

**MINUTES  
of the  
THIRD MEETING  
of the  
MORTGAGE FINANCE AUTHORITY ACT OVERSIGHT COMMITTEE**

**September 12, 2019  
Homewise Albuquerque Homeownership Center  
500 2nd Street SW  
Albuquerque**

The third meeting of the Mortgage Finance Authority Act Oversight Committee was called to order by Representative Eliseo Lee Alcon, chair, on Thursday, September 12, 2019, at 1:35 p.m. at the Homewise Albuquerque Homeownership Center in Albuquerque.

**Present**

Rep. Eliseo Lee Alcon, Chair  
Sen. Nancy Rodriguez, Vice Chair  
Sen. Gregory A. Baca  
Rep. Alonzo Baldonado  
Rep. Rod Montoya  
Sen. Michael Padilla

**Absent**

Sen. Stuart Ingle  
Rep. Andrea Romero

**Advisory Members**

Rep. Kelly K. Fajardo  
Rep. Roberto "Bobby" J. Gonzales  
Rep. Javier Martínez  
Sen. Richard C. Martinez

Rep. Rachel A. Black  
Rep. Georgene Louis  
Sen. Gerald Ortiz y Pino  
Sen. Sander Rue  
Rep. Sheryl Williams Stapleton

**Staff**

Anthony Montoya, Staff Attorney, Legislative Council Service (LCS)  
Tabitha Enriquez, Research Intern, LCS

**Guests**

The guest list is in the meeting file.

**Handouts**

Handouts and other written testimony are in the meeting file.

**Thursday, September 12**

**Welcome and Introductions**

Representative Alcon welcomed members, staff and guests. Committee members and staff introduced themselves.

## **Welcome and Update**

The chair recognized Jay Czar, executive director, New Mexico Mortgage Finance Authority (MFA). Mr. Czar reminded the committee that the MFA would be holding an annual open house event after the committee meeting and invited members and staff to attend.

Mr. Czar stated that since the last meeting, MFA staff attended a housing leaders roundtable with Congresswoman Debra A. Haaland. He stated that all of the members of the state's congressional delegation support the idea of addressing the state's housing needs. Mr. Czar also offered a brief overview of Nuevo Atrisco, which he stated will be a world-class housing development.

Mr. Czar said that he plans to retire soon and stated that Governor Michelle Lujan Grisham has begun vetting candidates to fill the position of executive director. He explained that he will stay on as executive director until a replacement has been found. Members of the committee offered their gratitude to Mr. Czar for his many years of service.

## **Affordable Housing Act (AHA) Update**

Rebecca Velarde, director of policy and planning, MFA, provided an overview of the AHA, which was created in 2004 to permit local governments to donate resources to create and maintain affordable housing in their communities. She explained that the MFA collaborates with local governments to foster the development of affordable housing.

Laura Chavez, community liaison, MFA, explained that eligible donors under the AHA include the state, counties, municipalities and school districts and that eligible donations include funding for land, housing construction and infrastructure. Ms. Chavez provided the committee with a listing of the municipalities that currently have affordable housing plans or relevant ordinances.

Kathryn Turner, tax credit program manager, MFA, discussed low-income housing tax credits. She stated that local government contributions have a substantial effect on the provision of affordable housing. She then provided the committee with an update on the Siler Yard development, which is an affordable housing project in Santa Fe.

Questions and comments from the committee addressed the following:

- once land is donated under the AHA, it is transferred to a rental development entity, which then owns the land under the agreement that the land be used for affordable housing;
- a university is considered an eligible donor under the AHA; and
- the Siler Yard development is located within an opportunity zone.

## **State Tax Credit Program and Charitable Trust**

Shawn Colbert, director of housing development, MFA, introduced Patty Balderrama, program coordinator, MFA.

Ms. Balderrama began her presentation with an overview of the affordable housing tax credit and the New Mexico Affordable Housing Charitable Trust. She stated that the tax credits are provided to individuals and businesses for eligible donations to affordable housing projects approved by the MFA, adding that the state tax credit can equal up to 50% of the value of the donation and that an individual can also apply for tax credits at the federal level.

