

Housing New Mexico MFA

Affordable Housing Act

Legislative Oversight Committee
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Affordable Housing Act

- The New Mexico State Legislature created the Affordable Housing Act (2004) to allow local governments to donate resources to create and maintain affordable housing in their communities.
- The Affordable Housing Act allows communities to donate or make contributions towards acquisition, development, financing, operating and managing affordable housing. The Affordable Housing Act is pivotal in addressing housing needs of cost-burdened households while also advancing structural rehabilitation and preservation initiatives.
- MFA collaborates with communities and local governments in fostering affordable housing, as well as economic development, in New Mexico communities statewide. MFA reviews all affordable housing plans and ordinances and provides comprehensive technical training and assistance on an ongoing basis to Affordable Housing projects as needed, including implementation.



What is Affordable Housing?

HUD defines housing as affordable if a household pays **30% or less of its income for rent and utilities.**

Albuquerque MSA (Bernalillo, Sandoval, Torrance and Valencia Counties)

Median Income \$86,400								
# in Household	1	2	3	4	5	6	7	8
30%	18,150	20,750	23,350	25,900	28,000	30,050	32,150	34,200
Very Low	30,250	34,600	38,900	43,200	46,700	50,150	53,600	57,050
60%	36,300	41,520	46,680	51,840	56,040	60,180	64,320	68,460
Low	48,400	55,300	62,200	69,100	74,650	80,200	85,700	91,250

Source: 2024 HOME Income & Rent Limits

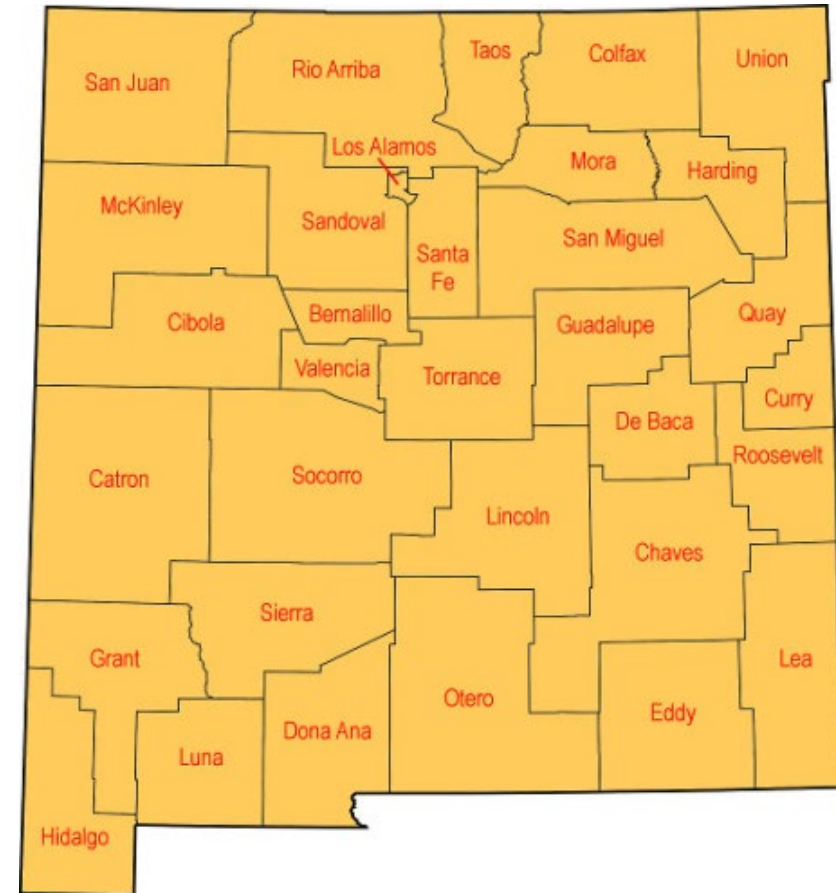
Example:

- 30% Area Median Income: \$25,900 for a family of 4
- Monthly Income: \$2,158.33
- 30% of monthly income = \$647.99 is an affordable housing cost
- Fair Market Rent for a family of four: \$1,722.

Affordable Housing Act

Eligible Donors:

- The State of New Mexico
- Counties
- Municipalities
- School Districts



Eligible Donations

- Donate or pay for land for affordable housing construction.
- Donate or pay for an existing building or conversion or renovation into affordable housing.
- Provide or pay the costs of infrastructure necessary to support affordable housing projects.
- Provide or pay for the cost of acquisition, development, construction, financing, operating or owning affordable housing.



How Do You Get There?

1. **Develop an Affordable Housing Plan**
2. **Develop an Ordinance**

Both must be submitted to MFA for review and approval before a donation can be made to a Qualifying Grantee.



