

|                       |                    |
|-----------------------|--------------------|
| <b>LFC Requester:</b> | <b>Emily Hilla</b> |
|-----------------------|--------------------|

**AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO**

**[AgencyAnalysis.nmlegis.gov](http://AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto: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:** 1/31/2025 *Check all that apply:*  
**Bill Number:** SB 205 Original  Correction   
 Amendment  Substitute

**Sponsor:** Michael Padilla  
 Cindy Nava  
 Meredith A. Dixon  
 Roberto "Bobby" J. Gonzales  
**Short Title:** STATE OFFICE OF HOUSING  
 PLANNING & PRODUCTIONS

**Agency Name and Code:** 992 – New Mexico Mortgage Finance Authority  
**Number:** (Housing New Mexico | MFA)  
**Person Writing:** Robyn Powell  
**Phone:** 505-767-2271 **Email:** [rpowell@housingnm.org](mailto:rpowell@housingnm.org)

**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

| Appropriation |      | Recurring or Nonrecurring | Fund Affected |
|---------------|------|---------------------------|---------------|
| FY25          | FY26 |                           |               |
| NA            | NA   | NA                        | NA            |
|               |      |                           |               |

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

| Estimated Revenue |      |      | Recurring or Nonrecurring | Fund Affected |
|-------------------|------|------|---------------------------|---------------|
| FY25              | FY26 | FY27 |                           |               |
| NA                | NA   | NA   | NA                        | NA            |
|                   |      |      |                           |               |

(Parenthesis ( ) indicate revenue decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

|              | FY25    | FY26    | FY27    | 3 Year Total Cost | Recurring or Nonrecurring | Fund Affected |
|--------------|---------|---------|---------|-------------------|---------------------------|---------------|
| <b>Total</b> | \$2,000 | \$2,060 | \$2,122 | \$6,182           | Recurring                 | General       |

(Parenthesis ( ) Indicate Expenditure Decreases)

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

### **SECTION III: NARRATIVE**

#### **BILL SUMMARY**

SB 205 creates an “Office of Housing Planning and Production” that would be administratively attached to the Department of Finance and Administration, with the following purposes:

- Reducing housing costs and increasing statewide housing availability,
- Growing local programs and capacity to address housing needs and further Fair Housing,
- Identifying state resources for housing, and
- Tracking housing progress through goal setting and data.

Generally, the Office of Housing will be tasked with:

- Developing a statewide housing strategy to address housing and homelessness issues in partnership with state agencies and local stakeholders.
- Facilitating capacity building and resource coordination with a variety of public and private entities to promote housing development and programs.
- Analyzing regulatory frameworks surrounding land use and zoning, building codes, permitting and inspection processes, and utility and road connections, as well as construction costs associated with workforce shortages and supply chain constraints.
- Collecting and reporting housing and land use data and outcomes at least annually to the Legislative Finance Committee,
- Collecting and reporting data at least annually to the Legislative Finance Committee that describe and monitor the housing markets in regions of the state and statewide and establish housing production goals across income levels.
- Additionally, the bill states that the Office will perform nonduplicative duties assigned by the governor or the legislature.

Finally, the bill declares an emergency that would make the legislation effective immediately upon its passage.

#### **FISCAL IMPLICATIONS**

While SB 205 does not appropriate funding, House Bill 2 includes \$2 million to support the Office of Housing Planning and Production operations, a cost that would be recurring to the state. The “Estimated Additional Operating Budget Impact” shows this amount increasing each subsequent year by 3%, to account for inflation.

Additionally, House Bill 2 includes a \$50 million appropriation for homelessness services and initiatives and \$50 million for housing development, to be administered through the Office of Housing Planning and Production.

#### **SIGNIFICANT ISSUES**

Housing security and opportunity, across the continuum of need from homelessness to market rate homeownership, has significantly worsened over the last five years. New Mexico’s homeless population increased by 51% from 2018 to 2023 (the most recent year for which HUD Point in Time Count data is available). Average rent in the state increased by 27% from 2020 to 2025 (based on estimates from rentdata.org). Average home sale prices increased by 30% from 2020

to 2024 (based on data from the New Mexico Association of Realtors). Meanwhile, gains in median household income have not kept pace. Chief among the factors contributing to current conditions is a lack of supply, for both rental and homeownership housing. Construction has lagged since the 2000s economic downturn and has not recovered to meet demand. More recently, barriers to affordability are price increases of materials, labor shortages, and lengthy entitlement processes in some jurisdictions across the state.

The purpose of the Office is to reduce housing costs by addressing the underlying factors impacting housing costs, among other duties. If successful in meeting its purpose, the state should see a decrease in regulatory barriers and an increase in supply, thus stabilizing costs across the spectrum of affordable and market rate housing.

## **PERFORMANCE IMPLICATIONS**

### **ADMINISTRATIVE IMPLICATIONS**

None to Housing New Mexico | MFA. The administrative implication will be to the Department of Finance and Administration with the addition of 14 job titles and at least two new programs as described in the Executive Budget FY26.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

SB 190 amends the Healthcare Authority Act by proposing to incorporate a homelessness reduction division. The bill includes several data collection and coordination activities that are related to those proposed in SB 205.

## **TECHNICAL ISSUES**

Through the Affordable Housing Act (AHA), the New Mexico state constitution permits donations (i.e. funding) for affordable housing initiatives. Per the AHA, state funds used for affordable housing will be subject to the AHA. The AHA tasks Housing New Mexico | MFA with overseeing and monitoring the implementation of the AHA.

## **OTHER SUBSTANTIVE ISSUES**

## **ALTERNATIVES**

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

## **AMENDMENTS**