

used to finance in whole or in part any loan or grant projects that will provide affordable housing. Furthermore, money from the fund may be used to reimburse actual expense incurred in administering the fund in an amount not to exceed five percent of total funds disbursed from the fund. This revolving loan fund is administered by the MFA. Provisions in the New Mexico Housing Trust Fund Act allows for administrative operating costs by the MFA.

Since 2005, the MFA reports that appropriations totaling \$18.7 million for the housing trust fund have been used to construct or rehabilitate over 3,200 housing units in 51 housing projects; leveraged \$459.1 million in other funding sources representing a 24 to 1 return on the state's investment. The housing trust fund has also received \$18.7 million in loan repayments and interest.

SIGNIFICANT ISSUES

The MFA estimates 500 affordable housing units will be financed with the \$5 million appropriation outlined in this bill. Pursuant to the Act, the housing trust fund advisory committee reviews all project applications and makes recommendations for funding consideration by the board of directors of the MFA. The MFA reports annually on the activity of the advisory committee and the housing trust fund on an annual basis to the Mortgage Finance Authority Act oversight committee.

Additionally, the MFA notes that based on the National Association of Home Builders economic model, 5,774 jobs have been supported and \$422.5 million in local income has been generated as a result of the housing trust fund construction activity.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The MFA notes approximately 500 units of affordable housing will not be built or rehabilitated.

JMA/jle