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AN ACT

RELATING TO HOUSING; LIMITING THE POWER OF REGIONAL HOUSING
AUTHORITIES; EXPANDING REPORTING REQUIREMENTS; TRANSFERRING
BONDING CAPACITIES; AMENDING, REPEALING AND ENACTING SECTIONS
OF THE REGIONAL HOUSING LAW; MAKING AN APPROPRIATION;
DECLARING AN EMERGENCY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 11-3A-3 NMSA 1978 (being Laws 1994,
Chapter 132, Section 3, as amended) is amended to read:

"11-3A-3. DEFINITIONS.--As used in the Regional Housing
Law:

A. "authority" means any regional housing
authority or a nonprofit corporation created by an authority;

B. "bond" means any bond, note, interim
certificate, debenture or other obligation issued by the New
Mexico mortgage finance authority pursuant to the Regional
Housing Law;

C. "federal government" includes the United States
of America, programs of the United States department of
housing and urban development, the farmers home
administration and rural development administration of the
United States department of agriculture or housing programs
or any other agency or instrumentality, corporate or
otherwise, of the United States of America;

1 D. "housing project" means an undertaking of an
2 authority to:

3 (1) demolish, clear or remove buildings from
4 any slum area. The undertaking may embrace the adaptation of
5 the area to public purposes, including parks or other
6 recreational or community purposes; or

7 (2) provide decent, safe and sanitary
8 dwellings, apartments, single-family dwellings or other
9 living accommodations for low-income persons. The
10 undertaking may include buildings, land, equipment,
11 facilities and other real or personal property for necessary,
12 convenient or desirable appurtenances, streets, sewers, water
13 service, parks, site preparation or gardening or
14 administrative, community, health, recreational, welfare or
15 other purposes. "Housing project" also may be applied to the
16 planning of buildings and improvements, acquisition of
17 property or existing structures, demolition of existing
18 structures, construction, reconstruction, alteration and
19 repair of improvements or buildings or any other work
20 performed to complete housing projects;

21 E. "local public body" means any county,
22 municipality, commission, district or other subdivision of
23 the state;

24 F. "low-income person" means any individual,
25 couple or family whose gross income does not exceed eighty

1 percent of the resident's particular county median income and
2 who cannot afford to pay more than thirty percent of gross
3 income for housing rent or mortgage payments or a low-income
4 person as defined by the federal government;

5 G. "obligee" means:

6 (1) a holder of bonds issued pursuant to the
7 Regional Housing Law or a trustee for that bondholder;

8 (2) a lessor leasing to an authority
9 property used in connection with a housing project or any
10 assignee of a lessor's interest or partial interest; or

11 (3) the federal government when it is a
12 party to a contract with an authority in regard to a housing
13 project;

14 H. "real property" includes all lands, including
15 improvements and fixtures on the land, property of any nature
16 appurtenant to or used in connection with the land and every
17 estate, interest and right, legal or equitable, in the land,
18 including terms for years and liens by way of judgment,
19 mortgage or other instrument and the indebtedness secured by
20 the lien; and

21 I. "slum" means any area where dwellings
22 predominate, which by reason of dilapidation, overcrowding,
23 lack of ventilation, light or sanitary facilities or any
24 combination of these factors is detrimental to safety, health
25 or morals."

1 Section 2. Section 11-3A-5 NMSA 1978 (being Laws 1994,
2 Chapter 132, Section 5, as amended) is amended to read:

3 "11-3A-5. JURISDICTION.--A regional authority created
4 by the Regional Housing Law shall operate only within the
5 area of its housing region."

6 Section 3. Section 11-3A-6 NMSA 1978 (being Laws 1994,
7 Chapter 132, Section 6, as amended) is amended to read:

8 "11-3A-6. POWERS OF AUTHORITY IN BOARD OF
9 COMMISSIONERS--APPOINTMENT OF BOARD OF AUTHORITIES--TERMS.--

10 A. The powers of each regional authority shall be
11 vested in its board of commissioners as the board may be
12 constituted, from time to time. The board of commissioners
13 of the authority for each of the seven regions shall consist
14 of seven commissioners who shall be residents of the region
15 for which the authority is created and shall be appointed by
16 the governor. Not more than three commissioners shall be
17 appointed from any one county. Appointments shall be for
18 terms of four years or less and shall be made so that the
19 terms of not more than two commissioners on each board expire
20 on July 1 of each year. Vacancies shall be filled for the
21 unexpired term. Commissioners shall serve until their
22 successors have been appointed.

