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### **FISCAL IMPACT REPORT**

SPONSOR:	Knauer	DATE TYPED:	02/01/00	HB	228
SHORT TITLE:	Santa Fe Housing Program			SB	
				ANALYST:	Kehoe

### **APPROPRIATION**

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
	\$ 180.0			Non-Recurring	GF

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to

### **SOURCES OF INFORMATION**

New Mexico Mortgage Finance Authority (MFA)

Local Government Division (LGD)

LFC files

## **SUMMARY**

### Synopsis of Bill

House Bill 228 appropriates \$180.0 from the general fund to the Local Government Division of the Department of Finance and Administration for a housing rehabilitation loan program in Santa Fe County.

### Significant Issues

The New Mexico Mortgage Finance Authority is the fiscal agent and administrator of the state's housing programs. The MFA was created to help alleviate the shortage of adequate housing and to encourage and provide the financing for the acquisition, construction, rehabilitation and improvement of residential housing for persons and families of low and moderate income within the state. The MFA may be better equipped to leverage the appropriating provided in House Bill 228, thereby provide more funds for low interest loans for more housing units in Santa Fe County.

According to 1997 population estimates provided by the University of New Mexico's Bureau of Business and Economic Research, 13% of the population in Santa Fe County has income below the poverty line. This statistic suggests a substantial need exists for low interest rehabilitation loans to low income people in Santa Fe County. Santa Fe County has experienced rapid economic change in the last 20 years and has become one of the most expensive housing markets in the country. More homes currently sell for over \$400.0 than under \$100.0. Families are struggling to buy their first home and elderly residents are unable to keep up with the cost of repairs.

## **FISCAL IMPLICATIONS**

The \$180.0 appropriation from the general fund is for expenditure during fiscal year 2001. Any unexpended or unencumbered balance remaining at the end of fiscal year 2001 shall revert to the general fund.

## POSSIBLE QUESTIONS

- Will the housing loan program be operated by a governmental entity or a private or non-profit entity?
- Will the \$180.0 from the general fund be leveraged with other financing sources?
- How many housing units will be rehabilitated with the funds?
- Will homeowners have the ability to combine weatherization assistance program funds with the housing rehabilitation loan program?
- What are some of the eligibility requirements to qualify for the housing rehabilitation loan program?

LMK/gm