

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

**May 23, 2008  
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 Representative Daniel P. Silva, chair, at 10:15 a.m. on Friday, May 23, 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  
Sen. Mark Boitano  
Rep. Roberto "Bobby" J. Gonzales  
Sen. Cisco McSorley  
Sen. Leonard Lee Rawson

**Absent**

Rep. Thomas A. Anderson  
Rep. Teresa A. Zanetti

**Advisory Members**

Rep. Andrew J. Barreras  
Rep. Jose A. Campos  
Sen. Richard C. Martinez  
Sen. H. Diane Snyder

Rep. Daniel R. Foley  
Sen. Phil A. Griego  
Sen. John T.L. Grubestic

**Also Present**

Sen. Lidio G. Rainaldi

**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.

## **Friday, May 23**

Representative Silva welcomed committee members and guests to the meeting, and committee members introduced themselves. Jay Czar, executive director of the MFA, introduced himself and staff members to the committee.

### **Interim Committee Protocols**

Paula Tackett, director, Legislative Council Service (LCS), briefed the committee on various topics concerning protocol during interim committee meetings. Items discussed included quorum requirements for voting purposes and for payment of per diem and mileage, appointment of temporary committee members for quorum purposes, voting on and approval of committee business, chairing committee meetings, voting member calendar conflicts, scheduling and committee staffing. Senator McSorley requested that the Legislative Council consider permitting all committee members attending a regularly scheduled committee meeting to receive per diem and mileage reimbursement regardless of the presence of a quorum. There was also a question as to whether committee members can receive per diem and mileage reimbursement for the first day of a committee meeting if a quorum is not established until the second day of the meeting.

### **MFA 2008 Handbook — Overview**

Erin Quinn, MFA senior policy and program advisor, reviewed with the committee the contents of the MFA 2008 Handbook, a copy of which is in the meeting file. Committee members suggested that the contents of the handbook might be posted on the MFA web site to enable ready access. Representative Campos requested that the MFA provide committee members with a summary of the MFA's annual budget, including a list of programs and expenditures by county with the number of people affected by MFA activities in each county.

### **Review of 2008 Legislative Session**

Mr. Czar reviewed actions of interest to the MFA that took place during the 2008 legislative session. These actions are summarized at Tab 2 in the MFA 2008 Handbook.

### **MFA 2008 State of Housing Report**

Ms. Quinn reviewed the 2008 State of Housing Report that has been prepared by the MFA. The report addresses economic trends and demographic drivers (including employment growth and unemployment rates as well as population growth and age factors), homeownership (including ownership rates, sales trends, prices and foreclosure rates), rental housing (including availability and preservation), housing challenges (including affordability, availability and sustainability) and the MFA's efforts in meeting those challenges. A copy of the report is contained in the meeting file. Questions from committee members concerned the availability of subsidized rental housing through the federal Section 8 program and the impact of housing subsidies on property values and taxation.

## **Regional Housing Authorities — MFA Oversight and Update**

Richard Chavez, MFA regional housing authorities liaison, briefed the committee on the status of the regional housing authorities. As reported in 2007, Regions I and VII are no longer viable, and there are no regional housing authority activities in those regions. Region II has turned over all of its activities to the Santa Fe Civic Housing Authority and will cease to exist as of June 2008. Region III activities continue to be run by the Mid-Region Council of Governments. Region III has transferred 10 housing units to the State Investment Council (SIC) and is continuing its efforts to inventory all of its properties and determine maintenance and repair needs. Region III has received permission to sell 15 properties to help defray ongoing costs. Region IV has come under new management and is continuing to operate. Region IV received an appropriation in 2008 to complete the purchase of its office building. Region V continues to operate and will be beginning home ownership counseling and credit counseling classes. Region V will also begin development of single-family detached housing and rehabilitation projects. Region VI will be expanding its homeownership counseling and will be undertaking a 20-unit single-family development. Region VI is also undertaking rehabilitation and weatherization projects. The state auditor received an additional \$100,000 in 2008 to complete a full audit focusing on Regions III and IV and the closure of Regions I, II and VII. The MFA recently awarded a contract for a comprehensive review of the regional housing authorities. The study should be completed by September 2008. The SIC has sued the former executive director and former bond counsel for Region III in an attempt to recoup some of its losses. A copy of Mr. Chavez' report is included in the meeting file.

## **2008 Interim Work Plan and Meeting Schedule Development**

Mr. Van Gorder presented the committee with a draft proposed work plan for the 2008 interim. Mr. Czar presented the committee with the following topics that the MFA would like to see included in the committee's work plan for the 2008 interim: cost components of housing development; MFA rules and regulations; green building, EnergySavers program and energy efficiency; emergency repair funding; the 2009 legislative agenda; inclusionary zoning; and preliminary findings from the consultant reviewing the regional housing authorities. Committee members expressed an interest in addressing the issues of multigenerational housing, the impact of property taxes on housing affordability and property transfer taxes. Senator Boitano moved that the committee approve the draft work plan with the addition of the items suggested by MFA staff. The motion was seconded by Senator Rodriguez and passed without opposition. It was suggested by Senator Rawson that the proposed September 3 meeting date be changed to September 5. Mr. Van Gorder noted that any schedule change would have to be approved by the Legislative Council. He also noted that he would consult with Representative Silva regarding the proposed work plan before it is submitted to the Legislative Council for approval.

## **Adjournment**

There being no further business before the committee, the first meeting of the Mortgage Finance Authority Act Oversight Committee for the 2008 interim was adjourned at 12:35 p.m.