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FISCAL IMPACT REPORT

ORIGINAL DATE 1-22-09

SPONSOR R. Martinez LAST UPDATED _____ HB _____

SHORT TITLE Low-Income Emergency Home Repairs SB 63

ANALYST Leger

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$2,000.0	Nonrecurring	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 63 appropriates \$2,000.0 from the general fund to Department of Finance and Administration for disbursement to MFA for the purpose of providing emergency and minor repairs of homes occupied by low-income persons in New Mexico.

FISCAL IMPLICATIONS

The appropriation of \$2,000.0 contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY10 shall revert to the general fund.

According to the December 2008 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$293 million, or 2.6 percent, less than the FY09 appropriation. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

SIGNIFICANT ISSUES

This bill provides funding to MFA to provide emergency and minor repairs of homes occupied by low-income people, while improving the value of homes, the health and safety of the occupants, and accessibility of their homes. Emergency and minor repairs include repairs necessitated by natural disasters, repair and replacement of roofs and accessibility modifications for physically impaired persons.

PERFORMANCE IMPLICATIONS

According to MFA, approximately 255 households will be assisted who have not been assisted before.

ADMINISTRATIVE IMPLICATIONS

The program will be administered by MFA. Language in the bill indicates no more than five percent of this appropriation shall be used by NMFA for administrative expenses.

OTHER SUBSTANTIVE ISSUES

MFA reports, the need for an *Emergency Home Repair Program* is manifested by evidence compiled from U.S. Census Bureau, *2006 American Community Survey*, to determine the statewide status of housing conditions and housing needs. A summary of the key findings show:

- There are 850,000 housing units in the state;
- The estimated state population is 2,000,000
- 18.5% of the state's population live below the poverty line;
- 25.6% of the population under 18 years live below the poverty line;
- 13.0% of persons 65 years or older live below the poverty line;
- 16.6% of the population age 18 to 64 years old are disabled;
- 42% of the population 65 years and over are disabled;

Unemployment Statistics

- The unemployment rate for the State is 7.3%, but for those below the poverty level it is 22.2%.

Housing Units Lacking Plumbing/Kitchen Facilities

- 1.8% of occupied housing units are lacking complete plumbing facilities;
- 1.6% of occupied housing units are lacking complete kitchen facilities;

Disasters occurring in New Mexico over the last several years, especially flooding in 2006 and 2007, and tornados in 2007, have underscored the need for emergency repair funding.