



# Legislative Finance Committee

October 24, 2024



# Agenda

2024 Legislative Finance Committee  
October 24

State Capital – Room 307  
411 S Capitol St  
Santa Fe, NM 87501

## October 21

<b>11:15am</b> Room 307	1. Housing NM   MFA Legislative Finance Committee Presentation	Isidoro Hernandez <i>Executive Director and CEO</i>
	Information Item	
	2. Available Programs	
	Information Item	
	3. 2024 New Mexico Affordable Housing Needs Assessment Key Findings Report	

# Housing New Mexico MFA

Legislative Finance Committee  
October 24, 2024

**Isidoro Hernandez**  
*Executive Director/CEO*



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# About Housing New Mexico

In 1975, the state legislature created the New Mexico Mortgage Finance Authority, a public body politic and corporate, separate and apart from the state, constituting a governmental instrumentality, with the power to raise funds from private investors to make such private funds available to finance the acquisition, construction, rehabilitation, and improvement of residential housing for persons and families of low- and moderate-income within the state.

## **MFA provides resources to:**

- build affordable rental communities
- finance construction of new homes for ownership
- rehabilitate aging homes
- supply down payment assistance and affordable mortgages
- offer emergency shelter
- administer rental assistance and subsidies



# Oversight and Accountability

## Board of Directors

- Four Governor Appointments
- Lieutenant Governor, Ex-Officio
- Attorney General, Ex-Officio
- State Treasurer, Ex-Officio



## Legislative Oversight Committee

- Conducts 5 to 6 meetings per year during interim session focused on housing programs and resources
- Endorses housing related funding requests and legislation



## 3 Decades of Clean Audits

- Subject to more than a dozen audits each year
- 30 years of unmodified audit opinions



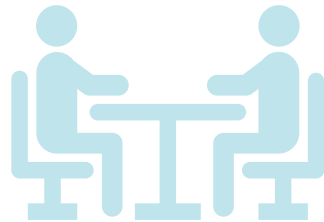


**Housing New Mexico has established the infrastructure and partner network to dynamically address the continuum of housing needs throughout the state.**



**125**

Employees



**350+**

Partners and  
Service  
Providers

## Housing Development Department

- Rental housing
  - New construction
  - Preservation
- Single-family housing
  - New construction

## Community Development Department

- Homelessness prevention
- Shelter support
- Landlord collaboration
- Home weatherization and rehabilitation

## Homeownership Department

- Downpayment assistance
- First mortgage
- Loan servicing

## Policy & Planning Department

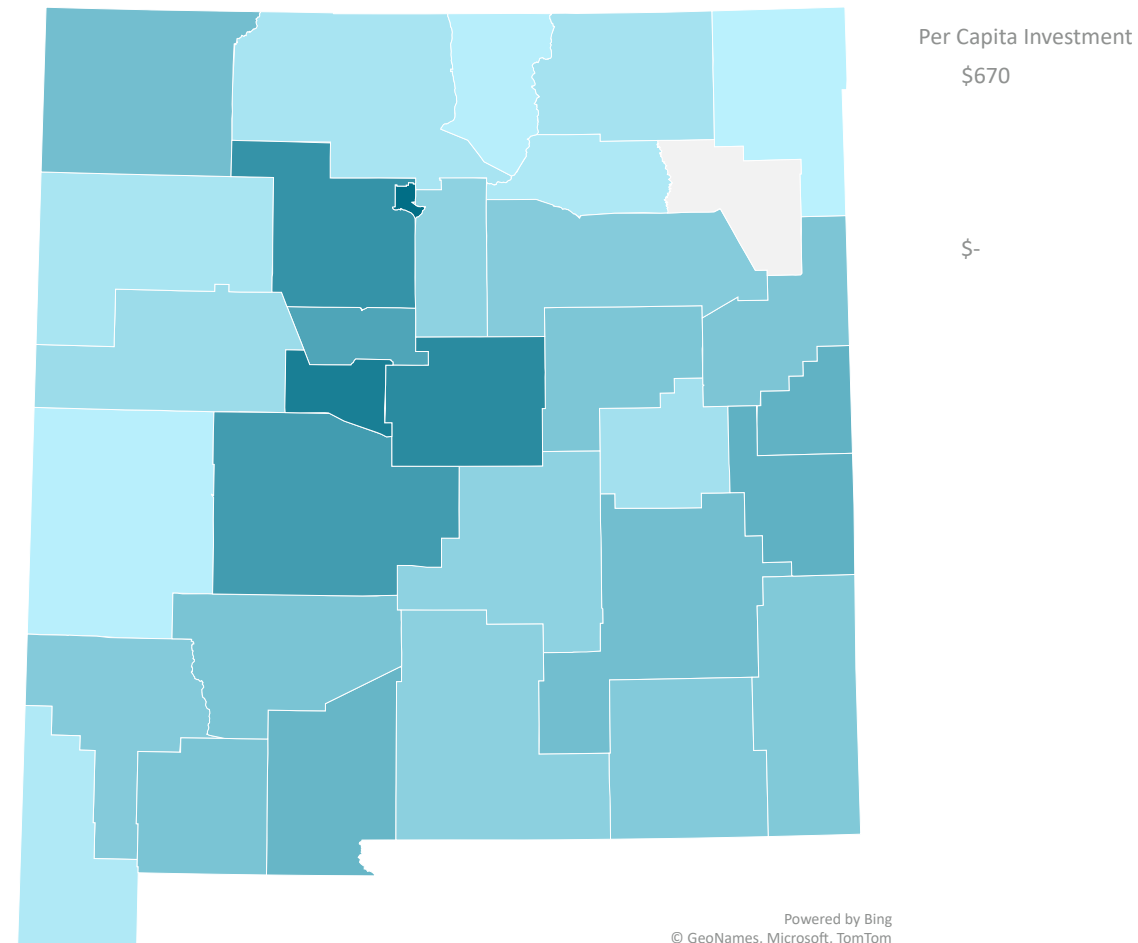
- New Mexico Housing Strategy
- Housing Needs Assessment
- Affordable Housing Act

**\$651 million** in federal, state, and private funding administered and **22,612** families assisted, homes created, and loans provided across the state.

- \$44.9 million to develop 2,974 homes.
- \$15.4 million to preserve 1,054 homes.
- \$531.2 million in first mortgage and downpayment assistance totaling 4,817 loans to 2,186 families.
- \$15.1 million in mortgage assistance to 1,789 families.
- \$39.7 million for housing voucher for 6,161 families.
- \$5.2 million for homelessness prevention or support services for 5,881 families.

\*Preliminary impact data as of 8/31/2024, some homes and families assisted maybe double counted.

Per Capita Impact Investment by County



# New Mexico Housing Trust Fund Update

From its establishment in 2005 up to July 1, 2022, the state appropriated \$61,050,000 to the New Mexico Housing Trust Fund.

In total there has been \$183.2 million appropriated to the New Mexico Housing Trust Fund, 67% of which occurred since July 1, 2023.

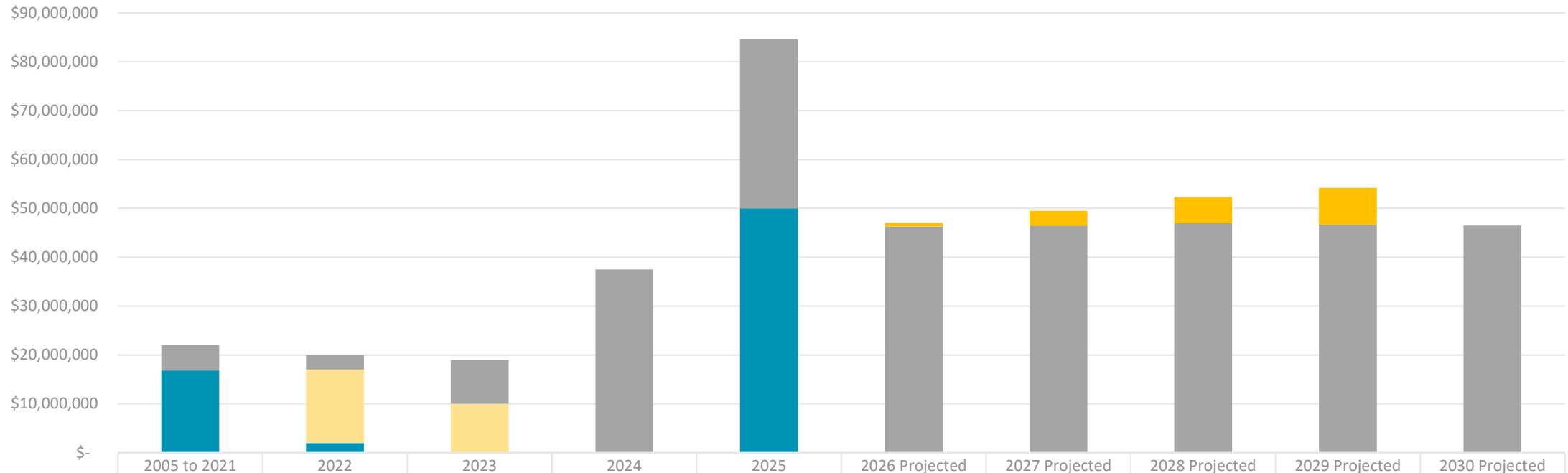
Beginning July 1, 2024, MFA received its second severance tax bond earmark in the amount of \$34.62 million.

Also beginning July 1, 2024, the state made available its largest general fund appropriation to the NMHTF of \$50 million.

Historically, New Mexico Housing Trust Fund was used exclusively for housing development. Statutory changes to the NMHTF in 2021 permitted funding a wider range of activities.

