AN ACT

RELATING TO HOUSING; AMENDING THE MUNICIPAL HOUSING LAW BY CLARIFYING PROVISIONS AND DEFINITIONS AND PROVIDING OPTIONS FOR THE APPOINTMENT OF COMMISSIONERS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 3-45-3 NMSA 1978 (being Laws 1965, Chapter 300, Section 14-46-3, as amended) is amended to read:

"3-45-3. DEFINITIONS.--The following terms, wherever used or referred to in the Municipal Housing Law, shall have the following respective meanings:

- A. "city" means any municipality and, unless the context otherwise clearly indicates, any county. "The city" means the particular city or county for which a particular housing authority is created. "County" means any county;
- B. "governing body" means, in the case of a city, the council or board of commissioners and, in the case of other state public bodies, the council, commissioners, board or other body having charge of the fiscal affairs of the state public body;
- C. "mayor" means the mayor of the city or the officer charged with the duties customarily imposed on the mayor or executive head of a city. In the case of a county, the term "mayor" means the board of county commissioners;
- D. "clerk" means the city recorder, the county clerk or the officer charged with the duties customarily imposed on the clerk;
- E. "area of operation" includes all of the city or, in the case of a county, includes all of the county, except the area shall not include any area that lies within

the boundaries of any city that has an established housing authority or housing agency without the consent of the city. Upon approval by the governing bodies of the cities involved, the area of operation of one city pursuant to the Municipal Housing Law may be enlarged to include the area within the boundaries of any other city. Any subsequent withdrawal of consent of a city for operation within its boundaries by another city shall not prohibit the development and operation of any housing projects initiated in the city by another city prior to the date of withdrawal;

- F. "authority" or "housing authority" means any agency or other instrumentality of a city or a separate public body politic and corporate created pursuant to the Municipal Housing Law;
- G. "state public body" means any county, municipal corporation, commission, district, authority, including a housing authority that is a separate body politic, other subdivision or public body of the state;
- H. "federal government" includes the United States of America, the federal department of housing and urban development or any other agency or instrumentality, corporate or otherwise, of the United States of America;
- I. "slum" means any area where dwellings predominate that by reason of dilapidation, overcrowding, lack of ventilation, light or sanitary facilities or any combination of these factors, are detrimental to the safety, health or well-being of the occupants or to surrounding properties;
- J. "housing project" means any work or undertaking of the city:

(1) to demolish, clear or remove buildings from any slum area. The work or undertaking may embrace the adaptation of the area to public purposes, including parks or other recreational or community purposes;

- dwellings, apartments, single-family dwellings or other affordable living accommodations for persons of low and moderate income. The work or undertaking may include buildings, land, equipment, facilities and other real or personal property for necessary convenient or desirable appurtenances, streets, sewers, water service, parks, site preparation, gardening, administrative, community, health, recreational, welfare or other purposes; or
- $\qquad \qquad \text{(3)} \quad \text{to accomplish a combination of the} \\$ foregoing.

The term "housing project" also may be applied to the planning of the buildings and improvements, the acquisition of property or existing structures, the demolition of existing structures, the construction, reconstruction, alteration and repair of the improvements and all other work in connection therewith:

- K. "low-income person" means any individual, couple or family whose gross income does not exceed eighty percent of that person's particular area median income and who cannot afford to pay more than thirty-five percent of gross annual income for housing rent or mortgage payments or a "low-income person" as defined by the federal government;
- L. "bonds" means any bonds, notes, interim certificates, debentures or other obligations issued pursuant to the Municipal Housing Law;

- M. "real property" includes all lands, including improvements and fixtures on the lands and property of any nature appurtenant to the lands or used in connection with the lands, and every estate, interest and right, legal or equitable, therein, including terms for years and liens by way of judgment, mortgage or otherwise and the indebtedness secured by such liens;
- N. "obligee" includes any holder of bonds issued pursuant to the Municipal Housing Law, trustees for any such bondholders, or lessor demising to a city property used in connection with a housing project, or any assignee or assignees of the lessor's interest or any part of the lessor's interest and the federal government when it is a party to any contract with a city in regard to a housing project;
- O. "affordable housing" means any housing accommodations that serve the needs of low- and moderate-income persons;
- P. "affordable housing program" means an ongoing delivery system of affordable housing services that assists persons of low and moderate income;
- Q. "moderate-income person" means any individual, couple or family whose gross annual income is not less than eighty percent of that person's particular area median income and does not exceed one hundred twenty percent of that area median income;
- R. "multi-jursidictional housing authority" means two or more housing authorities joined or cooperating for the purposes of consolidating administrative duties and obligations and providing more effective and efficient

housing projects and programs within their jurisdictions; and S. "immediate family member" means: a spouse, including a former spouse, a de facto spouse or a former de facto spouse; a child or an adult child, including an (2) adopted child, a step-child or an ex-nuptial child; (3) a parent or a step-parent;

- (4) a grandparent;
- (5) a grandchild;
- a sibling or a step-sibling; (6)
- (7) a first cousin;
- an aunt or an uncle; (8)
- (9) a father-in-law or a mother-in-law;
- (10) a sister-in-law or a brother-in-law;

and

any other relative who is financially (11)supported."

