



**MFA**

*Housing New Mexico*

# *New Mexico Housing Strategy Implementation Update*

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**July 7, 2023**

# New Mexico Housing Strategy

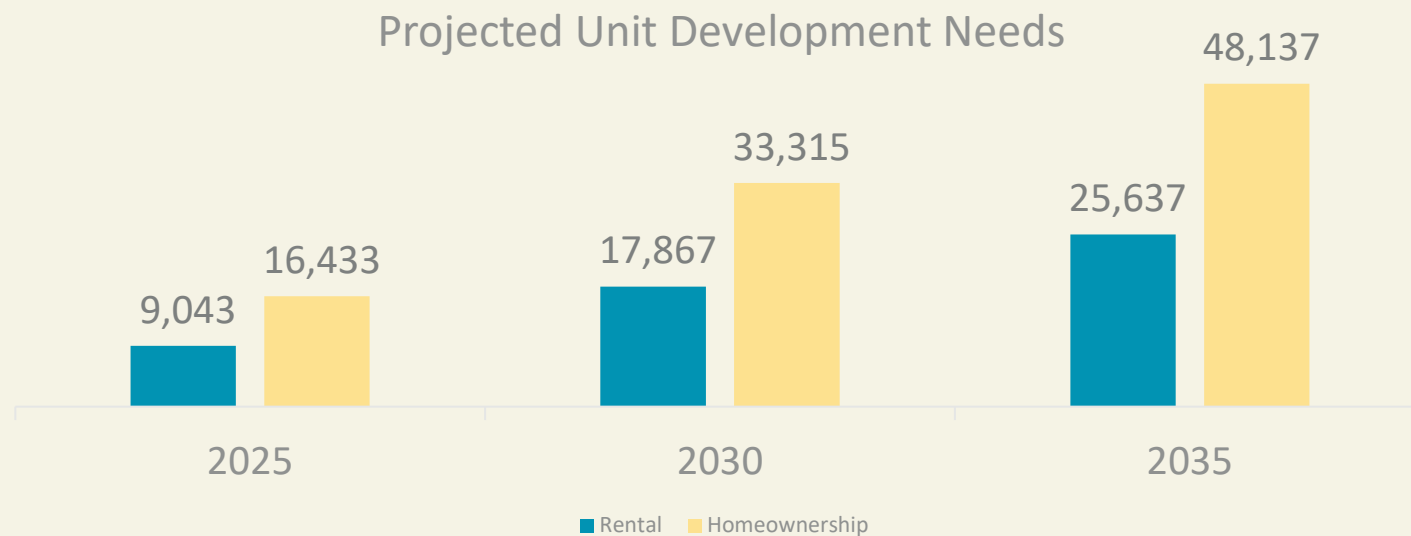
## A CALL TO ACTION

The New Mexico Housing Strategy leads the state, New Mexico local governments, and private and nonprofit partners toward the highest impact actions to address challenges in:

- **Producing housing** across the income continuum;
- **Preserving and Improving existing affordable housing**, both privately and publicly owned, and Redeveloping underutilized and vacant properties to increase supply and catalyze economic development;
- **Building Homeownership opportunities** to retain the state’s high homeownership rate, especially among low and moderate income, and racially and ethnically diverse, households;
- **Creating Housing Stability** for people vulnerable to and experiencing homelessness and residents with special housing needs; and
- **Advocating** for effective federal housing policies and regulations.

# Producing Housing: Challenges and Needs

If current development patterns continue, housing unit production in growth counties will lag demand. Between now and 2025, an average of 5,100 housing units per year are needed to accommodate growth; and between 2025 and 2030, an average of 5,140 housing units per year are needed.



# MFA Impact on Housing Production

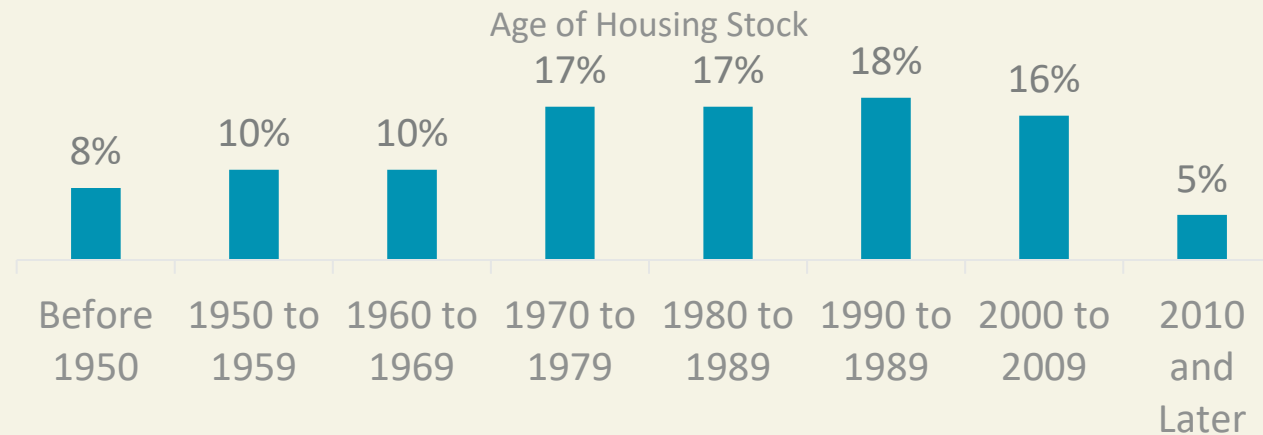
In quarter 1&2 of FY 2023, MFA provided \$7.8 million to develop 348 affordable rental units.