# NMHTF Appropriations to Date

New Mexico Housing Trust Fund Appropriations and Program Income Earned



	2005 to 2021	2022	2023	2024	2025	2026 Projected	2027 Projected	2028 Projected	2029 Projected	2030 Projected
Program Income Earned on STB Funds	\$-	\$-	\$10,000,000	\$-	\$-	\$816,054	\$3,010,862	\$5,341,325	\$7,505,854	\$-
Severance Tax Bond Funds	\$5,200,000	\$3,000,000	\$9,000,000	\$37,530,000	\$34,620,000	\$46,300,000	\$46,500,000	\$47,000,000	\$46,700,000	\$46,500,000
Federal Funds	\$-	\$15,000,000	\$10,000,000	\$-	\$-	\$-	\$-	\$-	\$-	\$-
General Funds	\$16,850,000	\$2,000,000	\$-	\$-	\$50,000,000	\$-	\$-	\$-	\$-	\$-

**Overall  
Leverage  
17: 1**

**Build Homeownership & Wealth  
58:1**

**Create More Housing  
11:1**

**Preserve Existing Affordable Housing  
1:1**

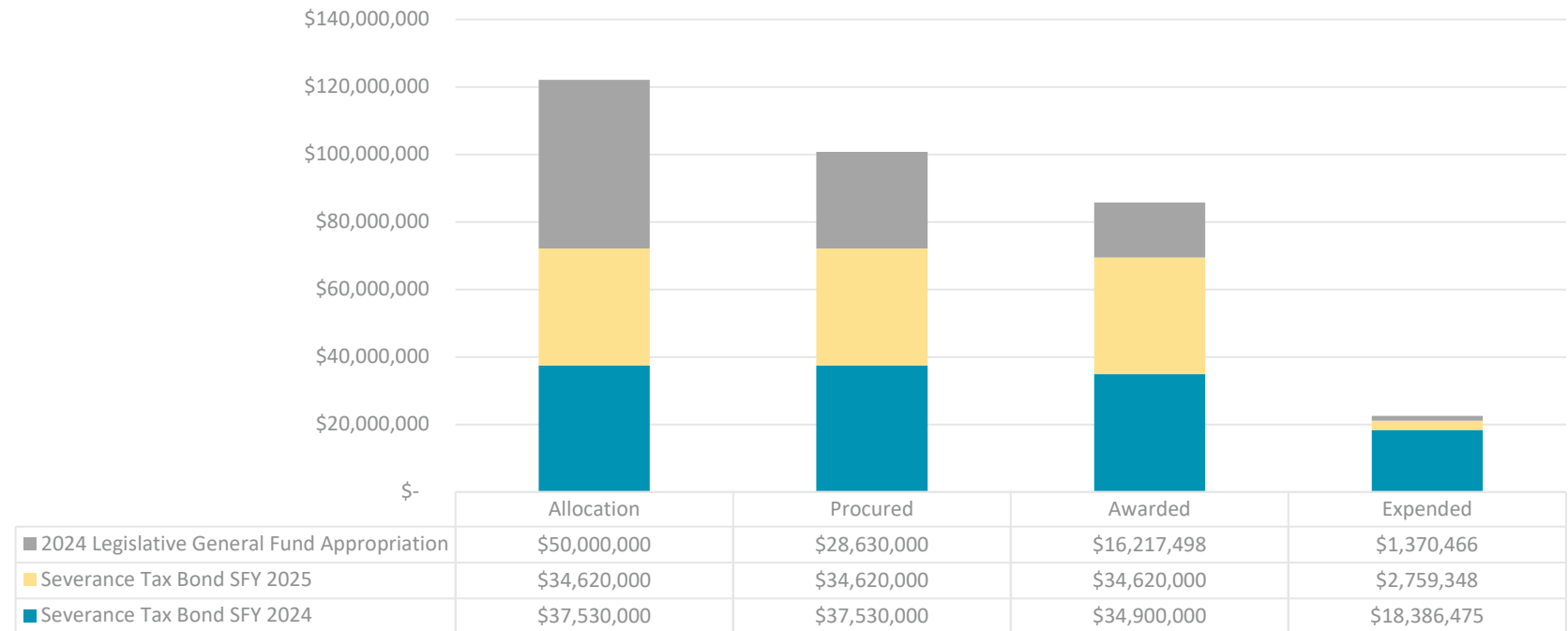
# NMHTF Performance Metrics

In the 16 months since the passage of the NMHTF STB earmark legislation, Housing NM has:

- procured for 83%,
- awarded 70% and
- expended 18% of the

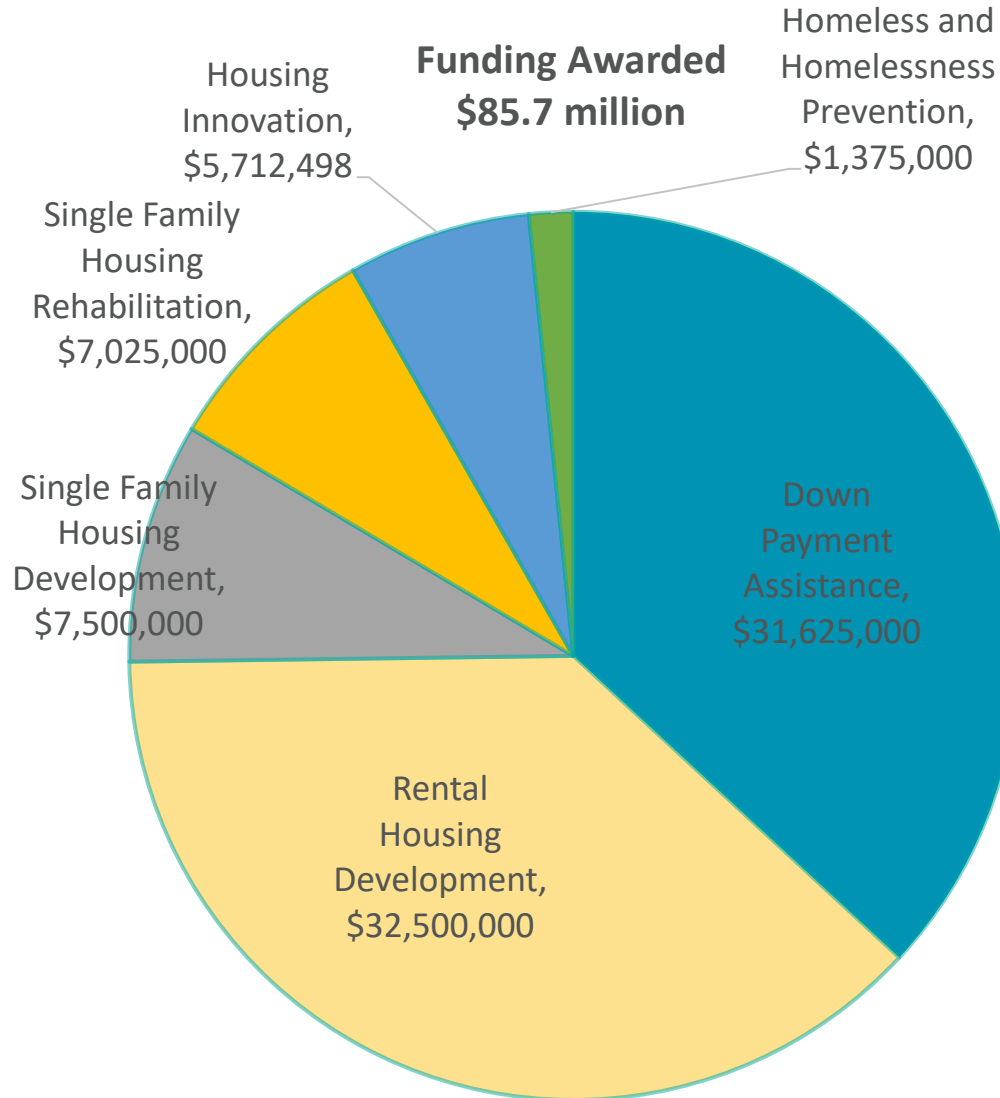
**\$122.12 million** made available to the New Mexico Housing Trust Fund. These figures include FY 2025 **\$84.62 million** that became available for use in July 2024.

NMHTF Performance Metrics





# NMHTF Awarded Funding: Use Amounts & Impact



## Households/Units Impacted

Down Payment Assistance	2,108
Rental Housing Development	1,666
Single Family Housing Development	183
Single Family Housing Rehabilitation	314
Housing Innovation	279
Homeless and Homelessness Prevention	90
<b>TOTAL</b>	<b>4,640</b>

## Housing Innovation Award Highlights

- \$500,000 to New Mexico Ramp Project to install accessibility ramps in the homes of low income and disabled New Mexicans.
- \$500,000 to North Central New Mexico Economic Development District to replace mobile homes that pose health and safety risk to their low income, elderly occupants.
- \$375,000 to Forget Me Not in Socorro to expand shelter for homeless veterans.

# Developing Permanent Supportive Housing

## Route 66 Flats

47-unit, new construction development in Albuquerque

Funding Source	Amount
Housing New Mexico – American Rescue Plan Act	\$1,701,121
City of Albuquerque – American Rescue Plan Act	\$1,701,121
Deferred Developer Fee	\$208,000
Low Income Housing Tax Credit Equity	\$12,143,445
<b>Total</b>	<b>\$15,753,687</b>

## Amador Crossing

50-unit, new construction development in Las Cruces

Funding Source	Amount
2024 Capital Outlay Appropriation	\$5,377,500
Las Cruces Health Care Reserve	\$4,000,000
New Mexico Housing Trust Fund	\$1,500,000
Gap	\$2,163,373
<b>Total</b>	<b>\$13,040,873</b>

## Other PSH Developments

- *Hope Village in Albuquerque – 41 units*
- *Desert Hope in Las Cruces – 40 units*
- *Vista de Socorro in Socorro – 32 units*
- *Cornerstone in Silver City – 30 units*

Permanent supportive housing (PSH) is a proven solution to address root causes of homelessness: lack of affordable housing and lack of supportive services. Because PSH serves very low-income households, large amounts of grant funding is required. Federal stimulus funds appropriated through the American Rescue Plan Act (ARPA) provided this debt-free financing resource. Continuing to develop PSH will require state and local grant contributions, as seen with Amador Crossing. Project-basing new Linkages vouchers is also an opportunity to expand PSH development.

# Developing Housing for Ownership

New Mexico Housing Trust Fund increased appropriations have allowed Housing New Mexico to prioritize single-family development. Funds are loaned to the developer and repaid when the buyer purchases the home. Lower interest on construction loans reduces the buyer's purchase price.

## El Toro Community

- Roswell, NM
- \$3 million revolving line of credit, 1% fixed rate
- 29 affordable homes for ownership will be produced

## Salazar South

- Taos, NM
- \$2.5 million revolving line of credit, 1% fixed rate
- 81 affordable homes for ownership will be produced

