

LFC Requester:**Julisa Rodriguez****AGENCY BILL ANALYSIS - 2025 REGULAR SESSION****WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO****AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov****(Analysis must be uploaded as a PDF)****SECTION I: GENERAL INFORMATION***{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}***Date Prepared:** 1/30/2025*Check all that apply:***Bill Number:** HB 135Original Correction Amendment Substitute

Sponsor: Kristina Ortez and Antoinette Sedillo Lopez

Short Title: Housing Study Requirement for LEDA Funds

Agency Name and Code**Number:** NMFA (385)**Person Writing** Michael Vonderheide**Phone:** 505-992-9653 **Email** mvonderheide@nmfa.net**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
None	None	N/A	N/A

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
None	None	None	N/A	N/A

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	NFI	NFI	NFI	NFI	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

SECTION III: NARRATIVE
BILL SUMMARY

House Bill 135 amends the Local Economic Development Act (“LEDA”) by requiring a qualifying entity to conduct a housing study prior to submitting an application for public support of the qualifying entity’s economic development project, adds a definition of housing study, and amends application and review requirements for applications for public support.

House Bill 135 relates to the Economic Development Department, economic development plans, and economic development projects which means the project of a qualifying entity for which public support may be provided pursuant to LEDA.

SIGNIFICANT ISSUES

LEDA provides that every local or regional government seeking to pursue economic development projects shall adopt an economic development plan or comprehensive plan that includes an economic development component.

House Bill 135 adds a provision to LEDA that economic development plans or ordinances adopting the plan shall include a requirement that a qualifying entity shall conduct a housing study of the counties and municipalities to be affected by the implementation of the proposed economic development project prior to submitting an application for public support of the qualifying entity's economic development project; provided that the qualifying entity conducting the housing study shall not solely rely on a cost burden analysis.

House Bill 135 further provides that economic development plans or ordinances adopting the plan shall include the housing study requirement and that applications for public support shall include the findings of the housing study. The bill defines “housing study” as a multivariable estimate of housing demand created by new employment, including new full-time economic base jobs, expected to occur as a result of implementation of an economic development project.

ADMINISTRATIVE IMPLICATIONS

The New Mexico Finance Authority (“NMFA”) administers the Local Government Planning Fund (“LGPF”) pursuant to the provisions of Section 6-21-6.4 NMSA 1978 as amended, for the purpose of funding local government and other qualified entities’ planning documents for infrastructure, water and wastewater public project development, water conservation plans, long-term master plans, economic development plans, affordable housing plans, energy audits, flood inundation maps, or to obtain archaeological clearances.

NMFA makes LGPF grants to eligible entities capped at \$100,000 per planning document and \$100,000 per entity in a two-year period. The LGPF funds economic development plans and defines such plans as necessary to implement a planning grant qualified entity’s LEDA ordinance as provided in Sections 5-10-1 to 5-10-13, NMSA 1978. Economic development plans funded by the LGPF are reviewed and approved by the Economic Development Department (“EDD”) and NMFA works in cooperation with EDD in determining the sufficiency or adequacy of an LGPF applicant and/or application, as well as in evaluating the completed planning document.

Should content requirements for economic development plans or ordinances adopting the plans change pursuant to House Bill 135, NMFA would continue to work closely with EDD to ensure that economic development plans funded by the LGPF meet all LEDA requirements prior to approval.