23 B. The members of the boards of commissioners may
24 receive per diem and mileage as provided in the Per Diem and
25 Mileage Act but shall receive no other compensation,

1 perquisite or allowance. Each board of commissioners shall
2 select a chair and vice chair from among its members. Each
3 board may employ necessary agents and employees and set the
4 salaries of the agents and employees. Each board may
5 delegate to its agents or employees such duties as the board
6 deems proper. A regional planning and development district,
7 created pursuant to the Planning District Act, may provide
8 technical staff for an authority. Four commissioners shall
9 constitute a quorum of a board for the purpose of conducting
10 its business and exercising its powers and for all other
11 purposes. Action may be taken by an authority upon a vote of
12 a majority of the commissioners present. Each board shall
13 organize itself at its annual meeting each even-numbered
14 year. A board may employ an executive director, subject to
15 approval by the New Mexico mortgage finance authority, and
16 technical experts and other officers, attorneys, agents and
17 employees, permanent and temporary, as the authority
18 requires; to determine employee and contractor
19 qualifications, duties and compensation; and to delegate to
20 one or more employees or contractors the powers or duties
21 that the board deems proper.

22 C. The financial affairs of every regional
23 authority and any nonprofit corporation created by an
24 authority shall be thoroughly examined and audited annually
25 by the state auditor, by personnel of the state auditor's

1 office designated by the state auditor or by auditors
2 approved by the state auditor. The audits shall be conducted
3 in accordance with generally accepted auditing standards.
4 Each regional authority shall submit to the state auditor,
5 the department of finance and administration, the New Mexico
6 mortgage finance authority, the Mortgage Finance Authority
7 Act oversight committee and the legislative finance
8 committee, within thirty days following the receipt of the
9 audit by the authority, a copy of the annual audit.

10 D. Upon receipt of the annual audits, the
11 department of finance and administration shall review each
12 regional authority's audit for approval. Upon a finding of
13 nonapproval of an audit by the department of finance and
14 administration, that regional authority's powers as provided
15 in the Regional Housing Law may be suspended by the
16 department until those conditions that resulted in the
17 nonapproval are remedied to the satisfaction of the
18 department of finance and administration.

19 E. Effective October 1, 2007, every regional
20 authority shall submit a quarterly report of its activities
21 to the department of finance and administration, the Mortgage
22 Finance Authority Act oversight committee and the legislative
23 finance committee. Each report shall set forth a complete
24 operating and financial statement covering its operations
25 since the previous report was presented."

1 Section 4. Section 11-3A-7 NMSA 1978 (being Laws 1994,
2 Chapter 132, Section 7, as amended) is amended to read:

3 "11-3A-7. POWERS.--

4 A. Every authority may:

5 (1) within its region, prepare, carry out,
6 acquire, purchase, lease, construct, reconstruct, improve,
7 alter, extend or repair any housing project and operate and
8 maintain the housing project. For any of such purposes, the
9 board of commissioners of the authority may expend money and
10 authorize the use of any property of the authority;

11 (2) lease or rent dwellings, houses,
12 accommodations, lands, buildings, structures or facilities
13 embraced in any housing project and establish and revise the
14 rents or lease charges; own, hold and improve real or
15 personal property; purchase, lease, obtain options upon or
16 acquire by gift, grant, bequest, devise or otherwise any real
17 or personal property or any interest therein; sell, lease,
18 mortgage, exchange, transfer, assign, pledge or dispose of
19 real or personal property or any interest in real or personal
20 property; or procure or agree to the procurement of insurance
21 or guarantees from the federal government of the payment of
22 any bonds or parts thereof, including the power to pay
23 premiums on the insurance;

24 (3) enter on lands, buildings or property
25 for the purpose of making surveys, soundings and examinations

1 in connection with the planning or construction, or both, of
2 a housing project;

3 (4) insure or provide for the insurance of a
4 housing project of the authority against the risks that the
5 authority may deem advisable;

6 (5) arrange or contract for the furnishing
7 by any person or agency, public or private, of services,
8 privileges, works or facilities for or in connection with a
9 housing project or the occupants thereof and include in any
10 construction contract let in connection with a housing
11 project stipulations requiring that the contractor and
12 subcontractors comply with employment requirements, including
13 those in the constitution and laws of this state, as to
14 minimum wages and maximum hours of labor and comply with any
15 conditions that the state or federal government may have
16 attached to its financial aid of the project;

17 (6) within its area of operation,
18 investigate the living, dwelling and housing conditions and
19 the means and methods of improving those conditions;
20 determine where slum areas exist or where there is a shortage
21 of decent, safe and sanitary dwelling accommodations for
22 low-income persons; make studies and recommendations relating
23 to the problem of clearing, replanning and reconstructing
24 slum areas and the problem of providing dwelling
25 accommodations for low-income persons and cooperate with the

1 state or any political subdivision of the state in action
2 taken in connection with the problems identified; and engage
3 in research, studies and experimentation on the subject of
4 housing; and

5 (7) exercise all or any part or combination
6 of powers granted in this subsection.

