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FISCAL IMPACT REPORT

ORIGINAL DATE 02/17/11

SPONSOR Gutierrez LAST UPDATED _____ HB 441

SHORT TITLE Development Fee “Affordable Housing” Defined SB _____

ANALYST Leger

REVENUE (dollars in thousands)

| Estimated Revenue | | | Recurring or Non-Rec | Fund Affected |
|-------------------|-----------------------------|------|-------------------------|------------------|
| FY11 | FY12 | FY13 | | |
| | *see fiscal implications | | | |

(Parenthesis () Indicate Revenue Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

| | FY11 | FY12 | FY13 | 3 Year Total Cost | Recurring or Non-Rec | Fund Affected |
|--------------|------|-----------------------------|------|----------------------|-------------------------|------------------|
| Total | | *see fiscal implications | | | | |

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Mortgage Finance Authority

Responses Not Received From

New Mexico Association of Counties

New Mexico Municipal League

SUMMARY

Synopsis of Bill

House Bill 441 expands the definition of “affordable housing” in the Development Fees Act, Section 5-8-2 NMSA 1978. The bill also makes minor wording adjustments in paragraphs G, I, and M.

FISCAL IMPLICATIONS

There is no direct revenue or expense to the state for fees collected in conjunction with the Development Fees Act. A city and/or county municipality would have a direct fiscal impact. The fiscal impact cannot be determined with no analysis from the municipalities.

SIGNIFICANT ISSUES

The proposed definition of “affordable housing” in HB 441 would read, “*any housing development built primarily to benefit persons of low or moderate income*”. The bill strikes the wording [those whose income is at or below eighty percent of the area median income and who will pay no more than thirty percent of their gross monthly income towards such housing].

By expanding the definition it becomes consistent with other definitions of affordable housing within New Mexico Statutes. MFA agrees, the alignment in the definitions will allow for a more streamlined approach to development of affordable housing. Those definitions are as follows:

3-45-3 NMSA 1978 – Municipal Housing

“affordable housing” means any housing accommodations that serve the needs of low- and moderate-income persons

6-27-3 NMSA 1978 – Affordable Housing Act

“affordable housing” means residential housing primarily for persons or households of low or moderate income

11-3A-3 NMSA 1978 – Regional Housing Law

“affordable housing” means housing that serves the needs of low- and moderate-income persons

JLL/bym