## Program and project highlights

- MFA awarded \$400,000 to Homewise to support the construction of homeownership units.
- MFA awarded \$2.7 million to North Central New Mexico Economic Development District to create housing for the NM Workforce Integrated Network (WIN) program, which provides skilled trade job placement for persons existing substance abuse programs and the criminal justice system.
- MFA awarded \$3.25 million in gap financing to 4% Low Income Housing Tax Credit projects, which will create 224 affordable rental units and preserve 165 affordable rental units.
- MFA awarded \$50 million in 9% Low Income Housing Tax Credits, which will produce 257 affordable rental units.

# Preserving and Improving existing affordable housing: Challenges and Needs

Many of New Mexico's homes are relatively old: 44% were built before 1980. These homes can be more expensive to heat/cool, have higher maintenance costs, and have a higher likelihood of lead exposure.





# MFA's Impact on Preserving and Improving existing affordable housing

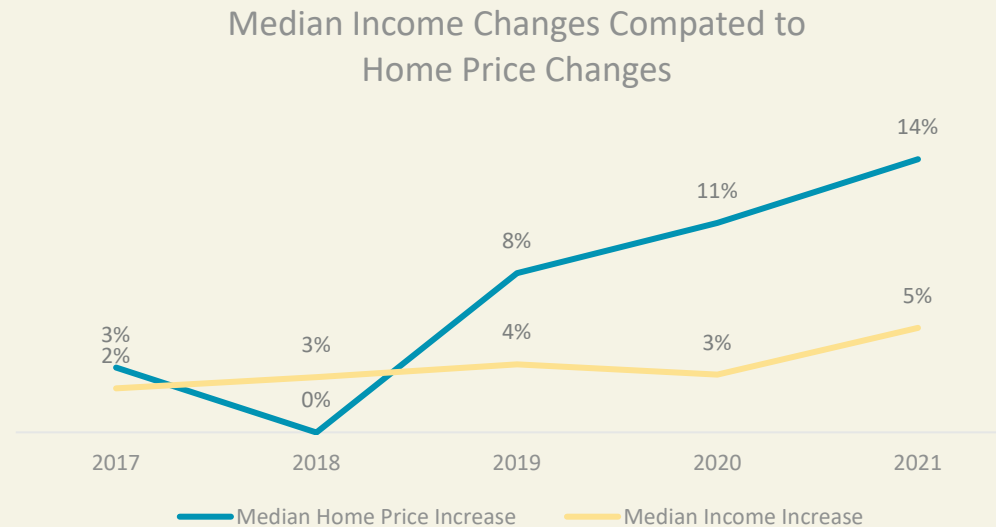
In quarter 1&2 of FY 2023, MFA provided \$7.8 million to weatherization or rehabilitation 673 housing units.

## Program and project highlights

- MFA is launching the Preservation Loan Program, which targets financing to existing affordable housing in need of modernization and extended affordability terms.
- MFA is developing a “direct services” home rehabilitation program to expand coverage throughout the state.
- MFA is launching the Restoring Our Communities program, an acquisition/rehabilitation/ re-sale program.
- MFA awarded \$1 million to NCNMEDD to provide home repairs to seniors.
- MFA awarded \$350,000 to San Felipe Pueblo Housing Authority for roof repair and replacement.
- MFA awarded \$126,000 to Southwestern Regional Housing and Community Development Corporation to expand weatherization and home rehabilitation services in eastern New Mexico.
- MFA awarded \$1 million in gap financing to 4% Low Income Housing Tax Credit projects, which will preserve 165 affordable rental units.
- MFA awarded \$3.9 million in 9% Low Income Housing Tax Credits, which will preserve 24 affordable rental units.

# Building Homeownership Opportunities: Challenges and Needs

Between 2019 and 2022, home values in the U.S. increased by 33%. New Mexico outpaced national home value growth at 36%. With rising home prices, saving for a down payment is a top barrier to homeownership.





# MFA's Impact on Building Homeownership Opportunities

In Quarter 1&2 of FY 2023, MFA provided \$200 million mortgage financing to 1,004 households and \$11 million in Homeowner Assistance Fund grants to 1,503 households.

