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FISCAL IMPACT REPORT

SPONSOR Cote **ORIGINAL DATE** 01/23/14
LAST UPDATED _____ **HB** 103

SHORT TITLE Home Rehab for Certain Veterans **SB** _____

ANALYST Geisler

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY14	FY15		
	\$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

House Bill 103 appropriates \$2 million from the general fund to the Department of Finance and Administration (DFA) for disbursement to the New Mexico mortgage finance authority (MFA) to provide necessary repair and rehabilitation for homes occupied by low-income honorably discharged veterans in New Mexico whose income does not exceed sixty percent of the area median income. No more than 10 percent of the funds can be used for administrative purposes, and any unexpended balance remaining at the end of FY 2015 shall revert to the general fund.

FISCAL IMPLICATIONS

A \$2 million appropriation will provide funding for MFA to complete whole-house rehabilitation with an average per unit cost of \$80,000, for approximately 25 homes throughout New Mexico. Repair and rehabilitation improves the value of homes, the health and safety of the occupants, and accessibility... MFA notes that based on prior history of administering a similar program, there should be no additional operating budget impact on MFA that is not covered by the appropriation in HB 103.

SIGNIFICANT ISSUES

Many low-income veteran families live in homes with inadequate heat, leaky or missing windows and unsafe living conditions. As a result, low-income households may spend up to 17 percent of their monthly budgets on utility costs compared to four percent for homeowners with higher incomes. Rehabilitation through this program has resulted in homeowner savings up to \$400 per year in the energy bills of low-income households.

ADMINISTRATIVE IMPLICATIONS

The MFA would administer the program, integrating it into our existing owner-occupied rehabilitation program.

OTHER SUBSTANTIVE ISSUES

MFA notes that the need for a Low-Income Veterans Home Rehab Program is manifested by evidence compiled from U.S. Census Bureau, 2012 American Community Survey, to determine the current status of housing conditions and housing needs statewide. A summary of the key findings is below.

NEW MEXICO

- The estimated state population total is 2,059,179
- There are 906,838 total housing units in the state; 764,996 are occupied; 518,106 units are owner occupied
- 19.5% of the state's population live below the poverty line
- 27.7% of the population under 18 years live below the poverty line
- 12.2% of persons 65 years or older live below the poverty line
- 18.3% of the population are disabled

VETERANS

- 11.4% of the population are veterans
- 11.6% of veterans live below the poverty line
- 11.5% of veterans are disabled
- 90,219 housing units are owned by veterans
- 10,465 housing units have owners below the poverty line

HOUSING

- 1.0% of occupied housing units are lacking complete plumbing facilities
- 1.2% of occupied housing units are lacking complete kitchen facilities
- 63.7% of homes were built prior to 1980
- 20.1% of homes were built prior to 1950

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