## Vado New Horizons

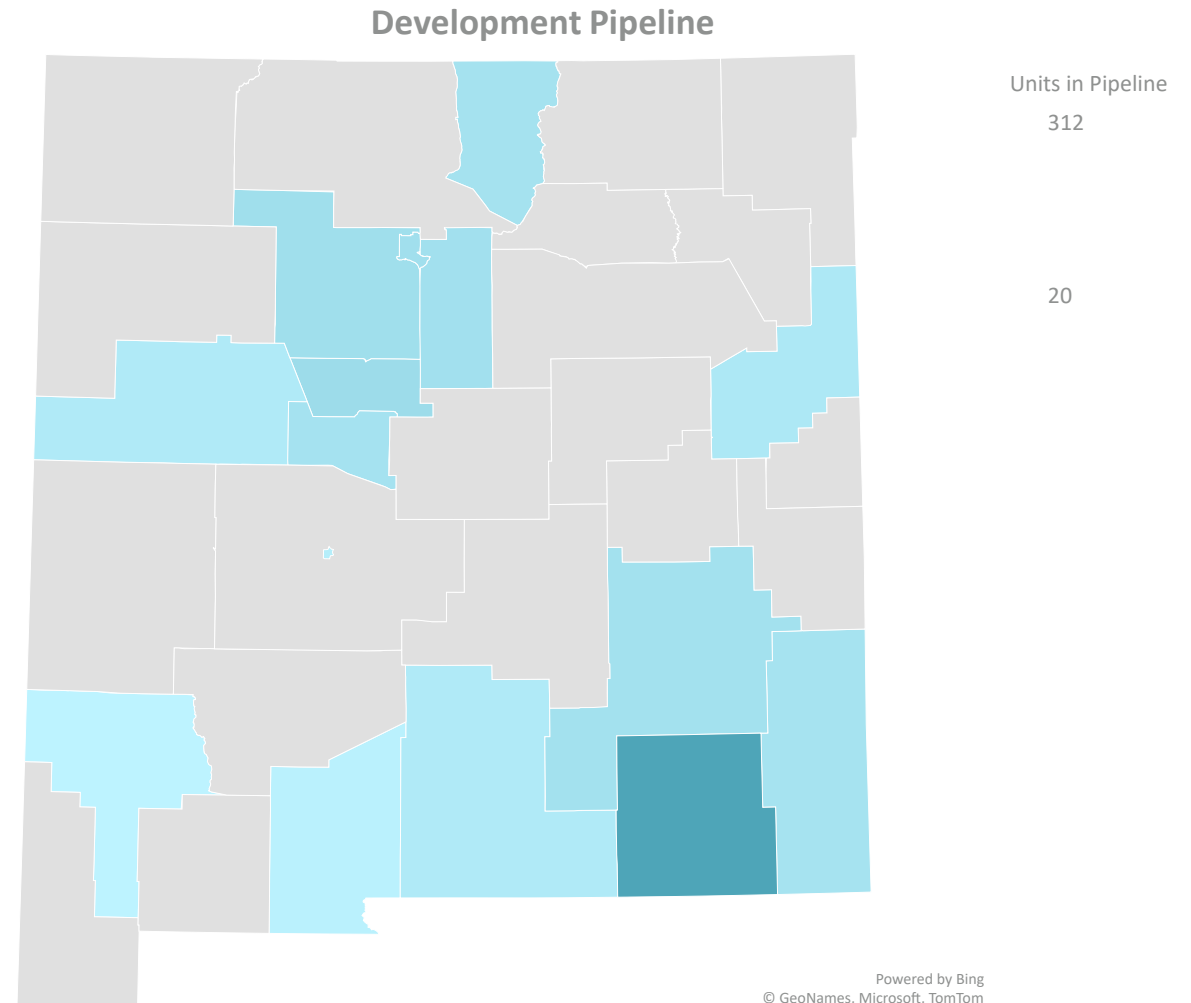
- Vado, NM
- \$3.5 million infrastructure loan, 2.5% fixed rate
- 97 affordable homes for ownership

# Development Pipeline

Housing New Mexico currently has 51 projects at various stages of development that include 4,765 units, across 20 municipalities and 15 counties.



These project will result in \$557 million in local income and 7,600 jobs from the direct and indirect impact of construction activity, as well as the induced effect of spending income and tax revenue from the eventual construction activity.



# What will more NMHTF investment achieve?

Housing New Mexico maximizes federal and private resources to “stretch” the NMHTF’s impact. Going beyond sustaining the status quo requires more state investment.

Use	Cost
Down Payment Assistance*	\$10,000 per borrower
Rental Housing Development*	\$310,000 per unit
Single Family Housing Development*	\$400,000 per unit
Single Family Housing Rehabilitation	\$150,000 per unit
Homeless and Homelessness Prevention – Homelessness Prevention	\$6,000 per household
Homeless and Homelessness Prevention – Housing Vouchers	\$10,000 per household
Homeless and Homelessness Prevention – Permanent Supportive Housing	\$325,000 per unit

\*Funding for these uses are typically issued as a loan and generate program income. Historically NMHTF accounts for 10% of the total development cost for rental housing development. However, since federal leverage resources are maximized, increasing production will require substantial state funding to make up the gap. Single family development loans are structured as a revolving line of credit with funds recaptured and recycled upon sale of the home.

# Questions?

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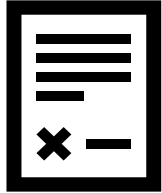
*We Are Housing New Mexico*

# Fiscal Year 2025 Budget – General fund

The FY25 General Fund Budget is substantially the same as last year, with the primary driver of the change attributable to reduced expenses from discontinuing the Homeowner Assistance Fund (HAF). Housing New Mexico fully expended these federal funds over a few years to help homeowners facing hardship from COVID

Revenues	—	Expenses	=	Net Revenue
<hr/> <b>FY25 Budget: \$36.7M</b> FY24 Budget: \$36.7M  Difference: \$0.04M  <hr/>		<hr/> <b>FY25 Budget: \$34.3M</b> FY24 Budget: \$35.1M  Difference: \$(0.75M)  <hr/>		<hr/> <b>FY25 Budget: \$2.4M</b> FY24 Budget: \$1.6M  Difference: \$0.79M  <hr/>
Increasing interest and housing program income.  Decreasing income from administrative fees and loan servicing.		Increasing cost of public information and other non-cash expenses.  Decreasing salary and benefit costs due to the closing of HAF.  Decreasing repair, lease and maintenance costs.		Increasing revenues and decreasing expenses produce a net effect that is <b><u>favorable to budget</u></b> .

# Financial Highlights - Bonds



## Bonds Outstanding

Bonds are how Housing New Mexico Funds mortgages for first-time homebuyers. Each quarter, we go to market and sell our bonds. This “continuous lending” model keeps a constant cash flow to serve NM residents.

- ~\$2B managed to-date.
- Add ~\$110M each quarter.



## FY24 Highlights

After record market movements during 2022 and 2023, Housing New Mexico became a lifeline for borrowers seeking to purchase their first home. Because of this, we saw strong production during the entire year.

- \$570M issued in bonds.
- Record single issuance for \$150M.
- Introduction of taxable bonds.



## Offer Low Rates

Housing New Mexico can offer lower-than-market rates due to its ability to issue tax-exempt bonds. These competitive rates propel borrowers toward our programs.

Generally, Housing NM provides first mortgages that are 50-75 base points below the market rate for New Mexico.



## Collaboration is Key

Housing New Mexico works with a team of industry experts to execute our bonds. From financial advisors and underwriter to our trustee, each issuance is not only a group effort, but a long-term commitment to ensure that we meet every requirement for our bonds.

Our current team of collaborators have served Housing New Mexico for years, some of them with more than a decade of familiarity with our programs.



## Bonds Well-Received

Housing New Mexico’s bonds are well-received by investors. Each issuance is rated by Moody’s and Housing New Mexico has maintained a AAA rating on our bonds. Our bonds often attract more investor interest than we have bonds available, leading to even more competitive rates.

Housing New Mexico received about 3 times more investor interest than we had bonds available.



# NMHTF Statutory Requirements

- STB program income must be prioritized for expenditure before STB earmark funds.
- STB funding must be used for capital projects; state general fund allocations may be used for broader purposes.
- An average leverage ratio of 3:1 must be maintained.
- All NMHTF-funded projects are subject to the Affordable Housing Act.
  - Designated to serve low-and-moderate income households.
  - Subject to affordability period restrictions.

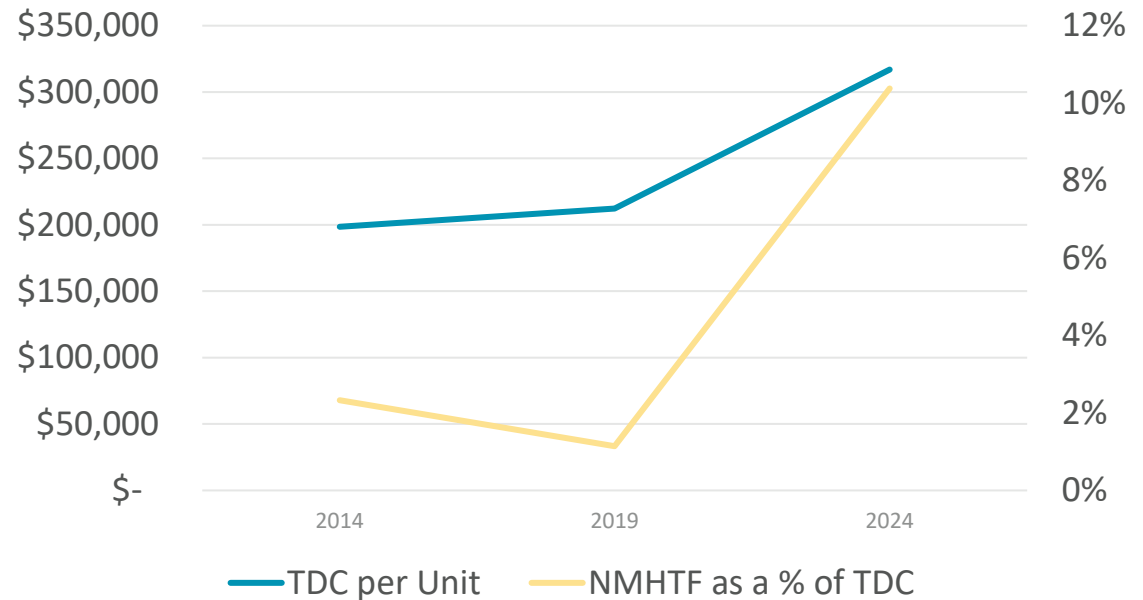


# NMHTF Strategic Impact Framework

Certified Use	Strategic Impact Area	Activity
Down Payment Assistance and First Mortgage	Build homeownership & wealth	<ul style="list-style-type: none"> <li>• HomeForward down payment assistance</li> <li>• FirstDownPlus down payment assistance</li> </ul>
Housing Development & Preservation	Create more housing	<ul style="list-style-type: none"> <li>• Low-Income Housing Tax Credit gap financing</li> <li>• Single family development loan financing</li> </ul>
	Preserve existing affordable housing	<ul style="list-style-type: none"> <li>• Preservation loan financing</li> <li>• Restoring Our Communities</li> <li>• Weatherization</li> <li>• Housing improvement program</li> <li>• HOME rehabilitation</li> <li>• Housing innovation</li> </ul>
Homeless Shelter and Support Services for Vulnerable Populations ( <i>non-STB activities</i> )	Create stable housing environments	<ul style="list-style-type: none"> <li>• Program development to address special needs populations</li> <li>• Landlord Collaboration/Landlord Guarantee</li> <li>• Eviction Prevention/Homeless Prevention</li> <li>• Re-Entry/RHP model programs</li> </ul>

Despite the challenging development conditions, recent appropriations to the NMHTF have allowed Housing New Mexico to continue production of multifamily housing and increase single-family developments and permanent supportive housing.