7 B. To standardize the delivery of affordable
8 housing programs and services in New Mexico, regional
9 authorities within their jurisdictions may:

10 (1) create partnerships between state,
11 federal, city and county governments, nonprofit entities and
12 the private sector that will provide the necessary resources
13 to carry out the planning, financing, development and
14 delivery of affordable housing;

15 (2) assist city or county authorities or
16 housing nonprofit agencies in developing the knowledge,
17 expertise and technical capacity to provide a comprehensive
18 approach to the development and delivery of affordable
19 housing; or

20 (3) provide or secure planning, technical
21 assistance and training that city or county governments and
22 nonprofit entities may need in an effort to enhance the local
23 affordable housing delivery system."

24 Section 5. Section 11-3A-9 NMSA 1978 (being Laws 1994,
25 Chapter 132, Section 9, as amended) is amended to read:

1 "11-3A-9. NONPROFIT CORPORATIONS.--Every authority, in
2 addition to other powers conferred by the Regional Housing
3 Law, shall have, if authorized by resolution of its board and
4 approved by the state board of finance, the power to create
5 nonprofit corporations to carry out the powers and duties set
6 forth in Section 11-3A-7 NMSA 1978. The articles of
7 incorporation and bylaws, and any subsequent changes, shall
8 be approved by the state board of finance and the New Mexico
9 mortgage finance authority. Such nonprofit corporations
10 shall be subject to all of the duties and limitations imposed
11 on the authority and its board of commissioners."

12 Section 6. A new section of the Regional Housing Law is
13 enacted to read:

14 "FINANCIAL AND OPERATIONAL OVERSIGHT.--

15 A. Without the prior approval of the department of
16 finance and administration, no regional authority shall:

17 (1) enter into any contract, memorandum of
18 understanding or other agreement with a value greater than
19 fifty thousand dollars (\$50,000); or

20 (2) transfer, sell or liquidate any real or
21 personal property with a value greater than twenty thousand
22 dollars (\$20,000).

23 B. Not less than thirty days prior to the
24 beginning of its fiscal year, each regional authority and
25 each nonprofit corporation established pursuant to Section

1 11-3A-9 NMSA 1978 shall submit a proposed operating budget
2 for the subsequent fiscal year to the department of finance
3 and administration for approval. A final operating budget
4 shall be submitted by July 1 of each year. On and after
5 July 1, 2007, no authority shall operate pursuant to the
6 Regional Housing Law if its budget has not been approved by
7 the department. All operations of an authority shall be
8 conducted pursuant to the approved operating budget except
9 that:

10 (1) budget adjustments totaling less than
11 five percent of the operating budget may be made with prior
12 notice to the department; and

13 (2) budget adjustments totaling five
14 percent or more of the operating budget may be made with the
15 prior approval of the department.

16 C. Prior to each fiscal year, the New Mexico
17 mortgage finance authority shall conduct a needs assessment
18 of the programs of each regional authority and shall work
19 with and advise each authority on developing a plan to meet
20 the assessed needs and in conjunction with the state housing
21 plan."

22 Section 7. TEMPORARY PROVISIONS.--

23 A. No later than July 1, 2007, each nonprofit
24 corporation exercising a power or performing any act under
25 the Regional Housing Law shall submit its bylaws and articles

1 of incorporation to the New Mexico mortgage finance authority
2 for approval. After September 1, 2007, a nonprofit
3 corporation shall conduct no business under the Regional
4 Housing Law unless its bylaws and articles of incorporation
5 have been approved.

6 B. By September 1, 2007, each executive director
7 of a regional housing authority shall be approved by the New
8 Mexico mortgage finance authority or shall be deemed to have
9 resigned.

10 C. On September 1, 2007, the position of each
11 commissioner of a regional housing authority who has not been
12 appointed or reappointed by the governor after April 1, 2007
13 shall be deemed vacant.

14 D. Notwithstanding any requirement of the
15 Regional Housing Law for the sale of housing projects or
16 units with housing projects for a specific purpose, with the
17 prior approval of the department of finance and
18 administration, a regional housing authority may sell any
19 property held on April 1, 2007 that is not suitable for the
20 purposes of that act.

21 Section 8. APPROPRIATION--ACCOUNTING OF ASSETS.--Two
22 hundred thousand dollars (\$200,000) is appropriated from the
23 general fund to the state auditor for expenditure in fiscal
24 years 2007 and 2008 for the purpose of conducting an
25 accounting of all assets acquired by regional housing

1 authorities pursuant to the Regional Housing Law. No later
2 than December 1, 2007, the results of the accounting shall be
3 presented to the legislative finance committee, the Mortgage
4 Finance Authority Act oversight committee and the department
5 of finance and administration. Any unexpended or
6 unencumbered balance remaining at the end of fiscal year 2008
7 shall revert to the general fund.

8 Section 9. REPEAL.--Sections 11-3A-11, 11-3A-14
9 through 11-3A-18 and 11-3A-27 NMSA 1978 (being Laws 1994,
10 Chapter 132, Sections 11, 14 through 18 and 27, as amended)
11 are repealed.

12 Section 10. EMERGENCY.--It is necessary for the public
13 peace, health and safety that this act take effect
14 immediately. _____

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