SECTION 2. Section 3-45-5 NMSA 1978 (being Laws 1965, Chapter 300, Section 14-46-5, as amended) is amended to read: "3-45-5. CREATION OF AUTHORITY.--

Every city, in addition to other powers conferred by the Municipal Housing Law, shall have power and is authorized, by proper resolution of its governing body, to create an authority to be known as the "housing authority" of the city as a public body politic and corporate separate from the city. The city may delegate to the authority the power to construct, maintain, operate and manage any housing project or affordable housing programs of the city and may delegate to the authority any or all of the powers conferred on the city by the Municipal Housing Law.

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B. When the governing body of a city adopts a resolution pursuant to Subsection A of this section:

(1) the mayor shall appoint three, five or seven persons as commissioners of the authority as follows:

(a) at least three commissioners if the municipality is a village, town or county that does not contain a metropolitan statistical area as defined by the United States census; or

(b) at least five but no more than seven commissioners if the municipality is a city or a county that contains a metropolitan statistical area as defined by the United States census; and

(2) the commissioners who are first appointed shall be designated to serve staggered terms of one to five years from the date of their appointment, depending on the size of the authority. Thereafter, commissioners shall be appointed for a term of office of five years, except that all vacancies shall be filled for the unexpired term. A commissioner of an authority shall not hold any other office or employment of the city for which the authority is created. A commissioner shall hold office until a successor has been appointed and has qualified, unless sooner removed according to law. A commissioner may serve two or more successive terms of office. A certificate of the appointment or reappointment of any commissioner shall be filed with the clerk, and the certificate shall be conclusive evidence of the due and proper appointment of the commissioner. A commissioner shall receive no compensation for services for the authority in any capacity, but shall be entitled to the necessary expenses, including traveling expenses, incurred in the discharge of duties.

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C. Two or more cities joined together pursuant to Subsection B of Section 3-45-4 NMSA 1978 shall establish their commissioners in accordance with Subsection B of this section, except that each city shall have equitable representation on the commission. The commissioners representing each city shall be appointed by the mayor of the city.

D. Any powers delegated by a city to an authority shall be vested in the commissioners of the authority in office from time to time. A majority of commissioners shall constitute a quorum of the authority for the purpose of conducting its business and exercising its powers and for all other purposes. Action may be taken by the authority upon a vote of a majority of the commissioners present. commission shall organize itself at its annual meeting each even-numbered year. Any city creating a housing authority may authorize the authority to employ a secretary, who shall be executive director and who shall be removable only for cause. With the delegated authority from the commission, the executive director may hire or terminate, according to the procurement and personnel policies and procedures of the authority, technical experts and such other officers, attorneys, agents and employees, permanent and temporary, as the authority may require; determine their qualifications, duties and compensation; and delegate to one or more of them such powers or duties as the authority may deem proper."

SECTION 3. Section 3-45-12 NMSA 1978 (being Laws 1965, Chapter 300, Section 14-46-12, as amended) is amended to read:

"3-45-12. FORM AND SALE OF BONDS--INTEREST ON CERTAIN OBLIGATIONS.--

- A. Bonds of a city issued under the Municipal Housing Law shall be authorized by its resolution and may be issued in any one or more series and shall bear such date, mature at such time, bear interest at such rate, be in such denomination, be in such form, either coupon or registered, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in such medium of payment at such place and be subject to such terms of redemption, with or without premium, as the resolution, its trust indenture or the bond so issued may provide.
- B. Obligations issued by a city that are true loan obligations made to the farm service agency of the United States department of agriculture or the department of housing and urban development may bear interest at a rate of interest not exceeding par.
- C. The bonds shall be sold at not less than par at public sale held after notice published once at least five days prior to the sale in a newspaper having a general circulation in the city jurisdiction and in a financial newspaper published in the city of San Francisco, California, or in the city of New York, New York; provided that the bonds may be sold to the federal government at private sale at not less than par, and, in the event less than all of the bonds authorized in connection with any housing project are sold to the federal government, the balance of the bonds may be sold at private sale at not less than par at an interest cost to the city not to exceed the interest cost to the city of the

portion of the bonds sold to the federal government.

D. In case any of the officers of the city, the authority or any of its instrumentalities whose signatures appear on any bonds or coupons cease to be officers before the delivery of the bonds, the signatures shall, nevertheless, be valid and sufficient for all purposes the same as if the officers had remained in office until delivery. Any provision of any law to the contrary notwithstanding, any bonds issued pursuant to the Municipal Housing Law shall be fully negotiable.

E. In any suit, action or proceedings involving the validity or enforceability of any bond of a city or the security for the bond, any such bond reciting in substance that it has been issued by the city to aid in financing a housing project to provide dwelling accommodations for persons of low and moderate income shall be conclusively deemed to have been issued for a housing project of that character, and the housing project shall be conclusively deemed to have been planned, located and constructed in accordance with the purposes and provisions of the Municipal Housing Law."

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SECTION 4. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2014.