



MFA Oversight Regional Housing Authorities

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MFA Legislative Oversight Committee

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Legislative Oversight of Regional Housing Authorities



In the 2009 Legislative Session, the New Mexico state legislature amended the Regional Housing Law 11-3A-29 NMSA 1978, to re-define the activities of the Regional Housing Authorities and mandated that MFA provide oversight of certain activities, to include submission of an Annual Report, relative to their operations and fiscal activities, to the Department of Finance & Administration (DFA), Legislative Oversight Committee (LOC), and the Legislative Finance Committee (LFC).

MFA's Oversight Responsibilities

Review of the RHA's operating budgets

HUD approves RHA's Budgets. MFA staff reviews them but since MFA does not provide any funding to the RHAs, MFA does not have the authority to approve their budgets

Approve any new member(s) of the RHA's Board of Commissioners

The Governor's Office approves new Commissioners through the Boards and Commissions Department

Approve new Executive Directors

MFA does not interview or make any initial decisions for Executive Directors. The Housing Authorities Board of Directors approves new Executive Directors prior to presenting to MFA for Approval

Review reports of the creation/dissolution of nonprofit entities of the RHAs

In order to form a non-profit, Articles of Incorporation must be submitted to the NM Secretary of State

(This is an unfunded mandate)

MFA's Oversight Responsibilities Cont'd

Approval of contracts and MOUs with a value great than \$100,000

HUD approves contracts over \$100,000

- On June 15, 2022, MFA Board approved NRHA's contract with Duke City Builders, LLC and Lowry Consultants, Inc, each with a contract greater than \$100,000.
- Duke City Builders failed to execute the contract and a contract termination was issued.
- On August 17, 2022, MFA Board approved NRHA's contract with Northeastern Construction Company.

MFA's Oversight Responsibilities Cont'd

Approve transfers, sales or liquidations of any real or personal property with a value greater than \$100,000.

RHAs must submit a package of information to the State Board of Finance for approval to sell real property if it is valued over \$25,000.

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- On June 15, 2022, MFA Board approved ERHA's sale of the Woodleaf Apartments located in Hobbs, NM.

MFA's Oversight Responsibilities Cont'd

Review RHA's external financial audits

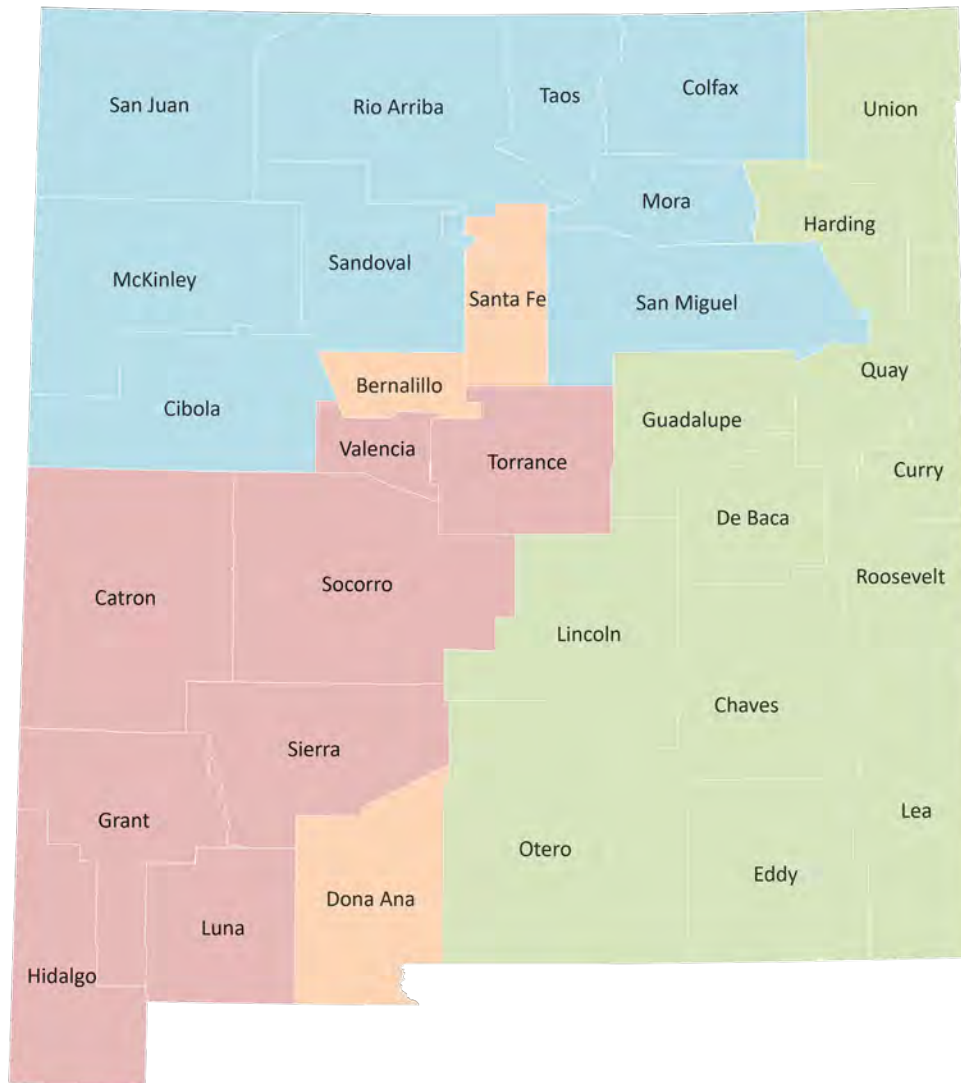
Both the State Auditor and HUD receive the Housing Authorities' external audits

