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## FISCAL IMPACT REPORT

ORIGINAL DATE 2/5/2020

SPONSOR Ingle LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Affordable Housing Act Oversight Duties SB 152

ANALYST Leger

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY20	FY21		
	\$250.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

New Mexico Mortgage Finance Authority (MFA)

### SUMMARY

#### Synopsis of Bill

Senate Bill 152 appropriates \$250 thousand from the general fund to the Department of Finance and Administration for expenditure by the New Mexico Mortgage Finance Authority (MFA) for operational funds to oversee the Affordable Housing Act.

### FISCAL IMPLICATIONS

The appropriation of \$250 thousand contained in this bill is a recurring expense to the general fund for expenditure in FY21 and subsequent fiscal years and shall not revert to the general fund.

MFA was appropriated \$250 thousand in “junior appropriations” during the 2019 session.

### SIGNIFICANT ISSUES

MFA reports, the Affordable Housing Act (the Act) was signed into law in 2004. The Affordable Housing Act is pivotal in addressing housing needs of cost-burdened households while also advancing structural rehabilitation and preservation initiatives. Like the Local Economic Development Act (LEDA), it is an exemption to the state’s anti-donation clause. It permits the state and local governments to contribute public funds, land, buildings and other resources to create and preserve affordable housing.

MFA is charged with rulemaking authority and oversight of the Act but receives no funds for these purposes. The Act rules identify specific requirements to ensure governmental entities donate resources to qualifying grantees and to ensure long-term affordability. The rules also include provisions for adequate security against the loss of public funds or property. As a result of its oversight, MFA has assisted 34 local governments in adopting an affordable housing ordinances and 37 local governments in creating affordable housing plans. These local governments have donated land and resources totaling more than \$56 million for affordable housing as of January 2019.

**PERFORMANCE IMPLICATIONS**

Within nine months of receiving the “junior appropriation” funding, MFA drafted and issued a Notice of Funding Availability, reviewed applications, and made awards to local government for creating or updating affordable housing plans.

JLL/al