## Program and project highlights

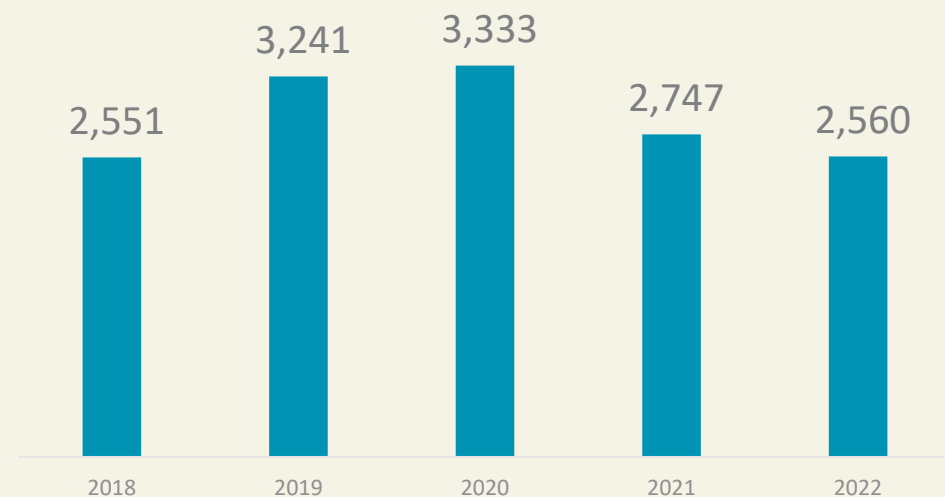
- MFA allocated an additional \$11 million to downpayment assistance programs targeted at low-income buyers.
- MFA increased income limits for downpayment assistance in order to serve a greater number of workforce households.
- MFA increased purchase prices limits in order to serve a greater number of workforce households.



# Creating Housing Stability: Challenges and Needs

The New Mexico Coalition to End Homelessness (NMCEH) estimates the number of New Mexicans experience homelessness at between **15,000 and 20,000** during a year. This number is much larger than that reported in annual “point in time” counts because the NMCEH estimate captures hidden homelessness—residents who are living with others temporarily, living in unsafe housing conditions, sleeping in cars, living in motels—in addition to those staying in shelters.

HUD Point in Time Count of Persons Experiencing Homelessness



# MFA's Impact on Creating Housing Stability

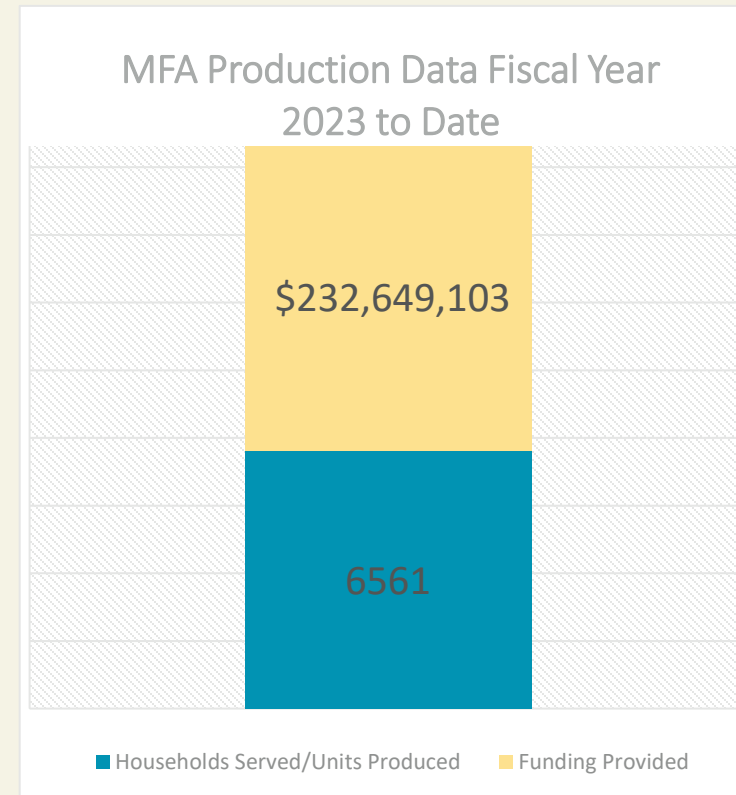
In Quarter 1&2 of FY 2023, MFA administered \$4.8 million to shelters and supportive housing programs that served 3,033 individuals.

## Program and project highlights

- MFA awarded \$2 million to two transitional housing developments in Gallup and Albuquerque.
- Current permanent supportive housing pipeline includes Route 66 (48 units in Albuquerque), Cornerstone (30 units in Lordsburg), and Lamplighter (58 units in Santa Fe).
- MFA included language in its QAP to require a MOU between project owners and service providers that details planned services, service delivery, and responsibilities of the involved parties, for special housing needs LIHTC applicants.
- During the 2023 session, the legislature allocated an additional \$1 million to Linkages, bringing the total funding for housing under the program to \$5.3 for state fiscal year 2024 (July 1, 2023 through June 30, 2024).

# Total Production and Next Steps

- Facilitating meetings with the Housing New Mexico Advisory Committee to gather implementation progress lead by partners and stakeholders.
- Updating and revising Strategy to respond to changing needs.





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