Total Development Cost per Unit Compared to NMHTF as a Percentage of Total Development Cost



# NMHTF Awards

Awardee	Award	Award Amount	Strategic Impact Area	Activity	New Mexico Housing Trust Fund Funding Source	Anticipated Impact (Households)	County
Restoring Our Communities Program		\$ 2,000,000.00	Preserve Existing Affordable Housing	Restoring Our Communities	SFY24 STB	12	Bernalillo County
La Serena Apartments, LLC	La Serena Apartments	\$ 1,000,000.00	Create More Housing	Gap Financing	SFY24 STB	100	Bernalillo County
NCNO Limited Partnership, LLLP	Encino Senior Gardens	\$ 2,000,000.00	Create More Housing	Gap Financing	SFY24 STB	165	Bernalillo County
Post Las Brisas, LLC	Las Brisas Apartments	\$ 1,000,000.00	Preserve Existing Affordable Housing	Preservation	SFY24 STB	120	Bernalillo County
Homewise	Sombra del Oeste	\$ 500,000.00	Create More Housing	SF Development	SFY24 STB	10	Bernalillo County
Sawmill CLT		\$ 262,498.00	Preserve Existing Affordable Housing	Housing Innovation	SFY24 STB	105	Bernalillo County
Somos Apartments Limited Partnership	Somos Apartments	\$ 4,000,000.00	Create More Housing	Gap Financing	SFY25 STB	70	Bernalillo County
HagermanForward Inc.		\$ 500,000.00	Preserve Existing Affordable Housing	Housing Innovation	SFY24 STB	18	Chaves County
Artisan's Guild Contracting, LLC	El Toro Community	\$ 3,000,000.00	Create More Housing	SF Development	2024 Legislative Allocation	29	Chaves County
Chelsea Investment Corp.	Three Sisters	\$ 3,500,000.00	Create More Housing	Gap Financing	SFY24 STB	70	Dona Ana County
Pedrena Apartments LLC	Pedrena Apartments	\$ 1,000,000.00	Create More Housing	Gap Financing	SFY24 STB	80	Dona Ana County
Peachtree Canyon Limited Partnership (to be formed)	Peachtree Canyon I	\$ 3,000,000.00	Create More Housing	Gap Financing	SFY24 STB	144	Dona Ana County
City of Las Cruces		\$ 1,500,000.00	Preserve Existing Affordable Housing	Housing Innovation/ Homeless and Homelessness Prevention	SFY24 STB		Dona Ana County
Tierra del Sol Housing Corporation	Vado New Horizons	\$1,000,000.00	Create More Housing	SF Development	2024 Legislative Allocation	56	Dona Ana County

# NMHTF Awards

Awardee	Award	Award Amount	Strategic Impact Area	Activity	New Mexico Housing Trust Fund Funding Source	Anticipated Impact (Households)	County
Town of Silver City		\$ 500,000.00	Preserve Existing Affordable Housing	Housing Innovation	SFY24 STB	8	Grant County
EC Ruidoso LP	Elk Meadows Apartments	\$ 2,000,000.00	Create More Housing	Gap Financing	SFY24 STB	72	Lincoln County
Village of Ruidoso		\$ 287,502.00	Preserve Existing Affordable Housing	Housing Innovation	SFY24 STB		Lincoln County
Village of Ruidoso		\$ 712,498.00	Preserve Existing Affordable Housing	Housing Innovation	2024 Legislative Allocation		Lincoln County
Redfeather Development		\$ 50,000.00	Preserve Existing Affordable Housing	Weatherization	2024 Legislative Allocation	4	Navajo Nation
Redfeather Development		\$ 25,000.00	Preserve Existing Affordable Housing	Weatherization - EnergySmart Solar Program	2024 Legislative Allocation	2	Navajo Nation
Ohkay Owingeh		\$ 500,000.00	Preserve Existing Affordable Housing	Housing Innovation	SFY24 STB	10	Rio Arriba County
Rio Rancho Leased Housing Authority I, LLP	Sandoval Flats	\$ 1,620,000.00	Create More Housing	Gap Financing	SFY25 STB	216	Sandoval County
Rio Rancho Leased Housing Authority I, LLP	Sandoval Flats	\$ 1,380,000.00	Create More Housing	Gap Financing	2024 Legislative Allocation	216	Sandoval County
San Felipe Pueblo		\$ 37,607.74	Preserve Existing Affordable Housing	Home Improvement Program	SFY24 STB	3	Sandoval County
San Felipe Pueblo		\$ 450,000.00	Preserve Existing Affordable Housing	Housing Innovation	SFY24 STB	24	Sandoval County
Homewise	Miraflores	\$ 500,000.00	Create More Housing	SF Development	SFY24 STB	7	Santa Fe County
Ocate SF, LLC ( to be formed)	Ocate Apartments	\$ 3,000,000.00	Create More Housing	Gap Financing	SFY25 STB	60	Santa Fe County
Country Club SF, LLC (to be formed)	Country Club Apartments	\$ 3,000,000.00	Create More Housing	Gap Financing	SFY25 STB	62	Santa Fe County

# NMHTF Awards

Awardee	Award	Award Amount	Strategic Impact Area	Activity	New Mexico Housing Trust Fund Funding Source	Anticipated Impact (Households)	County
Lincoln Avenue Communities	Cresta Ranch	\$4,000,000.00	Create More Housing	Gap Financing	2024 Legislative Allocation	240	Santa Fe County
Forget Me Not Park		\$ 375,000.00	Preserve Existing Affordable Housing	Housing Innovation/ Homeless and Homelessness Prevention	2024 Legislative Allocation		Socorro County
Chelsea Investment Group	Mariposa Apartments	\$ 2,000,000.00	Create More Housing	Gap Financing	SFY25 STB	51	Taos County
YSM Development Advisors LLC	Salazar South	\$ 2,500,000.00	Create More Housing	SF Development	2024 Legislative Allocation	81	Taos County
NM Ramp Project		\$ 500,000.00	Preserve Existing Affordable Housing	Housing Innovation	SFY24 STB	100	Bernalillo, Chaves, Cibola, Dona Ana, Eddy, Lea, Los Alamos, Luna, Rio Arriba, Roosevelt, San Juan Sandoval, Santa Fe, Torrance, and Valencia Counties
Central New Mexico Housing Corporation		\$ 475,000.00	Preserve Existing Affordable Housing	Weatherization	SFY24 STB	33	Bernalillo, Sandoval, Torrance, Valencia, Taos, Colfax, Union, Mora, Harding, San Miguel, Guadalupe, Quay, Cibola, McKinley, San Juan, Rio Arriba, Santa Fe, Los Alamos
Central New Mexico Housing Corporation		\$ 125,000.00	Preserve Existing Affordable Housing	Weatherization	2024 Legislative Allocation	9	Bernalillo, Sandoval, Torrance, Valencia, Taos, Colfax, Union, Mora, Harding, San Miguel, Guadalupe, Quay, Cibola, McKinley, San Juan, Rio Arriba, Santa Fe, Los Alamos
Central New Mexico Housing Corporation		\$ 75,000.00	Preserve Existing Affordable Housing	Weatherization - EnergySmart Solar Program	2024 Legislative Allocation	5	Bernalillo, Sandoval, Torrance, Valencia, Taos, Colfax, Union, Mora, Harding, San Miguel, Guadalupe, Quay, Cibola, McKinley, San Juan, Rio Arriba, Santa Fe, Los Alamos

# NMHTF Awards

Awardee	Award	Award Amount	Strategic Impact Area	Activity	New Mexico Housing Trust Fund Funding Source	Anticipated Impact (Households)	County
North Central New Mexico Economic Development District		\$ 500,000.00	Preserve Existing Affordable Housing	Housing Innovation	SFY24 STB	4	Colfax, Los Alamos, Mora, Rio Arriba, San Miguel, Sandoval, Santa Fe, and Taos
Southwest Regional Housing and Community Development		\$ 134,655.19	Preserve Existing Affordable Housing	Home Improvement Program	SFY24 STB	3	Dona Ana, Eddy, Grant, Hidalgo, Luna, Sierra, Curry, De Baca, Lincoln, Chaves, Roosevelt, Otero, and Lea Counties
Southwest Regional Housing and Community Development		\$ 98,999.86	Preserve Existing Affordable Housing	Home Improvement Program	SFY24 STB	1	Dona Ana, Eddy, Grant, Hidalgo, Luna, Sierra, Curry, De Baca, Lincoln, Chaves, Roosevelt, Otero, and Lea Counties
Southwest Regional Housing and Community Development		\$ 300,000.00	Preserve Existing Affordable Housing	Weatherization	SFY24 STB	21	Dona Ana, Eddy, Grant, Hidalgo, Luna, Sierra, Curry, De Baca, Lincoln, Chaves, Roosevelt, Otero, and Lea Counties
Southwest Regional Housing and Community Development		\$ 75,000.00	Preserve Existing Affordable Housing	Weatherization	2024 Legislative Allocation	5	Dona Ana, Eddy, Grant, Hidalgo, Luna, Sierra, Curry, De Baca, Lincoln, Chaves, Roosevelt, Otero, and Lea Counties
Southwest Regional Housing and Community Development		\$ 2,400,000.00	Preserve Existing Affordable Housing	Weatherization - EnergySmart Solar Program	2024 Legislative Allocation	170	Dona Ana, Eddy, Grant, Hidalgo, Luna, Sierra, Curry, De Baca, Lincoln, Chaves, Roosevelt, Otero, and Lea Counties
Home Improvement Program		\$ 500,000.00	Preserve Existing Affordable Housing	Home Improvement Program	2024 Legislative Allocation	19	Guadalupe, Quay, Harding, Union, Rio Arriba, San Juan, McKinley, and Los Alamos Counties
Home Improvement Program		\$ 728,737.21	Preserve Existing Affordable Housing	Home Improvement Program	SFY24 STB	27	Guadalupe, Quay, Harding, Union, Rio Arriba, San Juan, McKinley, and Los Alamos Counties



# NMHTF Awards

Awardee	Award	Award Amount	Strategic Impact Area	Activity	New Mexico Housing Trust Fund Funding Source	Anticipated Impact (Households)	County
Preservation and Reinvestment Initiative for Community Enhancement Grant		\$ 1,000,000.00	Preserve Existing Affordable Housing	Housing Innovation	SFY25 STB		Statewide
Homeownership Department	FirstDown Plus	\$ 10,625,000.00	Build Homeownership & Wealth	Down Payment Assistance	SFY24 STB	708	Statewide
Homeownership Department	HomeForward DPA	\$ 1,000,000.00	Build Homeownership & Wealth	Down Payment Assistance	SFY24 STB	67	Statewide
Homeownership Department	FirstDown Plus	\$ 15,500,000.00	Build Homeownership & Wealth	Down Payment Assistance	SFY25 STB	1,033	Statewide
Homeownership Department	HomeForward DPA	\$ 4,500,000.00	Build Homeownership & Wealth	Down Payment Assistance	SFY25 STB	300	Statewide
<b>Total</b>		<b>\$85,737,498.00</b>					





**HOUSING**  
NEW MEXICO | MFA

# AVAILABLE PROGRAMS

Housing New Mexico | MFA

[HousingNM.org](https://HousingNM.org)

505-843-6880



# Programs to Create More Housing

## 9% Low-Income Housing Tax Credits (LIHTC)\*

Each state receives federal tax credits to support development and rehabilitation of low-income units. The 9% tax credits are awarded through a competitive process to projects throughout the state. The tax credits are sold to investors which creates approximately 70% equity for the project.\*

## 4% LIHTC Tax Exempt Bonds\*

Private Activity Bonds (PABs) are tax-exempt bonds issued to finance projects with a public benefit, such as affordable housing. When over 50% of a project's financing comes from PABs, the project then qualifies for a non-competitive, "as-of-right" 4% LIHTC allocation. This tax credit provides approximately 30% equity into the project, thereby reducing the project's financing costs. The combination of PABs and the 4% LIHTC facilitates the development of affordable housing by making projects more financially feasible and ensuring lower rents for low-income residents.

