

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

SECTION III: NARRATIVE

BILL SUMMARY

House Bill 571 directs the Department of Finance and Administration to create a program that awards certificates to municipalities that adopt or establish one or more department-approved strategies to increase housing affordability and accessibility. The certificate would designate the municipality as a “building New Mexico community.”

The Department would be tasked with promulgating rules for feasible and effective strategies, which must recognize the following:

- the difference in needs and strategies between urban and rural jurisdictions;
- best practices implemented in New Mexico and used by other local and state governments;
- land use and zoning policies that can promote or act as a barrier to the development of affordable and accessible housing;
- strategies that support the development and rehabilitation of housing;
- strategies that reduce the complexity of jurisdictional review;
- strategies that reduce the cost of construction;
- strategies that increase the types of housing units permitted across jurisdictional boundaries.

FISCAL IMPLICATIONS

House Bill does not appropriate any funds or generate any revenue. It can be assumed that the proposed increase in responsibilities to the Department of Finance and Administration would result in increased operating costs to the State.

SIGNIFICANT ISSUES

Tasking the Department of Finance and Administration with reviewing municipal housing policies and strategies to some degree overlaps with the planning requirements included in the Affordable Housing Act, and local governments with approved housing plans and ordinances could potentially use them as a starting point to obtain a certificate.

The New Mexico State Legislature created the Affordable Housing Act (2004)- or the Act- as an exception to the anti-donation clause in the New Mexico Constitution to allow local governments and other political subdivisions to put resources towards affordable housing acquisition, development, financing, maintenance and operation. Essentially the Act permits public-private partnerships for affordable housing activities. The Act designates the New Mexico Mortgage Finance Authority (Housing New Mexico | MFA) with overseeing compliance with the Act.

In order for local governments to make donations under the Act, the municipality or county is required to have a Housing New Mexico | MFA approved Affordable Housing Plan and Ordinance. The Act stipulates that the Affordable Housing Plan must address the following elements:

- General Analysis of land use parcels including zoning, size and existing use, environmental constraints, availability of infrastructure.
- Evaluation of suitability, availability and realistic development capacity of developable sites, including appropriate zoning for special needs housing, such as multi-family rental, mobile homes, transitional and homeless shelters.
- Identification of constraints, such as land use controls, codes and enforcement, fees and exactions, processing and permit procedures, on/off site improvements, reasonable accommodation, availability of financing, land availability and prices, construction costs, local capacity to assist, finance and manage construction, provide housing support services and administer housing funds and programs.
- Minimum density calculations targeted to affordable housing populations.
- An estimate of the number and % of unit increases, by income levels, to be constructed, rehabilitated or conserved in a set period of time.
- Identification of needed programs and agencies responsible for constructing new housing stock, improving existing housing stock, promoting access and equal opportunity to affordable housing, and increasing capacity of residents to lower their housing cost burden, build long term equity, stabilize their housing situations through home-buyer training, rental vouchers, assistance to people with disabilities, and other capacity assistance.
- Plans to promote potential regulatory concessions and incentives for removing or mitigating government and non-government constraints to development, rehabilitation or conservation of affordable housing.
- Identification of potential sources of federal, state and local financing and subsidies to support affordable housing.
- Thorough consideration of related issues, such as public participation, job/housing mix, consistency with existing planning and land use policy, protection of ecological resources, promotion of efficient development patterns and green building.

Currently, there are 39 local governments (municipalities and counties) that have compliant housing plans and ordinances.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS