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FISCAL IMPACT REPORT

ORIGINAL DATE 2/4/2020

SPONSOR Martinez LAST UPDATED _____ HB _____

SHORT TITLE Low-Income Veteran Home Rehab SB 204

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)

Veterans' Services Department (VSD)

SUMMARY

Synopsis of Bill

Senate Bill 204 appropriates \$2 million from the general fund to the Department of Finance and Administration for expenditure in FY21 and FY22 for the New Mexico Mortgage Finance Authority to provide necessary rehabilitation for homes owned and occupied by low-income honorably discharged veterans whose income does not exceed sixty percent of the area median income.

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

MFA reports, New Mexico has a high percentage of veterans; 150,650 veterans representing 9.5 percent of adult population, compared to only 7.7 percent in the U.S. Of these, 45,849 are disabled veterans, and 5,075 are disabled veterans in poverty. More than 25,000 New Mexico

veterans live in homes with one or more major problem with quality, crowding or cost and an estimated 248 veterans are currently homeless. Furthermore, approximately half of New Mexico veterans are over age 65, meaning the need to modify homes to address physical mobility and other age-related issues is increasing over time (Sources: Veterans Data Central, <http://veteransdata.info/>; VA state summary and U.S. Census, 2016). While veterans are eligible for MFA's existing rehabilitation and weatherization programs, high demand and limited funding only allows the program to assist approximately 100 veteran households each year.

PERFORMANCE IMPLICATIONS

MFA applied for and received two competitive grants from the U.S. Department of Housing and Urban Development for a Veterans Housing Rehabilitation and Modification Pilot Program. The programs allows veterans to make repairs necessitated by structural damage due to natural decay or disasters, replacement of utility appliances and repairs necessary to comply with housing health and safety code requirements and accessibility modifications for physically impaired veterans.

MFA currently works with service providers in different regions of the state who have the capacity, and demand, to utilize the funding during the two-year funding period.

ADMINISTRATIVE IMPLICATIONS

The bill includes language limiting 10 percent for administrative expenses.

JLL/sb