## 542 (c) HUD & 538 Rural Development Risk Share Loan Programs

Multifamily housing loan enhancement programs/products. The 542(c) program allows for a risk sharing arrangement between New Mexico Mortgage Finance Authority (MFA) and U.S. Department of Housing and Urban Development (HUD). The 538 program is a loan guarantee program for construction and permanent loans for affordable rental developments in eligible rural areas.

## Affordable Housing Act

The New Mexico State Legislature created the Affordable Housing Act as an exception to the anti-donation clause in the New Mexico Constitution to allow local governments and other political subdivisions to put resources towards affordable housing acquisition, development, financing, maintenance, and operation. Essentially, the Act permits public-private partnerships for affordable housing activities. It allows local governments to donate land, buildings, and money to affordable housing projects.

## HOME Rental Development Funds\*

HOME funds are used as gap financing and are typically the last dollars committed to a project. HOME funds are used in combination with other housing resources such as the Low-Income Housing Tax Credits and 542(c) loan programs.

## National Housing Trust Fund\*

Federal funding in the form of loans that are extended at a 0% interest rate and assist in construction or acquisition/rehabilitation of affordable housing for extremely low-income households whose incomes do not exceed the greater of 30% Area Median Income (AMI) or the federal poverty line.

## New Mexico Affordable Housing Tax Credit (State Tax Credit)\*

A tax credit program created by the State of New Mexico to encourage charitable donations to affordable housing projects. Donors receive 50% of the donation as a tax credit toward their New Mexico state tax liability.

## New Mexico Housing Trust Fund\*

Flexible funding for housing initiatives that provide acquisition, construction and/or preservation of affordable single or multifamily housing for persons or households of low or moderate income.

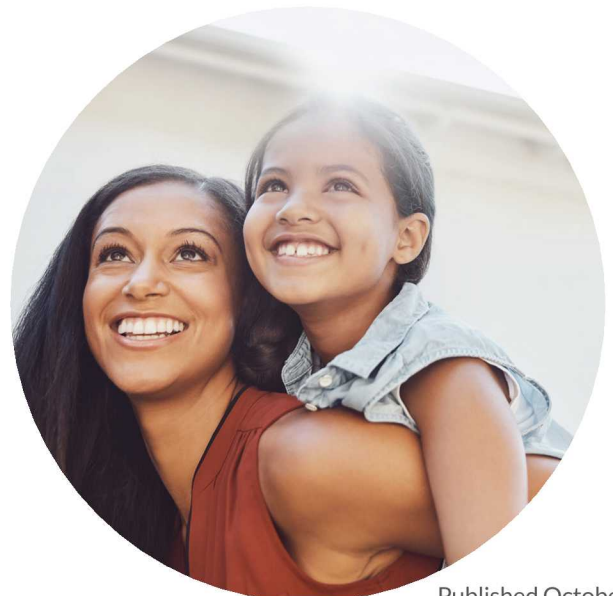
## Primero

A flexible, low-cost loan program created to finance the development of affordable rental, special needs residential facilities, or single-family subdivisions that might be considered "high risk" by traditional lenders.

## Single-Family Development

Flexible, low-cost loan programs that may be used for single-family development, including HOME, New Mexico Housing Trust Fund and Primero.

\*These programs also support multifamily rental preservation projects.



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# Programs to Preserve and Improve Existing Affordable Housing and Catalyze Redevelopment

## Emergency Housing Needs Program

A mechanism for MFA to quickly deploy assistance to respond to emergency housing situations as they arise.

## Home Improvement Program

A direct service program that provides home rehabilitation to New Mexicans that live in counties that are not served by existing providers as part of the HOME Rehabilitation program. Provides home rehabilitation for health and safety issues, fall reduction items, accessibility and caregiver modifications, and code compliance upgrades at no cost to eligible homeowners.

## HOME Rehabilitation

Provides home rehabilitation for health and safety issues, fall reduction items, accessibility and caregiver modifications, and code compliance upgrades at no cost to eligible homeowners.

## Housing Innovation Program

A resource to spur innovative housing projects and create an opportunity to test novel housing solutions. The program addresses housing needs that are currently unmet by other MFA programs.

## NM EnergySmart Weatherization Program

Provides energy-saving retrofits and home modifications at no charge to eligible homeowners and renters.

## New Mexico Preservation Loan Fund

Provides funding for projects to support the preservation of at-risk affordable housing in the state.

## Restoring Our Communities

Provides funding for the acquisition, rehabilitation, and resale of vacant, abandoned or foreclosed single-family homes with a goal of increasing homeowner opportunities for low- and moderate- income households while assisting communities in reducing abandoned properties.

## Veterans Home Rehabilitation and Modification Program

Provides home rehabilitation for health and safety issues, fall reduction items, accessibility and caregiver modifications, and code compliance upgrades at no cost to eligible veterans.

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# Programs to Build Homeownership and Wealth

## FirstDown

Available to first-time homebuyers, an amortizing down payment assistance program with monthly payments that must be combined with FirstHome.

## FirstDown Plus

A third mortgage down payment assistance loan designed to provide additional down payment to first-time homebuyers qualified to use MFA's FirstHome program.

## FirstHome

An affordable mortgage loan option for first-time homebuyers.

## HomeNow

A down payment and closing cost second mortgage loan that is available to first-time homebuyers who have lower household incomes.

## HomeForward

A recently updated first mortgage loan option for non-first-time homebuyers. Formerly known as NextHome.

## HomeForward DPA

A 10 or 15 year, amortizing down payment assistance program with monthly payments that must be combined with HomeForward.

## Partners

MFA purchases first time homebuyer loans originated by Habitat for Humanity affiliates in New Mexico.





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# Programs to Create Stable Housing Environments

## Continuum of Care

Funding provides housing assistance to individuals/families experiencing homelessness and supportive services, such as assistance with medical, financial, and educational programs. The New Mexico Coalition to End Homelessness and the City of Albuquerque administer the federal Continuum of Care awards to selected service providers, and MFA provides the state match funding.

## Emergency Homeless Assistance Program

MFA is awarded state homeless and federal Emergency Solutions Grant (ESG) funds annually for this program. Funding supports emergency shelter operations, essential services, and data collection.

## Housing Opportunities for Persons With AIDS

Provides housing assistance, in the form of rent, mortgage or utility payments, to people who have a documented HIV/AIDS diagnosis that are at or below 80% AMI.

## Landlord Collaboration Program

A collaboration between New Mexico Children, Youth and Families Department and MFA that increases access to safe, permanent, and supportive housing for youth (ages 18- 24) who are experiencing homelessness or are at risk of homelessness. The program provides incentive for landlords to rent to these youth by covering costs such as damages to the unit that are in excess of the security deposit.

## Landlord Engagement Program

Increases access to safe, permanent, and supportive housing to City of Albuquerque voucher holders who are experiencing homelessness or are at risk of homelessness. The program provides incentive for landlords to rent to this population by covering costs such as damages to the unit that are in excess of the security deposit.

## Linkages

A state-funded permanent supportive housing program that provides long-term rental subsidies, utility assistance, and supportive services to vulnerable populations. Serves homeless consumers with housing needs, prioritizing individuals with a serious mental illness, including Native Americans living off a reservation.

## Rapid Rehousing and Homeless Prevention

MFA is awarded state homeless and federal ESG funds annually for this program to assist individuals with short- and medium-term rental assistance that are homeless or at risk of homelessness. HOME American Rescue Plan funds are also used for the same purpose.

## Recovery Housing Program

Provides funds to develop housing or maintain housing and recovery services for individuals impacted by a substance use disorder, supporting efforts for independent living by providing stable housing to support recovery.

## Section 8 Project-Based Rental Assistance

A public-private partnership to maintain rental homes for low-income persons. HUD provides private owners of multifamily housing a rental subsidy between the market rent and 30% of the household income as rental payment.

## Section 811 Rental Assistance

A HUD initiative that assists extremely low-income people with disabilities to live independently in the community by providing rental subsidies linked with voluntary supportive services. Operated by MFA in collaboration with New Mexico Human Services Department's Behavioral Health Services Division, program subsidies are project-based and remain with the housing unit at turnover.

## Youth Homeless Demonstration Project

Designed by HUD in cooperation with youth who have experienced homelessness. The goal is to drastically reduce the number of youth experiencing homelessness, including unaccompanied, pregnant, and parenting youth.

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## Other Programs

### Congressional Funds: Community Project Funding for Fire Affected Counties

Funding supports the construction of temporary and permanent housing. Funds are also used to rehabilitate housing and provide housing support and stability services to meet the needs of New Mexicans who are or were displaced as a result of wildfires or otherwise affected by the wildfires.



# 2024 New Mexico Affordable Housing Needs Assessment

## Key Findings







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# Key Findings

The 2024 Housing Needs Assessment is a comprehensive report on housing issues in New Mexico. Key Findings presents the 2024 Housing Needs Assessment’s most telling state-level indicators related to the demographic and economic profile of New Mexico. It then presents state-level indicators supporting the four strategic impact areas outlined in the New Mexico Housing Strategy:

- Build Homeownership and Wealth
- Create More Housing
- Preserve and Improve Existing Affordable Housing and Catalyze Redevelopment
- Create Stable Housing Environments for People Experiencing Homelessness and People with Special Needs

Data sources include the United States Census Bureau American Community Survey (2022 5-Year Estimates) and Building Permits Survey, the U.S. Department of Housing and Urban Development’s (HUD) Annual Homeless Assessment Report, and the New Mexico Association of REALTORS.

Key Findings data points and visualization figure references correspond to the **2024 Housing Needs Assessment Data Tables** Excel file, which include county level data for most indicators. A presentation version of the data may be accessed here: **2024 New Mexico Affordable Housing Needs Assessment PowerPoint**.



# Definitions

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**Affordable Housing** - housing for which the occupant household pays no more than 30 percent of its income for gross housing costs, including utilities.

**Cost-Burdened Households** - households who pay more than 30 percent of their income for gross housing costs.

**Household** - all the people who occupy a housing unit. A household includes the related family members and all the unrelated people, if any, such as lodgers, foster children, wards, or employees who share the housing unit. A person living alone in a housing unit, or a group of unrelated people sharing a housing unit such as partners or roomers, is also counted as a household.

**Housing Stock** - the number of existing housing units.

**Housing Unit** - a house, apartment, group of rooms, or single room occupied, or intended for occupancy, as separate living quarters.

**Low-Income Households** - households whose combined income does not exceed 80 percent of the median household income for the area.

**Moderate-Income Households** - households whose combined income is between 80 percent and 150 percent of the median household income for the area.

