

**LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS**

Bill Number: SB 50

51st Legislature, 1st Session, 2013

Tracking Number: .190644.2SA

Short Title: Rapid Re-Housing of Certain Homeless Persons

Sponsor(s): Senator Sander Rue

Analyst: James Ball

Date: January 24, 2013

Bill Summary:

SB 50 makes an appropriation to assist persons who become homeless due to life crises such as:

- job loss;
- illness; or
- domestic violence.

The assistance may include:

- short-term rent subsidies;
- financial assistance with utilities;
- basic case management services;
- financial literacy education and life-skills classes; and
- one-on-one support.

No more than 5.0 percent of the appropriation may be used for administrative expenses.

Fiscal Impact:

\$500,000 is appropriated from the General Fund to the Department of Finance and Administration (DFA) for expenditure in FY 14 and FY 15 by the New Mexico Mortgage Finance Authority (MFA). Unexpended or unencumbered funds at the end of FY 15 revert to the General Fund.

Substantive Issues:

According to the DFA analysis of SB 50, people who live in poverty are at significant risk of losing their homes when faced with crises such as job loss, illness or divorce. Providing short-term assistance to keep New Mexicans housed during times of crisis allows individuals and families to rebound without the additional and enormous burden of becoming homeless.

SB 50 will provide short-term assistance to approximately 300 individuals and families who are recently made homeless or who are at risk of becoming homeless by helping them quickly to obtain permanent housing.

Background:

According to DFA, the Homeless Prevention and Rapid Re-Housing Program (HPRP) costs an average of \$1,600 per person compared to a three-month stay in an emergency shelter, which can cost as much as \$4,500 per person. HPRP assistance includes:

- rental subsidies;
- payment of back rent and utility bills;
- paying for moving costs;
- security and utility deposits;
- case management; and
- financial literacy and life skills classes.

According to MFA, 89 percent of individuals served through a similar 2009 stimulus-funded initiative had stable housing when they left the program. Those stimulus funds have been completely expended, but the need remains.

According to a recent report by the National Center on Family Homelessness, more than 16,000 New Mexico children are homeless over the course of a year. The report ranks New Mexico 45th out of the 50 states in the prevalence of child homelessness. This rank represents a composite score based on:

- the number of homeless children;
- their well-being;
- the risk for child homelessness; and
- state policy and planning activities.

Related Bills:

SB 32 *Long-Term Housing for Certain Persons*
SB 124 *Add Homelessness to Hate Crimes*
SM 9 *"NM Coalition to End Homelessness Day"*