Bill Analysis 2019 Regular Session

SPONSOR: Representatives Stansbury, Trujillo, Akhil, Bash, and Hochman-Vigil   **SHORT TITLE:** ABQ Affordable Housing Study

SYNOPSIS OF BILL: An appropriation for an independent study to provide a framework for ending homelessness. The study includes an analysis of all rental housing including: permanent supportive housing vouchers; rental assistance; Section 8 housing; public housing; and low-income housing tax credit rentals. The findings will provide 1) complete inventory of affordable housing units; 2) a determination of the overall unmet need; 3) a determination of the effect of any unmet needs for affordable housing on the demand for emergency shelter; 4) a map and analysis of affordable housing stock within the City of Albuquerque; and 5) a list of current legislation that inhibits the availability of affordable housing and proposed legislative solutions to address those issues;

STRENGTHS: An independent affordable housing study will: create a high-impact framework to invest in housing for those most in need; provide a macro-level cross-cut budget analysis of affordable housing resources and unmet need; utilize data-driven approaches to target public resources to address affordable housing shortages; improve New Mexico's capacity to leverage additional funding to support affordable housing needs; and optimize affordable housing resources.

The City of Albuquerque is required to contract with a person that has no ties to any affordable housing income stream to conduct an independent study on affordable housing. This will ensure the cycle of data analysis and reporting for funding purposes is not replicated and that a macro-level analysis is carried out independently. The study also requires an evaluation of the feasibility and cost for the New Mexico Mortgage Finance Authority to consider conducting a similar statewide study of affordable housing resources to determine unmet housing needs throughout New Mexico. This will provide a data-driven framework for New Mexico to quickly deploy in a similar statewide assessment.

A lack of affordable housing in New Mexico has created and perpetuated homelessness. When our community members do not have a safe, permanent, and affordable place to live health outcomes are impacted and the safety and wellbeing of a community suffers. Evidence shows that when people have stable, decent homes they can afford, they are better able to improve their health, and they have more resources to invest in their futures, and in our economy. Affordable housing has positive impacts on mental health and well-being and research has shown stable housing decreases depression and anxiety. Further evidence demonstrates that investment in affordable housing benefits communities by improving the safety of neighborhoods, enhancing city blocks with new or rehabilitated properties, and increasing or stabilizing property values over time.[i]

The positive impact on child-wellbeing is also clear: "young adults who had lived in public or voucher-assisted housing as teenagers had higher earnings and lower rates of incarceration than young adults from unassisted low-income households."[ii]

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ADDITIONAL INFO: A recent cost benefit analysis of the Albuquerque Heading Home (AHH) Initiative found a benefit of $1.78. For every $1.00 spent, the housing program realized $1.78 in benefits. The study demonstrated an average savings of $14,728 per person and a 2-3 years savings of $4,712,960 for all eligible participants. An independent study will deploy existing evidence-based strategies, such as the AHH Initiative, more efficiently and use data to track and improve results.[iii]

Safer	Apolitical	Fiscally-Responsible	Evidence Based	Grade
This bill will employ evidence-based solutions and create a high-impact framework to invest in housing for those most in need. There is a well-documented positive impact on investment in affordable housing resources on public safety and wellbeing.	Employing a data-driven model to target public resources to address affordable housing shortages creates an independent assessment of need and public investment.	$150,000 is a small investment for a study to ensure cost-savings of millions of dollars in the future. Recent cost benefit analysis of the AHH Initiative found a 2-3 years savings of $4,712,960 for all eligible participants. The study will produce a fiscally responsible framework to invest resources in a smart, high-impact, and efficient plan to end homelessness.	There is currently no comprehensive assessment of housing need for deeply affordable rental housing. While New Mexico has many siloed reports on affordable housing, there exists no macro-level assessment of all resources and the unmet need. This study will allow New Mexico to deploy existing evidence-based strategies more efficiently and with targeted resources to ensure impact.	A

i A Place to Call Home: The Case for Increased Federal Investments in Affordable Housing, National Low Income Housing Coalition, March 2017. https://nlihc.org/sites/default/files/A-Place-To-Call-Home.pdf.

ii Andersson, F., Haltiwanger, J. C., & Kutzbach, M. (2016). Childhood Housing and Adult Earnings: A Between-Siblings Analysis of Housing Vouchers and Public Housing. Cambridge, MA: National Bureau of Economic Research. Retrieved from http://www.nber.org/papers/w22721.

iii Guerin, Paul and Minssen, Anne, Institute for Social Research. University of New Mexico City of Albuquerque Heading Home Initiative Cost Study Report Final, May 2016. http://isr.unm.edu/reports/2016/city-of-albuquerque-heading-home-initiative-cost-study-report-final.pdf.