- ERHA received an unmodified opinion on the FYE 6/30/22 audit. There are 2 findings noted in the audit related to the Federal Awards.
- WRHA received an unmodified opinion on the FYE 6/30/22 audit. There are no findings noted in the audit.
- NRHA completed the FYE 6/30/21 audit which is being reported for the 6/30/22 RHA Annual Reporting. The 6/30/22 audit is in process with an estimated completion date of 9/30/23. NRHA received an unmodified opinion with 15 findings. There were 4 material weaknesses, 4 significant deficiencies, 6 non-compliance and 1 material non-compliance identified.

MFA's Oversight Responsibilities Cont'd

Provide an annual report of financial and operational activities and dissemination to DFA, MFA Oversight Committee and the Legislative Oversight Committee

Regional Housing Authorities



Northern Regional
Housing Authority

Eastern Regional Housing
Authority

Western Regional Housing
Authority

Urban

Regional Housing Authorities

Regional Housing Authority	Low-Rent Units	Section 8 Vouchers	Consolidations to Date	HUD's Rating
Eastern Regional Housing Authority (ERHA) Office located in Roswell	402	2,088	<u>Consolidations Include</u> Alamogordo 11/05 (Consolidation of Section 8 Program only) Region IV 07/09 Vaughn 07/10 Eunice 10/14 Lovington 01/16 Artesia 01/20 Tucumcari 01/21	High Performer Last scored in 2019
Western Regional Housing Authority (WRHA) Office located in Silver City	154	911	<u>Consolidated Include</u> Lordsburg 07/20	High Performer Last scored in 2019
Northern Regional Housing Authority (NRHA) Office located in Taos	643	561	<u>Consolidations Include</u> Taos 08/14 Cimarron 07/16 Grants 01/17 Las Vegas 01/21 Raton 01/21 (Maxwell Consolidated with Raton in April 2018)	Troubled Last scored in 2019
TOTAL	1199	3,560		

Eastern Regional Housing Authority Region

Public Housing Authority	Low-Rent Units	Section 8 Vouchers
Alamogordo	221	0
Clayton	50	0
Clovis	131	608
Fort Sumner	47	0
<i>TOTAL</i>	<i>449</i>	<i>608</i>

Western Regional Housing Authority Region

Public Housing Authority	Low-Rent Units	Section 8 Vouchers
Bayard	70	0
El Camino Real	0	591
Santa Clara	32	0
T or C	100	190
<i>TOTAL</i>	<i>202</i>	<i>781</i>

Northern Regional Housing Authority Region

Public Housing Authority	Low-Rent Units	Section 8 Vouchers
Chama	38	0
Cuba	28	0
Gallup	263	63
Pecos	31	0
Rio Arriba	53	25
San Juan	0	372
San Miguel	0	177
Springer	56	0
Wagon Mound	19	0
TOTAL	488	637

HUD vs. MFA Responsibilities



HUD



MFA

- Funds all Housing Authorities
- Approves Operational Activities
- Conducts all Monitoring Activities

- Oversight of Regional Housing Authorities

Remaining Consolidation Benefits

There are still 17 Housing Authorities that could be consolidated into a Regional Housing Authority. Benefits of these consolidations include:

- ✓ Minimizes financial burden of HUD's operational oversight
- ✓ Ensures the consistency and integrity of the program operations and regulations by allowing for more direct (Regional) oversight
- ✓ Maximizes return on training and operational dollars
- ✓ Reporting requirements are the same whether there is 1 unit or 1,000 units
- ✓ One audit for the Consolidated Housing Authorities
- ✓ For smaller agencies there may not be enough money to employ key staff

Annual Report Update

- MFA has provided the annual report to MFA's Board on July 19, 2023.
- Upon MFA Board of Director's approval, the annual report and external audits have been distributed to:
 - Department of Finance and Administration
 - Legislative Finance Committee
 - Legislative Oversight Committee



Comments/Questions