Four Elements of an Affordable Housing Plan

1. Community & Housing Profile
2. Housing Needs Assessment
3. Land Use & Policy Review
4. Goals, Policies & Quantifiable Objectives



Participating Government Entities

Entity	Type of Entity	Approved Plan/Ordinance	Entity	Type of Entity	Approved Plan/Ordinance
Alamogordo	Municipality (City)	Yes	Gallup	Municipality (City)	Yes
Albuquerque	Municipality (City)	Yes	Hobbs	Municipality (City)	Yes
Artesia	Municipality (City)	Yes	Jal	Municipality (City)	Yes
Belen	Municipality (City)	Yes	Las Cruces	Municipality (City)	Yes
Bernalillo	Municipality (Town)	Yes	Las Vegas	Municipality (City)	Yes
Bernalillo County	County	Yes	Lea County	County	Yes
Carlsbad	Municipality (City)	Yes	Lordsburg	Municipality (City)	Yes
Deming	Municipality (City)	Yes	Los Alamos County	County	Yes
Dona Ana County	County	Yes	Los Lunas	Municipality (Village)	Yes
Espanola	Municipality (City)	Yes	Lovington	Municipality (City)	Yes
Eunice	Municipality (City)	Yes	Luna County	County	Yes
Farmington	Municipality (City)	Yes	Portales	Municipality (City)	Yes

Participating Government Entities

Entity	Type of Entity	Approved Plan/Ordinance	Entity	Type of Entity	Approved Plan/Ordinance
Rio Arriba County	County	Yes	Taos County	County	Yes
Rio Rancho	Municipality (City)	Yes	Truth or Consequences	Municipality (City)	Yes
Roswell	Municipality (City)	Yes	Valencia County	County	Yes
Ruidoso	Municipality (Village)	Yes	39 TOTAL		
Santa Clara	Municipality (Village)	Yes			
Santa Fe	Municipality (City)	Yes			
Santa Fe County	County	Yes			
Santa Rosa	Municipality (City)	Yes			
Silver City	Municipality (City)	Yes			
Socorro	Municipality (City)	Yes			
Socorro County	County	Yes			
Taos	Municipality (Town)	Yes			

- Ordinances and applications must be submitted to MFA for review of compliance with the Act.
- Local governments can make contributions through enactment of ordinances for each contribution.
- Contributions can be made either through an RFP or through an application process.



Donations Resulting in Recent Affordable Housing

West Berry Senior Apartments received \$1,425,000 from the City of Hobbs.

- It's 56 units total with 44 one-bedroom and 12 two-bedroom units serving seniors (age 55+).
- Fourteen of the units are income restricted to households early 50% less of Area Median Income (AMI) and 42 units are income-restricted to households earning 60% or less of AMI.
- West Berry features laundry facilities, social services provider's office, a computer lab, a fitness area and a kitchen which opens into a large communal lounge area.
- YES Housing is the developer
- Construction has been completed.

Elk Meadows in Ruidoso is a wonderful example of a local jurisdiction contribution.

- The Village donated \$1 million and is leasing the land to the project.
- Ruidoso was awarded this project in the 2024 9% LIHTC round.



Donations Resulting in Recent Affordable Housing

Hiland Plaza in Albuquerque is a 91-unit development targeting people with hearing impairments.

- The project received \$4,059,132 from the City of Albuquerque.
- SOL Housing is the developer
- Construction completed in March 2023.



Qualified Grantees

Entities eligible to receive donations:

An individual who is qualified to receive assistance pursuant to the Act and is approved by the Governmental Entity and/or MFA; and

A governmental housing agency, regional housing authority, tribal housing agency, corporation, limited liability company, partnership, joint venture, syndicate, association or a nonprofit organization that:

- Is organized under State, local, or tribal laws and can provide proof of such organization;
- If a non-profit organization, has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual; and
- Is approved by the Governmental Entity and/or MFA.



Affordable Housing Act & Low-Income Housing Tax Credits

- Contributions from a local government can be a game changer for an affordable housing project.
- Any additional resource to a single project means less reliance on limited federal sources, and more affordable housing possible across the State.
- The involvement of local governments in the development of affordable housing from the beginning can address local needs more directly.
- Leverage scoring category in the Qualified Allocation Plan
 - Highly competitive process, with \$1.88 of requests per every \$1 available
 - Up to 10 points for additional soft sources or contributions to the project



Recap of AHA Process

Phase I

- **Local government passes enabling legislation:**
 - MFA reviews the Affordable Housing Plan (AHP)
 - Affordable Housing Plan
 - Affordable Housing Ordinance

Phase II

- **Local government seeks qualified grantee(s):**
 - MFA reviews qualified grantee(s)
 - Procurement must be compliant with local and state regulations

Phase III

- **Local government makes donation to qualified grantee(s) for affordable housing:**
 - Donation must serve persons with low and moderate income
 - Requirements for affordability period
 - Stipulations to secure against loss of public funds



Questions?

Thank you for your
leadership and service!

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We Are Housing New Mexico