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FISCAL IMPACT REPORT

SPONSOR Papen ORIGINAL DATE 1/24/2020
LAST UPDATED _____ HB _____
SHORT TITLE Oversight of the Regional Housing Authorities SB 43
ANALYST Hawker

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY20	FY21		
	\$300.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Mortgage Finance Authority (MFA)

SUMMARY

Synopsis of Bill

Senate Bill 43, endorsed by the Mortgage Finance Authority Act Oversight Committee, appropriates \$300 thousand from the general fund to the Department of Finance and Administration for expenditure in fiscal year 2021 and subsequent fiscal years for the purpose of funding the oversight of the regional housing authorities by the New Mexico Mortgage Finance Authority. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.

FISCAL IMPLICATIONS

The appropriation of \$300 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.

SIGNIFICANT ISSUES

MFA is a governmental instrumentality created in 1975 to assist with financing the acquisition, construction, rehabilitation and improvement of residential housing for New Mexico low- and moderate-income families. It is responsible for the oversight of New Mexico's regional housing

authorities (RHAs). RHAs are responsible for creating partnerships with local governments, state entities, nonprofit organizations and the private sector to plan, finance and create affordable housing. RHAs also operate federal programs such as Section 8 or Housing Choice Voucher Program and the Low Rent Program (public housing). These programs provide rental assistance and subsidized rentals for households with incomes that earn 80 percent or less of the area median income.

MFA provides training and technical assistance to the RHAs. MFA does not receive recurring funding for its oversight of the RHAs. Per the MFA due to its oversight and capacity building efforts, the RHAs continue to successfully administer Section 8 vouchers and public housing in rural areas, have consolidated with smaller public housing authorities, and have added new programs and housing development capacity.

VKH/al