Ms. Balderrama explained that for fiscal year 2019, \$4,694,686 is available in funding to provide tax credits. She explained the process for eligible project applicants to apply for tax credits and subsequently solicit donations and have the tax credits approved. She stated that the tax credits are used by several entities that regularly partner with the MFA, including Habitat for Humanity, Homewise and certain housing authorities.

Questions and comments from the committee addressed the following:

- the available funding limit for tax credits has not yet been reached in any previous fiscal year; there is available funding for interested eligible project applicants;
- affordability is determined by the median household income in the local area; and
- tax credit appraisals are performed according to the current market valuation at the time of the donation.

## **Homelessness and Supportive Housing Programs**

Rose Baca-Quesada, director of community development, MFA, and Hank Hughes, executive director, New Mexico Coalition to End Homelessness, addressed the committee on certain community development programs related to supportive housing.

Mr. Hughes stated that there are over 12,000 individuals who have sought assistance for homelessness from a governmental program in 2018. He stated that it is estimated that between 15,000 and 20,000 people experience homelessness in New Mexico each year. Mr. Hughes discussed an upcoming youth homelessness program that uses federal and state money to provide transitional and rapid rehousing to youth in northern New Mexico. He stated that this program will begin in the fall and that there are plans to expand the program to the entire state.

Ms. Baca-Quesada provided an overview of various homelessness programs, including the Emergency Homeless Assistance Program (EHAP); the Rental Assistance Program (RAP); the Continuum of Care Program (CoC); and the Linkages Program. She stated that the EHAP funds homeless and domestic violence shelters but that the goal is to assist individuals in finding safe, permanent housing. She explained that the RAP uses state and federal money to prevent homelessness by providing assistance with rent and utility payments and also provides for rapid rehousing by assisting with application fees, security deposits and utility deposits. Ms. Baca-

Quesada explained that the CoC awards funding to agencies that provide for homelessness prevention and supportive services for individuals in need and that this funding may be used to hire staff, provide for shelter maintenance and provide supportive services and housing assistance. She stated that the Linkages Program provides additional supportive services and subsidies to eligible individuals, noting that this program is overseen by the MFA and the Behavioral Health Services Division of the Human Services Department. Ms. Baca-Quesada provided maps that illustrate where each of these programs provide services across the state.

Mr. Hughes then provided the committee with the estimated funding needed to provide homeless prevention and supportive services to the state. He explained the need for both permanent and transitional housing.

Questions and comments from the committee addressed the following:

- the New Mexico Coalition to End Homelessness is currently coordinating with the City of Espanola to build or convert an existing building into a homeless shelter;
- certain programs provide rental assistance in the form of vouchers; it is up to landlords to decide whether to accept these vouchers; and
- neither the MFA nor the New Mexico Coalition to End Homelessness is involved in creating or funding "tiny homes".

At the conclusion of the presentation, Mr. Czar explained that Ms. Baca-Quesada would be retiring. Committee members thanked Ms. Baca-Quesada for a long career serving the people and communities of New Mexico.

### **Veterans Rehabilitation Program**

The committee then welcomed Isidoro "Izzy" Hernandez, deputy director of programs, MFA, and Troy Cucchiara, green initiative manager, MFA. Mr. Hernandez discussed funding received from the legislature during the last session and stated that the MFA has received \$177,500 from the state and \$322,500 from service providers and internal funding. He said that the MFA will receive matching funds on this money to provide for home rehabilitation to certain low-income veterans.

Mr. Cucchiara discussed the requirements for individuals to receive funding through the Veterans Rehabilitation Program, including proof of current service or honorable discharge from the military, residence at the applicable home, intent to remain in the home for five years and income. Funding may be used to provide for accessibility modifications, energy efficiency, roof repairs and other needed maintenance, he said.

Mr. Hernandez explained that the current funding will provide rehabilitation services to approximately 169 veterans. The MFA intends to continue seeking funding sources and will be seeking an appropriation from the state in the coming year, he said.

**Approval of Minutes**

Upon a motion made and seconded, and without any objections, the committee approved the minutes of the July 30, 2019 meeting.

**Adjournment**

There being no further business before the committee, the meeting adjourned at 3:40 p.m.