discussion by committee members concerned the manner in which counties provided sales data.

2007 Interim Work Plan and Meeting Schedule Development

Mr. Czar and Sen. Rodriguez lead a discussion of the proposed work plan for the committee for the 2007 interim. The first two items in the proposed work plan had been suggested by the Legislative Council: the 2006 amendment to the anti-donation clause of the New Mexico Constitution and the MFA's increased role in the oversight of regional housing authorities. MFA

suggested the following items be included in the committee's work plan: 1) review of the 2006 anti-donation clause constitutional amendment and its implications; 2) regional housing authority reform; 3) Housing Trust Fund rules and regulations; 4) Affordable Housing Act rules and regulations; 5) MFA rules and regulations; 6) green build, EnergySavers and energy efficiency; 7) emergency repair funding; 8) tour of the Barelas single-family housing development (first project completed with Housing Trust Fund support); and 9) the committee's 2008 legislative agenda. The committee agreed to incorporate MFA's suggestions into the committee's proposed work plan. Other issues the committee agreed to consider are the link between affordable housing and location, the problem with the assessed value of residential properties and uniform compliance with state statutes regarding disclosure of property sales data, and the LIHEAP program and weatherization. There was also discussion of the possibility of the committee's meeting at least once in a location other than the MFA offices in Albuquerque, but no final decision was reached. On a motion by Sen. McSorley, seconded by Rep. Gonzales, the committee voted without opposition to approve a proposed committee work plan for the 2007 interim to be completed in accordance with the committee's discussion. Mr. Van Gorder noted that he would work with Sen. Rodriguez to finalize the drafting of the proposed work plan for presentation to the Legislative Council on June 26.

Adjournment

There being no further business before the committee, the first meeting of the MFA Act Oversight Committee for the 2007 interim was adjourned at 12:10 p.m.