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FISCAL IMPACT REPORT

SPONSOR Gonzales, R. LAST UPDATED _____
ORIGINAL DATE 1/30/2025
BILL
SHORT TITLE Affordable Housing Act Funding NUMBER Senate Bill 144
ANALYST Leger

APPROPRIATION* (dollars in thousands)

FY25	FY26	Recurring or Nonrecurring	Fund Affected
	\$500.0	Nonrecurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From

New Mexico Mortgage Finance Authority (MFA)

SUMMARY

Synopsis of Senate Bill 144

Senate Bill 144 appropriates \$500 thousand from the general fund to the Department of Finance and Administration for expenditure by the New Mexico Mortgage Finance Authority (MFA) to carry out the purposes of the Affordable Housing Act for FY26.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

FISCAL IMPLICATIONS

The appropriation of \$500 thousand contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY26 shall not revert to the general fund.

SIGNIFICANT ISSUES

Enacted in 2004, the Affordable Housing Act (AHA) allows local governments to donate resources to create and maintain affordable housing in their communities. With an approved affordable housing plan and a local or county ordinance in place, communities can donate or make contributions towards the acquisition, development, financing, operation, and maintenance

of affordable housing; donations are exempt from the Anti-Donation Act. In the AHA, MFA is charged with rulemaking authority and oversight but receives no funds for these purposes.

According to MFA the appropriation will enable them to 1) oversee the Affordable Housing Act, including review and approval of plans and ordinances, 2) provide direct technical assistance to local governments in the drafting of affordable housing plans and affordable housing ordinances, and 3) offer planning and implementation grants to local governments on an as-needed basis. The funding could be leveraged with planning grant funding offered through MFA.

Furthermore, MFA reports the priority for this funding is to help local governments, municipalities, and jurisdictions implement approved housing plans and ordinances, paving the way for communities to increase housing stock and deploy housing solutions that meet local needs while leveraging local resources. Since the passage of the AHA, MFA has helped 39 local governments create affordable housing plans and ordinances. These local governments have donated land and resources totaling \$117.8 million for affordable housing to date.

ADMINISTRATIVE IMPLICATIONS

In 2019, MFA received \$250 thousand for the same purpose and was able to help nine local governments achieve AHA compliance. MFA currently employs one FTE for AHA oversight.

JL/rl/hj