**Manufactured Homes** - a structure, transportable in one or more sections, which in the traveling mode is 8 body feet or more in width, or 40 body feet or more in length, or which when erected onsite is 320 or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air conditioning, and electrical systems contained in the structure.

**Multifamily Housing** - a building with more than four residential rental units.

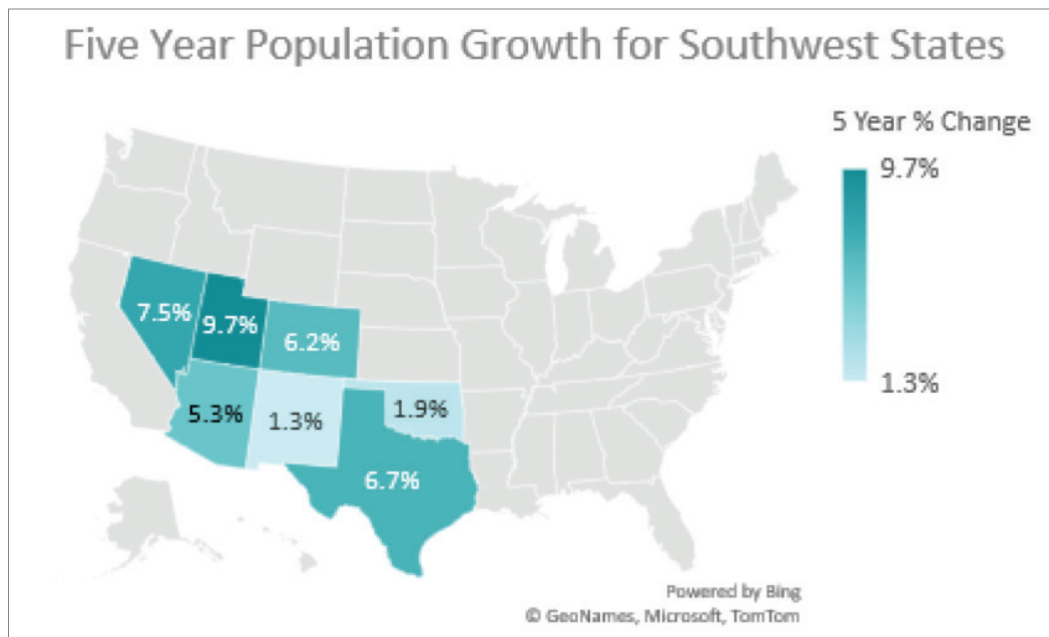
**Severely Cost-Burdened Households** - households who pay more than 50 percent of their income for gross housing costs.



# Demographic and Economic Profile of New Mexico

- There are 2,112,463 people residing in New Mexico and 812,852 households in the state. (Figure 4, Figure 19 & Figure 20)
- New Mexico's population grew 1.3% over the last five years, a rate which lags its neighboring states: Utah (9.7%), Nevada (7.5%), Texas (6.6%), Colorado (6.2%), and Arizona (5.3%). (Figure 4)

Figure 4

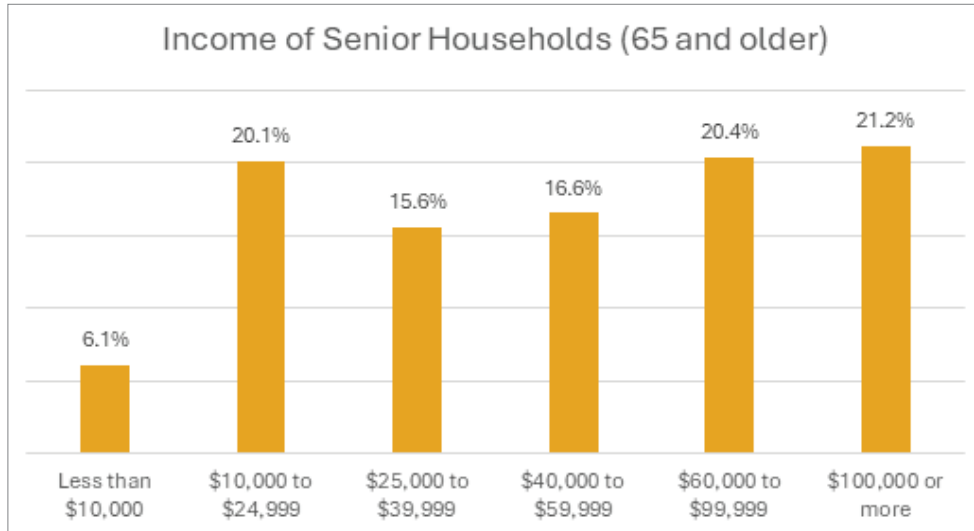


- New Mexico's working population, defined as persons 16 years and older, is primarily employed in education and healthcare, at a rate of 25.7%. (Figure 2) This rate is consistent with national trends. (Figure 3)
- The poverty rate in New Mexico is 18.3% and higher than the national rate of 12.5%. (Figure 7)
- New Mexico's median household income is \$58,722, which is lower than the national median household income of \$75,149. (Figure 8)
- The percentage of the population living with a disability in New Mexico totals 34.4%, which is higher than the national rate of 26.4%. (Figure 16 and 16A)
- The rate of households with seniors (or households with one or more people 65 years of age or older) in New Mexico is 33.8%. Nationwide, the rate of households with seniors is 11.5%. (Figure 15A)

# Demographic and Economic Profile of New Mexico

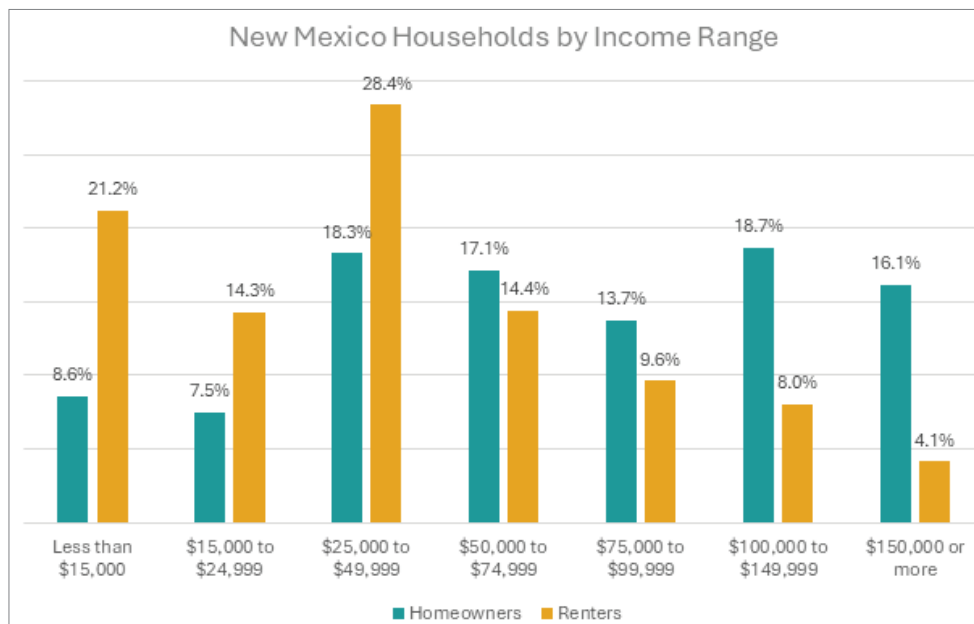
- Many New Mexico senior households are low or moderate income with 41.8% earning less than \$40,000 annually. The national rate is 37.7%. (Figure 15B)

Figure 15B



- The homeownership rate in New Mexico is 70.9%, which is higher than the national rate of 64.8%. (Figure 18)
- 43.2% of New Mexican households earn less than \$50,000 annually. This rate for the country is 33.8%. Renters in New Mexico, like the rest of the nation, are more likely to be low-income compared to homeowners. (Figure 31A and 31B)

Figure 31A and Figure 31B

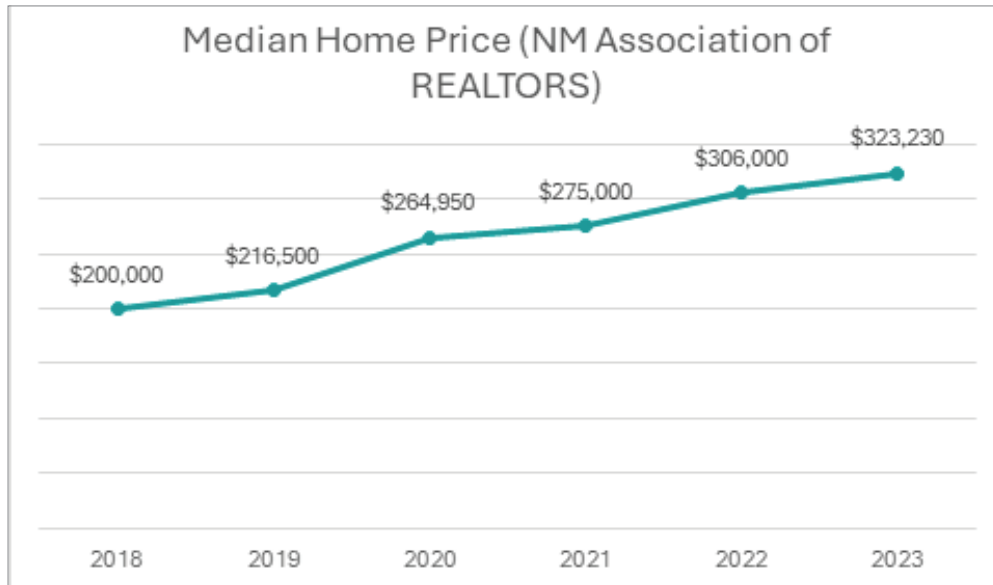


# Build Homeownership and Wealth Needs

## Homeownership Market

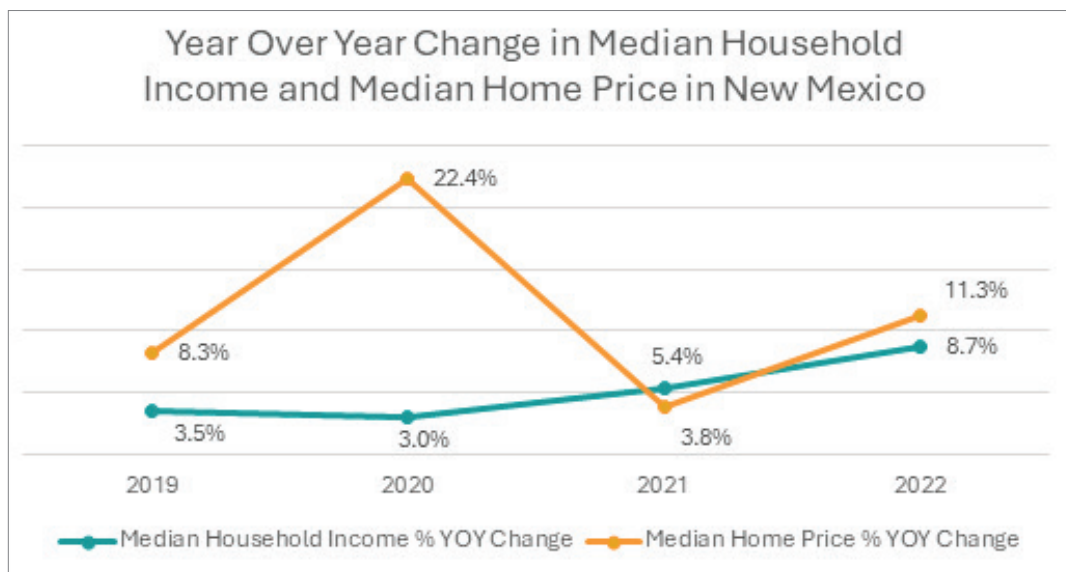
- In New Mexico, the median sale price of a home in 2023 was \$323,230 which increased 5.6% from the prior year. (Figure 33)

