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FISCAL IMPACT REPORT

SPONSOR Sens. Stefanics, Sharer, Thornton, and Block/Rep. Sariñana **LAST UPDATED** _____
ORIGINAL DATE 02/07/225
SHORT TITLE Veteran Transitional Housing **BILL NUMBER** Senate Bill 273
ANALYST Gygi

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 (NMMFA)

Veterans' Services Department (VSD)

SUMMARY

Synopsis of Senate Bill 273

Senate Bill 273 appropriates \$500 thousand from the general fund to the Veterans' Services Department (VSD) to contract for services to support transitional housing for veterans and their families.

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

VSD states it can absorb the workload for this contract into current processes and staff duties and does not foresee any additional fiscal impact.

The appropriation of \$500 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY26 shall revert to the general fund.

SIGNIFICANT ISSUES

New Mexico faces a shortage of resources and services for homeless or at-risk veterans in rural and remote areas, particularly those with families. VSD's Healthcare Division coordinates with partners statewide to address transitional living and housing for veterans. According to the U.S. Department of Housing and Urban Development (HUD), in 2024 approximately 6.7 percent (298) of the homeless population (4,450) in New Mexico were veterans.¹ This number reflects the number of individuals identified by survey as being unhoused on a single night in January 2024. The total number of New Mexican veterans experiencing homelessness or housing instability over a longer time period is larger but difficult to quantify.

Transitional housing offers individuals and families housing for up to a year, together with supportive services to obtain interim stability and the ability to move into permanent housing. Currently, transitional housing options for veterans outside metropolitan areas include the tiny home village in Socorro and off-grid housing in Taos and Carson. The Supportive Services for Veterans and Families (SSVF) program funded by the U.S. Veterans Services Administration (VA) offers case management, housing assistance, employment support, and suicide prevention for veterans statewide. Additionally, VA's HUD-VASH program provides housing vouchers for eligible homeless veterans and families.

New Mexico lacks sufficient transitional housing statewide to ensure at-risk populations exit homelessness and attain housing security. A 2022 New Mexico housing strategy report commissioned by the New Mexico Mortgage Finance Authority estimated transitional housing only accounted for 1 percent of the \$123 million public allocations to rental assistance in 2022, and 7 percent of the \$123 million that went to permanent supportive housing.² The report noted several estimates ranging from 6,500 to 8,400 units needed for at-risk populations, including the chronically homeless, people on the state's developmental disabilities waiting list, and people exiting prison or mental health institutions.

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¹ 2024 HUD Homeless Assessment Report, <https://www.huduser.gov/portal/sites/default/files/pdf/2024-AHAR-Part-1.pdf>

² <https://housingnm.org/the-new-mexico-housing-strategy>