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## FISCAL IMPACT REPORT

SPONSOR Gonzales ORIGINAL DATE 2/4/2020  
LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_  
SHORT TITLE Low-Income Emergency and Minor Home Repairs SB 150  
ANALYST Leger

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY20	FY21		
	\$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 150 appropriates \$2 million from the general fund to the Department of Finance and Administration for expenditure in FY21 and FY22 by the New Mexico Mortgage Finance Authority to provide emergency and minor repairs of homes occupied by low-income persons.

### FISCAL IMPLICATIONS

The appropriation of \$2 million contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY22 shall revert to the general fund.

### SIGNIFICANT ISSUES

According to MFA, New Mexico's housing stock is aging. Forty-six percent of homes were built before 1980, with only 19 percent built since 2000. Furthermore, New Mexico has one of the highest rates of poverty (20.6 percent) and one of the lowest household median incomes (\$46,718) in the U.S. (2013-2017 American Community Survey 5-Year Estimates). A high percentage of low-income households own their homes but often lack resources to make repairs, much less respond to life-changing conditions, natural disasters or emergencies. While MFA

receives many requests for emergency assistance each year, it cannot fund these requests through its existing rehabilitation program due to high demand, limited funding, and federal requirements that the home be brought fully up to code.

**PERFORMANCE IMPLICATIONS**

Funding will provide emergency home repair, including mitigation of health and safety hazards, roof replacement and accessibility improvements, for approximately 250 low-income households.

**ADMINISTRATIVE IMPLICATIONS**

The bill includes language limiting administrative expenses to five percent.

JLL/sb