Figure 33



- The state's median household income increased 22.2% (from \$48,059 to \$58,722) from 2018 to 2022, while the median home price increased 53.0% (from \$200,000 to \$306,000). As home price increases outpace wage growth, the ability to achieve homeownership becomes more difficult. (Figure 32A)

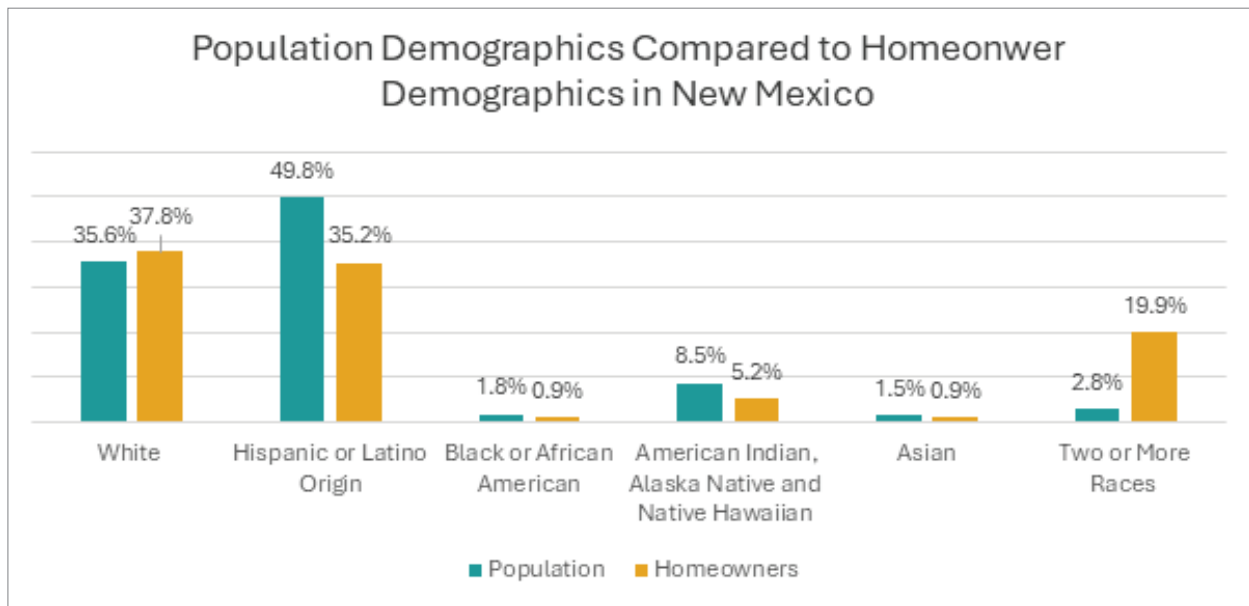
Figure 32A



# Build Homeownership and Wealth Needs

- Inequities in homeownership persist. White households comprise 37.8% of homeowners but 35.6% of the population. Hispanic households account for 35.2% of homeowners but 49.8% of the population. The relative rates for Native American households is 5.2% of homeowners and 8.5% of the population. Similarly, Black or African American, Asian and households of two or more races are underrepresented among homeowners. (Figure 14A)

Figure 14A

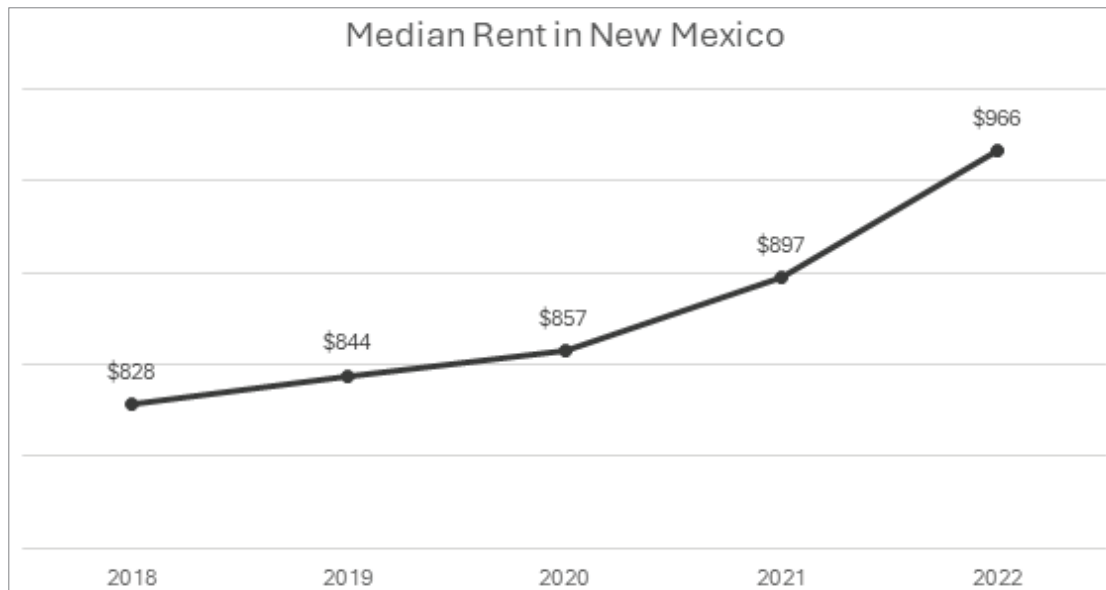


# Build Homeownership and Wealth Needs

## Rental Market

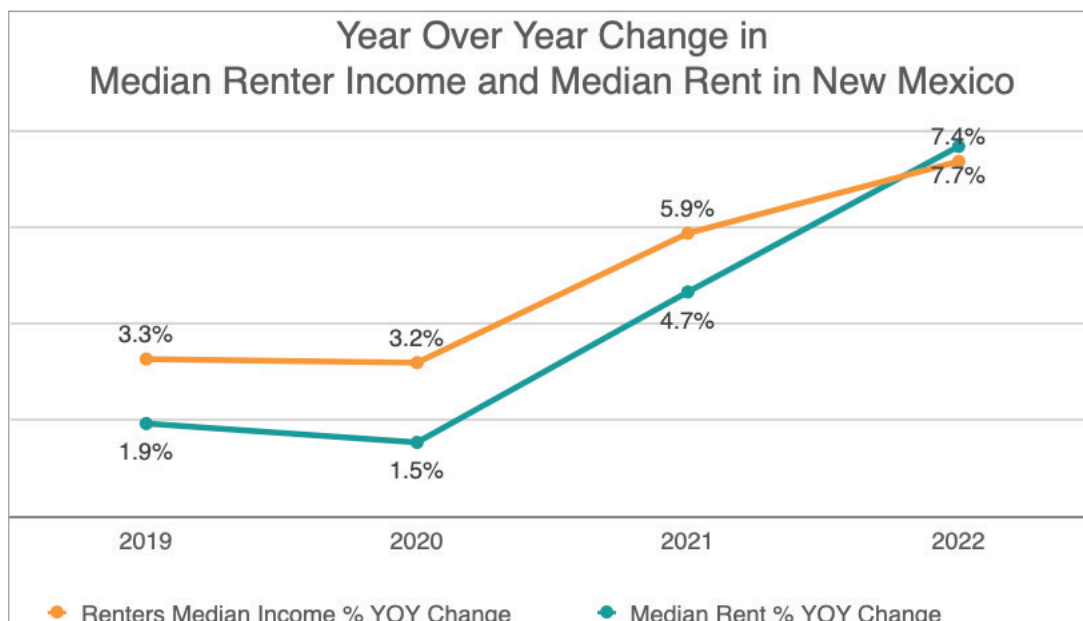
- In New Mexico, the median monthly gross rent in 2022 was \$966, which increased 7.7% from the previous year and 16.7% from 2018. (Figure 34)

Figure 34



- The state's renter median income increased 7.4% (from \$34,837 to \$37,408) from 2021 to 2022, which lagged behind rent price increases. (Figure 32A)

Figure 32A



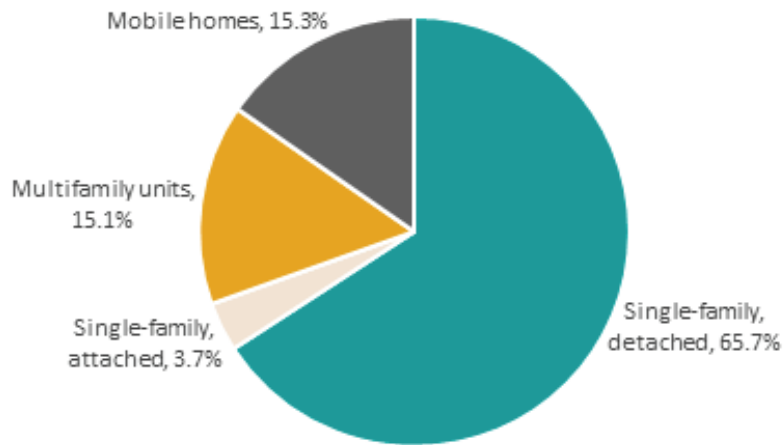


# Create More Housing Needs

- Single-family detached homes comprise the majority of New Mexico’s housing stock, followed by a high percentage of mobile or manufactured homes. (Figure 19)

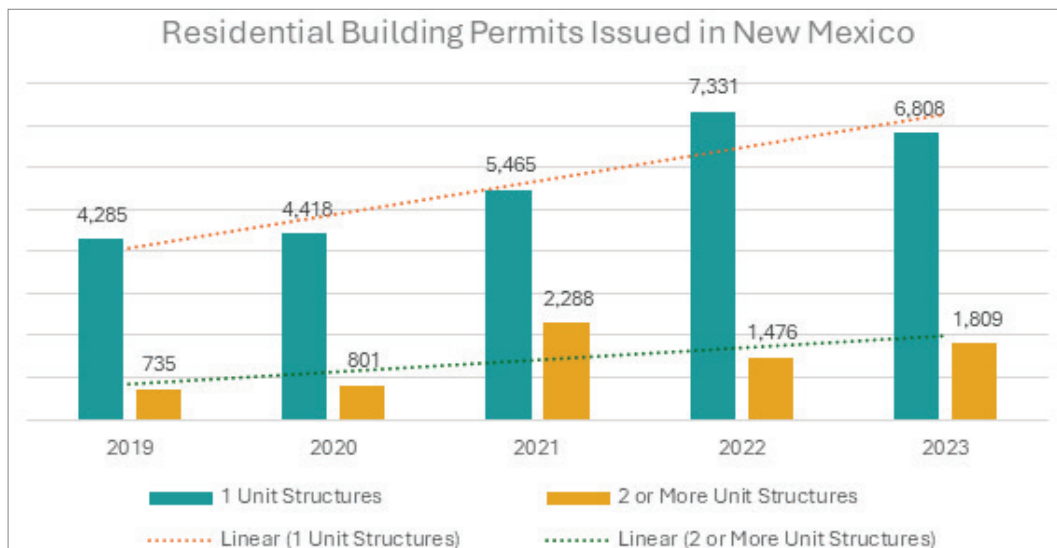
Figure 19

## Occupied Housing Stock in New Mexico



- The number of building permits for residential construction issued in 2023 decreased by 2.2% from the prior year. (Figure 24) Despite this dip in the pace of construction, the decades-long trend of depressed building has abated in recent years, with a 71.7% increase from 2019 to 2023.

