

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

**June 17, 2003  
Mortgage Finance Authority Office  
344 Fourth Street SW  
Albuquerque, New Mexico**

The first meeting of the Mortgage Finance Authority (MFA) Act Oversight Committee was called to order by Senator Nancy Rodriguez, chair, on June 17, 2003 at 8:30 a.m.

**PRESENT**

Sen. Nancy Rodriguez, Chair  
Rep. Fred Luna, Vice Chair  
Rep. Richard Cheney  
Sen. Leonard Lee Rawson  
Rep. Raymond M. Ruiz

**ABSENT**

Sen. Manny M. Aragon  
Sen. Mark Boitano  
Rep. Jane E. Powdrell-Culbert

**Advisory Members**

Rep. Thomas A. Anderson  
Rep. Miguel P. Garcia  
Rep. Daniel P. Silva  
Sen. H. Diane Snyder

Sen. Ramsay L. Gorham  
Sen. Phil A. Griego  
Rep. Antonio Lujan  
Sen. Richard M. Romero

**Staff**

Rachel Ray

**MFA Staff**

Lionel Holguin  
Erin Quinn  
Jim Stretz

The committee discussed a meeting schedule and, without objection, approved one-day monthly meetings for the second Tuesday of each month. All meetings will be at the MFA office in Albuquerque. Based on that schedule, a budget will be prepared for the committee and considered at the July meeting.

Representative Silva asked if the MFA's affordable housing activities are balanced around the state and if most affordable housing is new. MFA staff stated that housing priorities are for underserved rural areas statewide and that whether new affordable housing is constructed has to do with affordability in specific areas of the state. The MFA also has a program for down payment assistance.

MFA staff presented their evaluation of the most pressing legislative issues for the MFA during this interim period. The top housing issues deal with adequate housing in colonias and tribal communities and the rehabilitation of existing housing. Those issues are to be included under the legislative item of the state housing trust fund on the committee work plan. Additionally, the MFA is in the process of convening a task force to select revenue sources for a state housing trust fund pursuant to Senate Joint Memorial 64 enacted in the 2003 legislative session. The memorial acknowledges the need for a permanent, recyclable revenue source to address the statewide demand for affordable housing. The task force's recommendations are to be presented to the committee during this interim to be incorporated into a draft bill that establishes a state housing trust fund.

MFA staff stated that another legislative priority for the interim is to continue to work on enabling legislation, a new version of the Affordable Housing Act, that conforms to the requirements of the amendment to Article 9, Section 14 of the Constitution of New Mexico. They noted that the MFA's weatherization program should be included in the new version of the Affordable Housing Act, House Bill (HB) 883, which was vetoed by the governor.

According to MFA staff, the governor's primary concern over HB 883 is that eligibility criteria for donees under the act are set by regulation and not by statute. The governor's staff believes that the bill must define in statute, with specific language, who will receive benefits under the act. The attorney general's office, however, has expressed no concern about the criteria being set by regulation or with any other aspect of the bill. The new draft legislation will be resubmitted to the legislature in the next appropriate session.

MFA staff noted that for the first time, the authority now comes under the Audit Act pursuant to a new law.

The committee was also apprised of Executive Order 2003-017, which establishes a Governor's Finance Council. Jim Stretz, executive director of the MFA, will serve on the council. The MFA will be required to present its plans and strategy to the council for approval. Senator Rodriguez asked if approval will be given quickly for the MFA's bond issuances, etc. Mr. Stretz replied that an executive committee had been formed to give permission on an expedited basis. Representative Silva queried whether the lieutenant governor, who is the new chairman of the MFA board, should present at the next committee meeting. Senator Rodriguez opined that both David Harris, one of the co-chairs of the council, as well as the lieutenant governor should be at the next meeting. The committee voted that both these individuals should be invited to the next meeting to discuss the council with respect to the MFA's activities. Senator Snyder queried whether the council already had a firm plan in place regarding investments for state agencies. She noted that David Harris should be questioned on this point.

On the issue of the council, Senator Rodriguez further queried how much the council's activities would affect the MFA board and also the activities of the MFA. Representative Cheney asked whether the council's activities would infringe on the power of the legislature.

Senator Rawson also expressed concern about possible encroachment on legislative powers. Representative Silva stated that he thought the committee should have a legal explanation regarding the executive order. Senator Snyder wondered what kind of decisions the council is prepared to make; for example, could it make decisions on federal highway funding?

MFA staff next presented an overview of the MFA 2003 handbook. MFA staff noted that a record number of housing-related bills were passed in the 2003 general legislative session.

In regard to the proposed state housing trust fund, MFA staff stated that a 27-member task force had been convened to identify revenue sources pursuant to the memorial that was passed in the 2003 session. Senator Rawson stated that the Blue Ribbon Tax Reform Commission of which he is a member has expressed concerns about the state housing trust fund taking away revenue streams that the commission had targeted for its own use. MFA staff noted that they are aware of that concern and stated that they are looking at revenue sources other than taxes.

Senator Rodriguez stated that she would like for as many members as possible to attend the next meeting for the discussion of the executive order and that her request should be reflected on the meeting notice.

There being no further business to be considered at this meeting, the committee adjourned at 10:30 a.m. after motion duly made, seconded and unanimously adopted.