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### FISCAL IMPACT REPORT

SPONSOR:	Aragon	DATE TYPED:	01/26/00	HB	
SHORT TITLE:	Housing Rehabilitation for Homes of Indigent			SB	90
				ANALYST:	Kehoe

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
\$ 1,000.0				Recurring	GF

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to

### SOURCES OF INFORMATION

New Mexico Mortgage Finance Authority (MFA)

LFC Files

## **SUMMARY**

### Synopsis of Bill

Senate Bill 90 appropriates \$1,000.0 from the general fund to the Local Government Division of the Department of Finance and Administration to rehabilitate homes for indigent people in the unincorporated areas of Bernalillo County.

### Significant Issues

According to 1997 population estimates provided by the University of New Mexico's Bureau of Business and Economic Research, the income of 18 percent of the population in Bernalillo County is below the poverty line. If it is assumed that the population in Bernalillo County residing outside the city of Albuquerque mirrors the income profile of the whole county, the need for rehabilitation of low-income homes in the community is great.

Senate Bill 90 contains an emergency clause.

## **FISCAL IMPLICATIONS**

Senate Bill 90 provides that the appropriation of funds shall be expended in fiscal years 2000 and 2001. Any unexpended or unencumbered balance remaining at the end of the fiscal year 2001 shall revert to the general fund.

## **TECHNICAL ISSUES**

In January 1997, all New Mexico housing, homeless and weatherization programs, previously administered by six different entities, were consolidated and transferred to MFA by Executive Order. Subsequently, the 1998 Legislature (Chapter 63) ratified the transfer of all housing programs to the Authority. The MFA was created for the purposes of "...helping to alleviate the shortage of adequate housing and encouraging and providing the financing for the acquisition, construction, rehabilitation and improvement of residential housing for persons and families of low and moderate income within the state..." Perhaps consideration should be given to amending the bill to appropriate the funds to DFA to contract with MFA to provide the services, as is done with weatherization funds.

LMK/njw