

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

**October 1, 2018
New Mexico Mortgage Finance Authority Office
344 Fourth St. SW
Albuquerque**

The third meeting of the 2018 interim of the Mortgage Finance Authority Act Oversight Committee was called to order by Senator Nancy Rodriguez, chair, on October 1, 2018 at 10:05 a.m. at the New Mexico Mortgage Finance Authority (MFA) office in Albuquerque.

Present

Sen. Nancy Rodriguez, Chair
Rep. Eliseo Lee Alcon, Vice Chair
Sen. Gregory A. Baca
Rep. Kelly K. Fajardo
Sen. Stuart Ingle
Rep. Sheryl Williams Stapleton

Absent

Sen. Cisco McSorley
Rep. Rod Montoya

Advisory Members

Rep. Alonzo Baldonado
Rep. George Dodge, Jr.
Rep. Bealquin Bill Gomez
Rep. Roberto "Bobby" J. Gonzalez
Sen. Richard C. Martinez
Rep. Bill McCamley
Sen. Gerald Ortiz y Pino

Sen. Michael Padilla
Rep. Dennis J. Roch
Sen. Sander Rue
Rep. Nathan P. Small
Sen. Jeff Steinborn

Staff

Mark Edwards, Drafter, Legislative Council Service (LCS)
Anthony Montoya, Drafter, LCS
Nancy Martinez, Staff, LCS

Guests

The guest list is in the meeting file.

Handouts

Handouts and other written testimony are in the meeting file.

Monday, October 1

Call to Order and Introductions

Senator Rodriguez called the meeting to order and welcomed members, staff and guests. She asked committee members and staff to introduce themselves.

Welcome and Update

The chair recognized Jay Czar, executive director, MFA, to provide the committee with an update of events since the last committee meeting. Mr. Czar began by discussing the recent housing summit and thanked the members of the committee who attended. Mr. Czar stated that this year's housing summit was the most successful and well-attended summit in recent years. Since the second committee meeting, the MFA has also held a board retreat and lender's forum. Mr. Czar discussed the importance of the lender's forum due to the record number of mortgages in the state and the need to ensure that the MFA is aware of the current lending climate.

Statewide Housing Needs

Monica Abeita, director of policy and planning, MFA, presented a housing needs assessment for New Mexico. The MFA has been working for the past two years to create a county-by-county profile of housing needs (see page two of Item 1, located in the handout file). Ms. Abeita stated that one of the important findings from the assessment was the information gained regarding the distinction between urban and rural areas across the state. Urban areas are growing and have low housing-vacancy rates, while rural areas have been losing population.

Ms. Abeita stated that another area of interest in the report is senior household statistics for the state. The senior homeownership rate is 83.5%, which is much higher than the average for all age groups. However, a significant percentage of senior households falls below the extremely low income limit of \$14,200 set by the United States Department of Housing and Urban Development (HUD). Because of this limitation on income, the MFA believes that there will be a great need for aging-in-place services or affordable rental options for seniors.

Ms. Abeita discussed issues related to aging housing in the state. She stated that many counties in the state have an aging housing stock and that a majority of the housing in the state was built during the 1970s and earlier. Due to this aging housing stock, people in the state rely on mobile homes at a higher rate than the national average. Mobile homes are also more cost-effective and play an important role in rural communities that are unable to attract new investment.

Ms. Abeita stated that affordability is a growing issue in the state. The standard to determine affordability is based on the HUD standard that housing is affordable if its cost does not exceed 30% of household income. Ms. Abeita stated that while this standard can be less accurate for higher-income households, the data shows that 22.6% of homeowners and 44.8% of renters in New Mexico are cost-burdened, spending over 30% of their monthly income on housing.

Ms. Abeita discussed a specific regional profile of southeast New Mexico, including Lea, Otero, Eddy and Lincoln counties. The information shows that southeast New Mexico is in need of additional efficiency apartments and senior apartments and that a balance of affordable and market-rate apartments should be made available to accommodate low-income residents during periods of economic growth.

The committee entered into a discussion regarding the current rental assistance programs and mobile home financing. MFA representatives responded by stating that there are currently no planned cuts to rental assistance programs. The MFA received \$3.6 million in additional funding and is introducing a new down payment assistance program. MFA representatives also stated that they will request further information regarding how depreciation is factored into financing a mobile home and will try to break down those findings to the county level.

Tools for Communities: The Affordable Housing Act and Affordable Housing Tax Credit

The committee welcomed Patty Balderrama, program coordinator, MFA; Laura Chavez, community liaison, MFA; and Alexandra Ladd, director, Office of Affordable Housing, City of Santa Fe. Ms. Balderrama provided an overview of the Affordable Housing Act. This law allows government entities to donate or make contributions toward the acquisition, development, financing, operating and managing of affordable housing. The MFA collaborates with governments to foster economic development through these donations.

Ms. Chavez discussed the state's affordable housing tax credit. She stated that the credit can provide up to 50% of the value of donations. The MFA believes that this tax credit provides incentive to encourage private investment in developing affordable housing. The MFA is currently developing training and outreach programs to increase awareness of the tax credit.

Ms. Ladd provided an update on housing projects in Santa Fe. She discussed the Soleras Station development, which will provide affordable housing for a broad range of household incomes. Ms. Ladd discussed a partnership with Pulte Homes to build 300 homes in the Las Soleras subdivision. She explained that this development would fall under the City of Santa Fe's Santa Fe Homes Program, which requires new developments to provide affordable housing to income-certified residents. Under this program, 60 of the 300 new homes will be categorized as affordable housing.

Ms. Ladd stated that Habitat for Humanity is also currently in the process of developing housing for income-certified individuals in Santa Fe. She discussed The Housing Trust, which was founded in 1992 in Santa Fe and operates as a 501(c)(3) nonprofit. The trust assists first-time homebuyers and provides funding for the construction and sale of affordable housing and rental properties.

Tour

Committee members gathered at The Hope Center in downtown Albuquerque and toured St. Martin's Hopeworks.

Adjournment

There being no further business before the committee, the meeting adjourned at 12:35 p.m.