

LFC Requester:	Cally Carswell
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**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

and

DFA@STATE.NM.US

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:
Original **Amendment**
Correction **Substitute**

Date 1/23/2024
Bill No: HB 195

Sponsor: Linda Serrato and Meredith Dixon
Short Title: HOUSING FUND & CHANGES

Agency Name and Code Number: New Mexico Mortgage Finance Authority (MFA) 992
Person Writing: Robyn Powell
Phone: 505-767-2271 **Email:** rpowell@housingnm.org

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
NFI	NFI	NFI	NFI

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		
NFI	NFI	NFI	NFI	NFI

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	NFI	NFI	NFI	NFI	NFI	NFI

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
 Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

House Bill 195 changes the name of the Opportunity Enterprise Act to the Opportunity Enterprise Act and Housing Development Act. The bill also amends the Act by expanding the scope of the New Mexico Finance Authority’s (NMFA) duties under the Act to include financing affordable or workforce housing development projects, replaces the state auditor with the executive director of the New Mexico Mortgage Finance Authority (MFA) on the Opportunity Enterprise Review Board, expands the uses of the Opportunity Enterprise Revolving Fund to include housing development assistance and creates the housing development revolving fund.

FISCAL IMPLICATIONS

House Bill 195 does not appropriate funding to the Opportunity Enterprise Revolving Fund or the Housing Development Revolving Fund. Any appropriation to the fund would not impact the state operating budget because NMFA and MFA, as self-supporting quasi-governmental entities, do not rely on the state for operational funding.

While not included within this bill, among the Governor’s budget priorities is \$250 million for the Fund.

SIGNIFICANT ISSUES

Increasing resources available for affordable housing is a key solution to addressing the challenges of New Mexico’s housing opportunity landscape. The high cost of infrastructure is among the barriers to more housing development.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Through the enabling legislation of the Affordable Housing Act (AHA), the New Mexico state constitution permits donations (i.e. funding) for affordable housing initiatives. The AHA defines affordable housing as housing for households at or below 150% area median income. Table 1 shows the income limits for 150% area median income by county. The intention of the exception is to address affordable housing solutions for persons of low or moderate income, including those in the workforce that fall within these income limits. However, the AHA does not explicitly reference or define workforce housing.

To protect public investments, the AHA requires a number of other elements to be incorporated into affordable housing projects that receive public funding. These elements include verifying that the entity receiving the donation meets the AHA definition of a “qualified grantee” and discrete affordability periods. MFA, as the entity responsible for overseeing compliance with the AHA, will be required to ensure that donations made through the Opportunity Enterprise Act satisfy the AHA.

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS

Table 1: 150% Area Median Income (AMI) by County

County	2023 Median Income	150% AMI Income
Bernalillo	\$ 86,500	\$129,750
Catron	\$ 58,100	\$87,150
Chaves	\$ 64,600	\$96,900
Cibola	\$ 65,100	\$97,650
Colfax	\$ 60,500	\$90,750
Curry	\$ 66,000	\$99,000
DeBaca	\$ 74,900	\$112,350
Dona Ana	\$ 59,600	\$89,400
Eddy	\$ 92,000	\$138,000
Grant	\$ 66,700	\$100,050
Guadalupe	\$ 49,800	\$74,700
Harding	\$ 61,700	\$92,550
Hidalgo	\$ 66,300	\$99,450
Lea	\$ 65,200	\$97,800
Lincoln	\$ 68,100	\$102,150
Los Alamos	\$ 168,500	\$252,750
Luna	\$ 52,900	\$79,350
McKinley	\$ 55,800	\$83,700
Mora	\$ 50,000	\$75,000
Otero	\$ 69,300	\$103,950
Quay	\$ 46,100	\$69,150
Rio Arriba	\$ 70,700	\$106,050
Roosevelt	\$ 69,000	\$103,500
Sandoval	\$ 86,500	\$129,750
San Juan	\$ 61,100	\$91,650
San Miguel	\$ 52,800	\$79,200
Santa Fe	\$ 95,600	\$143,400
Sierra	\$ 62,200	\$93,300
Socorro	\$ 56,600	\$84,900
Taos	\$ 71,900	\$107,850
Torrance	\$ 86,500	\$129,750
Union	\$ 54,500	\$81,750
Valencia	\$ 86,500	\$129,750