

<b>LFC Requester:</b>	<b>Jeannae Leger</b>
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**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:** 2/18/2025 *Check all that apply:*  
**Bill Number:** SB 422 Original  Correction   
 Amendment  Substitute

<b>Sponsor:</b> <u>Micaelita Debbie O'Malley</u>	<b>Agency Name and Code:</b> 992 – New Mexico Mortgage Finance Authority
<b>Short Title:</b> <u>Mimi Stewart</u>	<b>Number:</b> (Housing New Mexico   MFA)
<b>Title:</b> <u>AFFORDABLE HOUSING ORGANIZATION SUPPORT</u>	<b>Person Writing:</b> <u>Robyn Powell</u>
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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
\$5,000		Non-recurring	General Fund

(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>	NA	NA	NA	NA	NA	NA

(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**

Senate Bill 422 appropriates \$5,000,000 to DFA for the New Mexico Mortgage Finance Authority (Housing New Mexico | MFA) to provide operational funding and technical assistance grants to nonprofit organizations that provide affordable housing, homelessness services or transitional housing.

#### **FISCAL IMPLICATIONS**

Senate Bill 422 appropriates \$5,000,000 to DFA for the New Mexico Mortgage Finance Authority (Housing New Mexico | MFA) for expenditure in fiscal years 2026 through 2030. This appropriation would not have an impact on the state operating budget.

#### **SIGNIFICANT ISSUES**

- Funding for affordable housing nonprofit organizations, particularly those providing homelessness and homelessness prevention services is limited.
- Annually, Housing New Mexico administers about \$1.2 million in federal funds through the Emergency Homelessness Assistance Program (EHAP) for shelters service and operations, including to support federal data collection requirements. Additionally, each year the State provides \$1,215,750 in State Homeless Funds, and \$50,000 from the health and Human Services Department as supplemental funding for this purpose.
- Other federal funding for shelter operations includes the Continuum of Care (CoC) funding, which the New Mexico Coalition to End Homelessness administers. This annual appropriation is approximately \$16.3 million. Housing New Mexico provides \$460,000 in matching funding for this program. CoC funding may be used for operational expenses, salaries, insurance, client transportation, supportive services, rental assistance, transitional housing, permanent supportive housing and rental assistance for those that are experiencing homelessness to find permanent housing.
- Across these funding sources, there is approximately \$19.2 million in federal and state funding, spread across more than 30 non-profit service providers, for homeless shelter activities and operations.
- The need for operations funding far exceeds the available resources. The proposed appropriation would strengthen the non-profit service providers that provide direct services to some of the states most vulnerable residents. With federal funding increasingly unreliable, this appropriation would help ensure that these organizations can keep their doors open to serving New Mexicans in need.

#### **PERFORMANCE IMPLICATIONS**

As New Mexico's primary administrator of funding for affordable housing, Housing New Mexico has the capacity to impactfully deploy the appropriation to non-profit service providers.

#### **ADMINISTRATIVE IMPLICATIONS**

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

**TECHNICAL ISSUES**

**OTHER SUBSTANTIVE ISSUES**

**ALTERNATIVES**

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

**AMENDMENTS**