

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

**November 10, 2005  
Mortgage Finance Authority Office  
344 Fourth Street SW  
Albuquerque, New Mexico**

The fifth meeting of the Mortgage Finance Authority (MFA) Act Oversight Committee was called to order by Senator Nancy Rodriguez, chair, on November 10, 2005 at 10:15 a.m.

**Present**

Sen. Nancy Rodriguez, Chair  
Rep. Fred Luna, Vice Chair  
Rep. Thomas A. Anderson  
Sen. Leonard Lee Rawson  
Rep. Harriet I. Ruiz  
Rep. Teresa A. Zanetti

**Absent**

Sen. Mark Boitano  
Sen. Cisco McSorley

**Advisory Members**

Rep. Daniel R. Foley  
Rep. Roberto "Bobby" J. Gonzales  
Sen. Richard C. Martinez  
Rep. Daniel P. Silva

Sen. Phil A. Griego  
Sen. John T.L. Grubestic  
Sen. Steven P. Neville  
Sen. H. Diane Snyder

**Staff**

Chase Van Gorder

**MFA Staff**

Tony Flores  
Lionel Holguin  
Erin Quinn

**Thursday, November 10**

A motion was made by Senator Rawson and seconded by Representative Ruiz to approve the minutes for the June and September meetings of the committee. The motion was unanimously approved.

The committee determined that it would give conceptual approval to appropriate proposals presented by MFA and solicit prospective sponsors, but that formal committee endorsement would not be given until the actual bills are ready for review at the committee's December meeting. There was a consensus that programs funded through the MFA should provide that resources are utilized throughout the state and are not concentrated in only a few

geographical areas of the state.

Mr. Holguin briefed the committee on the weatherization assistance program. The MFA is requesting a general fund appropriation in the amount of \$700,000 for FY 2007 for this program. These requested funds would complement \$800,000 budgeted by the Department of Finance and Administration and \$1.5 million budgeted through the federal Department of Energy. In the 2005 special legislative session, \$2.5 million was also approved for this program. A performance report for the program for 2005 will be made available to the legislature in early January 2006. The program seeks to increase the energy efficiency of homes occupied by low-income persons, thereby reducing energy costs and improving health and safety for those families. Homes assisted through this program were generally built during or before the 1970s. Senator Martinez and Representative Gonzales agreed to sponsor this proposal.

Mr. Holguin briefed the committee on the homeless assistance program. The MFA is requesting a general fund appropriation in the amount of \$500,000 for FY 2007 for this program. These requested funds would complement \$750,000 budgeted by the Income Support Division of the Human Services Department. The requested funds would be used for programs providing the following services: provision of emergency shelter and permanent supportive housing; essential services such as transportation; homeless prevention; and continuum of care projects for disabled persons. Senator Rawson requested additional information regarding which agencies received similar funds in FY 2006 and how many persons were served. Persons served through these programs agree to participate in appropriate rehabilitation programs, but treatment is not provided by the shelters. Representative Ruiz agreed to sponsor this proposal.

Ms. Quinn briefed the committee on the status of the New Mexico Housing Trust Fund (HTF) and MFA's request for an additional \$20 million in capital outlay funds during the 2006 legislative session. The HTF was established by SB 115, passed in the 2005 legislative session, and received an initial \$10 million appropriation. The HTF Advisory Committee was appointed in May 2005. The first round of applications was due by November 4, and MFA received 30 project applications requesting more than \$40 million in financing. The proposals included projects to develop or acquire and rehabilitate both single-family "for-sale" housing and rental housing for regular and special needs populations. The MFA staff will make recommendations for approval in time for the MFA Board meeting on December 14, 2005. Senator Rodriguez agreed to sponsor this proposal. There may also be some proposed minor revisions in the HTF Act.

Mr. Flores advised the committee of two additional proposals of which MFA has been made aware. The Energy, Minerals and Natural Resources Department will be proposing a residential tax credit targeted at photovoltaic-solar energy measures. There would be a 30 percent state tax credit for photovoltaic systems, capped at \$9,000 per system, with a total annual cap of \$3 million. The second proposal will be similar to HB 485 in the 2005 legislative session that proposed expanding eligibility for gross receipts tax exemptions. The exemptions would be for the sale of construction materials for the purpose of providing home ownership opportunities to low-income families.

Mr. Holguin advised the committee of a proposed constitutional amendment to permit the MFA to give cash or financing assistance to private citizens, something that cannot be done under the present Anti-Donation Clause, Article 9, Section 14 of the New Mexico Constitution. The amendment would also authorize state and local governments to provide or pay the costs of land or buildings for affordable housing.

Finally, the MFA staff circulated for informational purposes the 2006 legislative priorities adopted by the New Mexico Association of Counties:

- provide reimbursement for and definition of state prisoners in county detention facilities;
- strengthen funding for local DWI programs;
- increase distribution of the State Fire Fund to local governments;
- provide funding for compliance with federal and state election mandates;
- increase salaries for county-elected officials; and
- increase term limits for county officials.

There being no further business, the committee adjourned at 11:20 a.m. after a motion duly made, seconded and unanimously adopted.

Materials distributed at the meeting are in the meeting file in the Legislative Council Service Library.