

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current and previously issued FIRs are available on the NM Legislative Website ([www.nmlegis.gov](http://www.nmlegis.gov)) and may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

## FISCAL IMPACT REPORT

**SPONSOR** Rodriguez **ORIGINAL DATE** \_\_\_\_\_  
**LAST UPDATED** 01/24/15 **HB** \_\_\_\_\_

**SHORT TITLE** Supportive and Rapid Rehousing for Homeless **SB** 88

**ANALYST** Boerner

### APPROPRIATION (dollars in thousands)

| Appropriation |           | Recurring<br>or Nonrecurring | Fund<br>Affected |
|---------------|-----------|------------------------------|------------------|
| FY15          | FY16      |                              |                  |
|               | \$1,000.0 | Recurring                    | General Fund     |

(Parenthesis ( ) Indicate Expenditure Decreases)

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

|              | FY15 | FY16      | FY17      | 3 Year<br>Total Cost | Recurring or<br>Nonrecurring | Fund<br>Affected |
|--------------|------|-----------|-----------|----------------------|------------------------------|------------------|
| <b>Total</b> |      | \$1,000.0 | \$1,000.0 | \$2,000.0            | Recurring                    | General<br>Fund  |

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates House Bill 41 Supportive and Rapid Rehousing for Homeless

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

NM Mortgage Finance Authority (MFA)

Human Services Department (HSD)

### SUMMARY

#### Synopsis of Bill

Senate Bill 88 appropriates \$1 million from the general fund to the Human Services Department for expenditure by the New Mexico Mortgage Finance Authority to assist people who are homeless with transitional supportive housing, permanent supportive housing and rapid rehousing.

## FISCAL IMPLICATIONS

The appropriation of \$1 million dollars contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2016 shall revert to the general fund.

## SIGNIFICANT ISSUES

HSD currently has a contract with MFA in the amount of \$1.2 million to serve approximately 11,500 homeless individuals statewide including, but not limited to, those individuals served by the following programs: Continuum of Care Performance, Emergency Homeless Assistance, Rental Assistance, and Administration.

Program Requirements in the Scope of Work are that MFA will:

- Operate the Homeless Program consistent with the purposes as stated in the Mortgage Finance Authority Act, NMSA 1978, §§ 58-18-1 et seq.,
- Provide for a safe, accessible, cost effective and a reliable Homeless Program,
- Provide for referrals of homeless individuals to appropriate social services agencies, and
- Raise public awareness of the Homeless Program.

## OTHER SUBSTANTIVE ISSUES

### **HSD noted that according to the National Alliance to End Homelessness:**

(<http://www.endhomelessness.org/library/entry/rapid-re-housing2>)

Rapid re-housing is an intervention designed to help individuals and families to quickly exit homelessness and return to permanent housing. Rapid re-housing assistance is offered without preconditions (such as employment, income, absence of criminal record, or sobriety) and the resources and services provided are typically tailored to the unique needs of the household. The core components of a rapid re-housing program are below. While a rapid re-housing program must have all three core components available, it is not required that a single entity provide all three services nor that a household use them all.

#### Housing Identification

- Recruit landlords to provide housing opportunities for individuals and families experiencing homelessness,
- Address potential barriers to landlord participation such as concern about short term nature of rental assistance and tenant qualifications, and
- Assist households to find and secure appropriate rental housing.

#### Rent and Move-In Assistance (Financial)

- Provide assistance to cover move-in costs, deposits, and the rental and/or utility assistance (typically six months or less) necessary to allow individuals and families to move immediately out of homelessness and to stabilize in permanent housing.

#### Rapid Re-housing Case Management and Services

- Help individuals and families experiencing homelessness identify and select among various permanent housing options based on their unique needs, preferences, and financial resources,

- Help individuals and families experiencing homelessness address issues that may impede access to housing (such as credit history, arrears, and legal issues),
- Help individuals and families negotiate manageable and appropriate lease agreements with landlords,
- Make appropriate and time-limited services and supports available to families and individuals to allow them to stabilize quickly in permanent housing,
- Monitor participants' housing stability and be available to resolve crises, at a minimum during the time rapid re-housing assistance is provided,
- Provide or assist the household with connections to resources that help them improve their safety and well-being and achieve their long-term goals. This includes providing or ensuring that the household has access to resources related to benefits, employment and community-based services (if needed/appropriate) so that they can sustain rent payments independently when rental assistance ends, and
- Ensure that services provided are client-directed, respectful of individuals' right to self-determination, and voluntary. Unless basic, program-related case management is required by statute or regulation, participation in services should not be required to receive rapid re-housing assistance.

**Provided by MFA:**

According to the 2014 point-in-time count by the New Mexico Coalition to End Homelessness (CEH), there are 4,441 homeless people and formerly homeless people in permanent supportive housing in New Mexico on any given night. Currently there are 2,793 supportive housing beds in New Mexico for people experiencing homelessness. This means that New Mexico needs an additional 1,618 supportive housing beds.

An additional \$1 million would help New Mexico create an additional 325 new supportive housing beds, which is 20 percent of the need. According to CEH, \$500,000 for rapid rehousing would create an additional 125 rapid rehousing beds and \$500,000 for supportive housing services would fund services for an additional 200 supportive housing beds. This would allow New Mexico to leverage federal funds from HUD for housing assistance. It will also pay for the supportive services that are not covered by federal funds, but that must be provided along with housing to ensure that individuals remain housed.

A 2013 UNM study for Albuquerque's supportive housing program found an average savings of \$12,831 in program costs per person, or a 31.6 percent difference. Jail costs decreased 64.2 percent after housing. Hospital inpatient costs decreased by 83.8 percent and medical outpatient costs decreased by 39.1 percent.

**PERFORMANCE IMPLICATIONS**

MFA notes it administers supportive services through its Emergency Homeless Assistance Program (EHAP) with funding from HUD's Emergency Solutions Grant (ESG) and the New Mexico State Homeless Assistance allocation. Through its existing supportive housing program and agencies, MFA would provide the services specified in this bill to the existing network of more than 25 supportive housing programs for chronically homeless individuals.