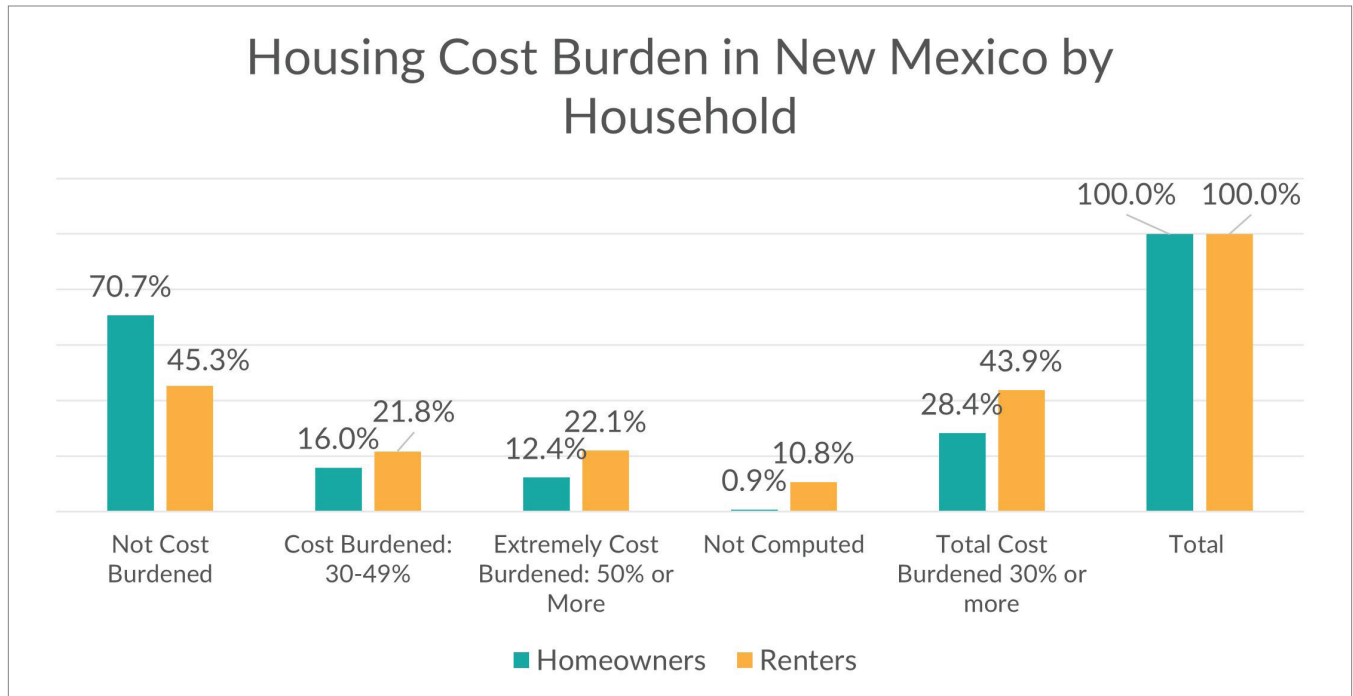
Figure 24



# Create More Housing Needs

- Cost-burden among renters (43.9%) is higher than homeowners (28.4%), largely due to lower income levels among renters. A decreasing supply of affordable housing options, for both renters and homeowners, coupled with increasing demand as the state's population grows, threatens to worsen cost burden rates. (Figure 29A) (Figure 30A)

Figure 29A and Figure 30A

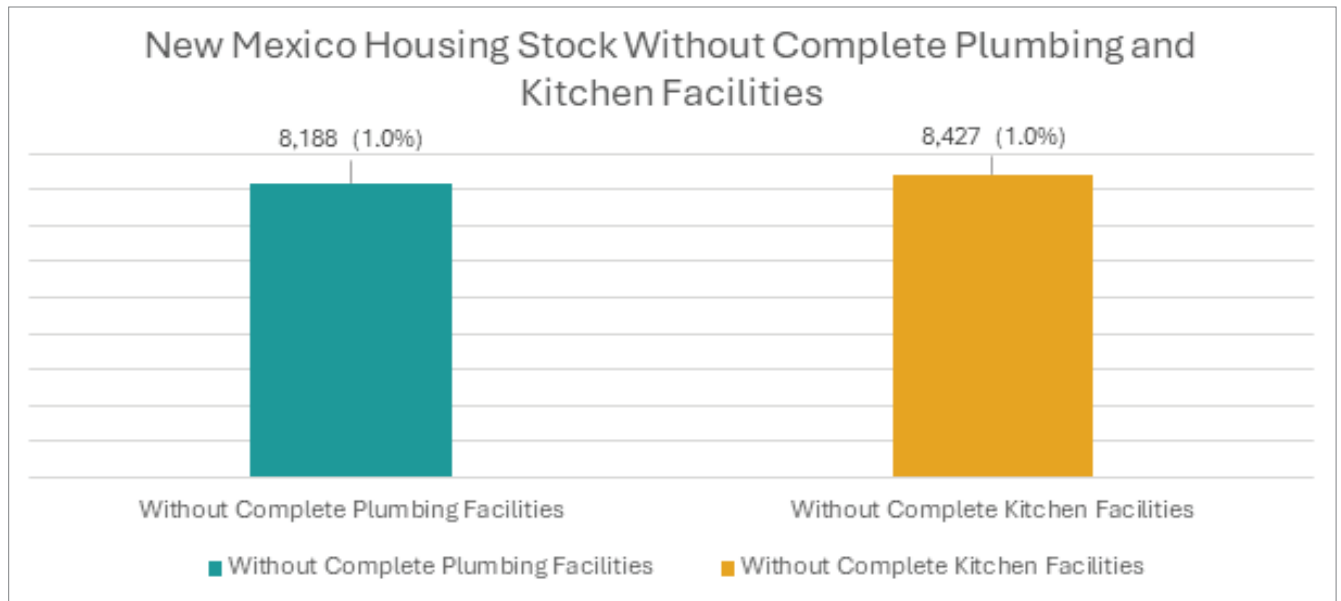




# Preservation and Redevelopment Needs

- 43.2% of houses in New Mexico were built prior to 1980, which indicates a high need to preserve the stock of existing homes. (Figure 22)
- 15.3% of homes are mobile or manufactured housing units. (Figure 21) Mobile homes built before 1976 do not meet HUD’s Manufactured Home Construction and Safety Standards, which are federal standards for the design and construction of manufactured homes to assure quality, durability, safety, and affordability. Thus, HUD only allows for the replacement of these units rather than rehabilitation.
- 3.3% of households are overcrowded. (Figure 25A)
- 1.0% of households do not have sufficient plumbing facilities and 1.0% lack complete kitchen facilities. (Figure 25A)
- Housing condition issues are exceptionally high in Native American or Tribal areas. Lack of complete plumbing, complete kitchens, sub-standard heating, electrical, and design is more widespread and severe in the homes of Native Americans than the state overall. These conditions create health risks, such as household air pollution and extreme heat and cold. Poor housing conditions are associated with increased risk of contracting asthma and cancer, increased chance of housing-related injuries, and even poorer cognitive development in children.

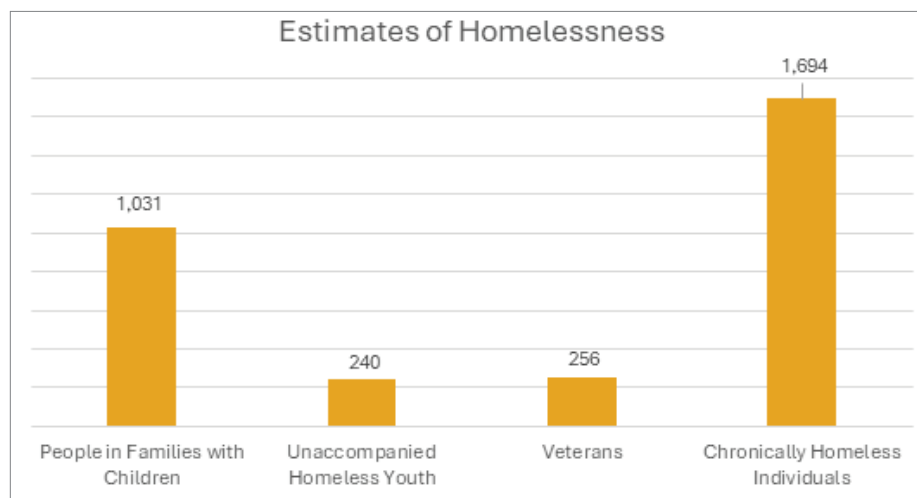
Figure 25A



# Create Stable Housing Environments for People Experiencing Homelessness and People with Special Needs

- The total number of homeless individuals in New Mexico increased by 50% from 2022 to 3,842 in 2023, based on HUD’s Point in Time (PIT) count. (Figure 36) *\*The 2021 HUD Annual Assessment Report was not immediately available as the report was broken into two parts that year.*
- While PIT count data is one of the main measures of homelessness, it does not completely capture the extent of homelessness. PIT count estimates cover the number of people in homeless shelters, transitional housing and unsheltered locations during a single night in January. However, for example, many families and children staying in hotels, living in vehicles or staying in other places not meant for shelter are unlikely to be included in the PIT count. *\*The 2021 HUD Annual Assessment Report was not immediately available as the report was broken into two parts that year.*
- The number of sheltered homeless individuals totaled 2,242 and the number of unsheltered homeless individuals totaled 1,600. (Figure 37)
- New Mexico’s homeless population copes with different needs. 26.8% (1,031) of the state’s homeless population are families with children, 6.2% (240) are unaccompanied homeless youth, 6.7% (256) are veterans, and 44.1% (1,694) are chronically homeless individuals (1,694). (Figure 38)
- Chronically homeless individuals have experienced homelessness for at least one year and have a severe physical or mental health condition. This segment of the homeless population is likely to live in unsheltered locations. (Figure 38)

Figure 38





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