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FISCAL IMPACT REPORT

SPONSOR Rodriquez/Pinto **ORIGINAL DATE** 1/26/2021
LAST UPDATED _____ **HB** _____
SHORT TITLE New Mexico Housing Trust Fund **SB** 28
ANALYST Leger

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY21	FY22		
	\$12,000.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Senate Bill 27 – Preservation of Housing

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Mortgage Finance Authority (MFA)

SUMMARY

Synopsis of Bill

Senate Bill 28, endorsed by the Mortgage Finance Authority Oversight Committee, appropriates \$12 million from the general fund to the New Mexico Housing Trust Fund for expenditure in FY22 and subsequent years. Any unexpended or unencumbered balance shall not revert to the general fund.

FISCAL IMPLICATIONS

The appropriation of \$12 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.

The LFC 2021 capital outlay framework includes \$3 million for the New Mexico Housing Trust Fund (HTF).

SIGNIFICANT ISSUES

Enacted in 2005, the New Mexico Housing Trust Fund (HTF) was created to provide flexible funding for housing initiatives. Since the creation of the HTF, the state has invested \$22 million to the fund. MFA has grown the fund to \$32.8 million through loan and investment interest. More than \$50.2 million has been awarded to statewide projects. The fund has leveraged \$565 million in other funding resulting in a 25-1 return on investment.

New Mexico Housing Trust Fund Investments Since Inception

	Total Units	Low Income Units	Moderate Income Units	Market Rate Units	Dollars	% of Total	Leverage
Single Family New Construction	314	153	22	139	\$7,900,561	15%	\$52,076,516
Single Family Rehabilitation	30	30	-	-	\$160,679	1%	\$160,679
Multifamily New Construction	1,910	1,742	11	157	\$23,380,899	45%	\$308,991,261
Multifamily Rehabilitation	1,584	1,530	-	54	\$18,776,680	36%	\$204,091,432
MFA Administration	-	-	-	-	\$1,346,428	3%	-
Totals	3,838	3,455	33	350	\$51,565,246	100%	\$565,319,888

Source: MFA

In response to the Covid-19 pandemic, MFA created the Housing Trust Fund Rental Assistance program to provide short-term rental assistance to eligible tenants of income-restricted properties monitored by MFA who are experiencing financial hardship caused by Covid-19. As of October 2020, at least 36 households received assistance worth \$83 thousand.

RELATIONSHIP

Senate Bill 27, Preservation of Housing, that expands the purpose of the New Mexico Housing Trust Fund Act to include home preservation, weatherization, rental and mortgage assistance. The bill expands the awarding of funds to be based on need as determined by the MFA. The development of program guidelines are permitted.

JL/al