

2026 Legislative Priority



NEW MEXICO HOUSING TRUST FUND – \$135 Million

The New Mexico Housing Trust Fund (NMHTF) was established in 2005 by the legislature to fund the acquisition, building, rehabilitation, preservation, and financing opportunities to address the affordable housing needs of low- and moderate-income New Mexicans. **Nearly one in three New Mexican families have at least one housing problem, including severe housing cost burden, unsafe housing conditions, and/or overcrowding.** Housing New Mexico | MFA, as the Trustee of the NMHTF, has established programs and partnerships to deploy NMHTF funds to meet the continuum of housing needs by **building rental and homeownership housing, supplying down payment assistance, rehabilitating aging housing stock, funding homelessness services and prevention, and investing in innovative affordable housing projects.**



This New Mexico family was a recipient of NMHTF down payment assistance.

Impact

\$135 million would allow Housing New Mexico and its partners to serve an estimated 5,200 New Mexicans across the continuum of housing need and throughout the state, based on the approximate cost of various programs and anticipated funding from severance tax bonds and program income.

Impact Area	Investment Cost		Assistance Target	Total Investment
Down Payment Assistance*	\$10,000	per borrower	2,000	\$20,000,000
Rental Housing Development*	\$50,000	per unit	1,400	\$70,000,000
Single Family Housing Development*	\$150,000	per unit	500	\$75,000,000
Home Rehabilitation and Preservation for Veterans, Seniors, Disabled People, and other Special Populations	\$25,000	per unit	200	\$5,000,000
Homeless and Homelessness Prevention–Permanent Supportive Housing	\$50,000	per unit	100	\$5,000,000
Homeless Services and Prevention	\$6,000	per household	1,000	\$6,000,000
Total NMHTF Demand			5,200	\$181,000,000
Estimated Severance Tax Bond Allocation to the NMHTF				\$45,000,000
Estimated Program Income Earned by the NMHTF				\$1,700,000
Funding Gap				\$134,300,000

**Funding for these uses is typically issued as a loan and generates program income.*

Leverage

Housing New Mexico maximizes the NMHTF investment by leveraging private and federal funding. **On average across programs, for each \$1 of NMHTF investment, Housing New Mexico leverages \$12 in other funding.**

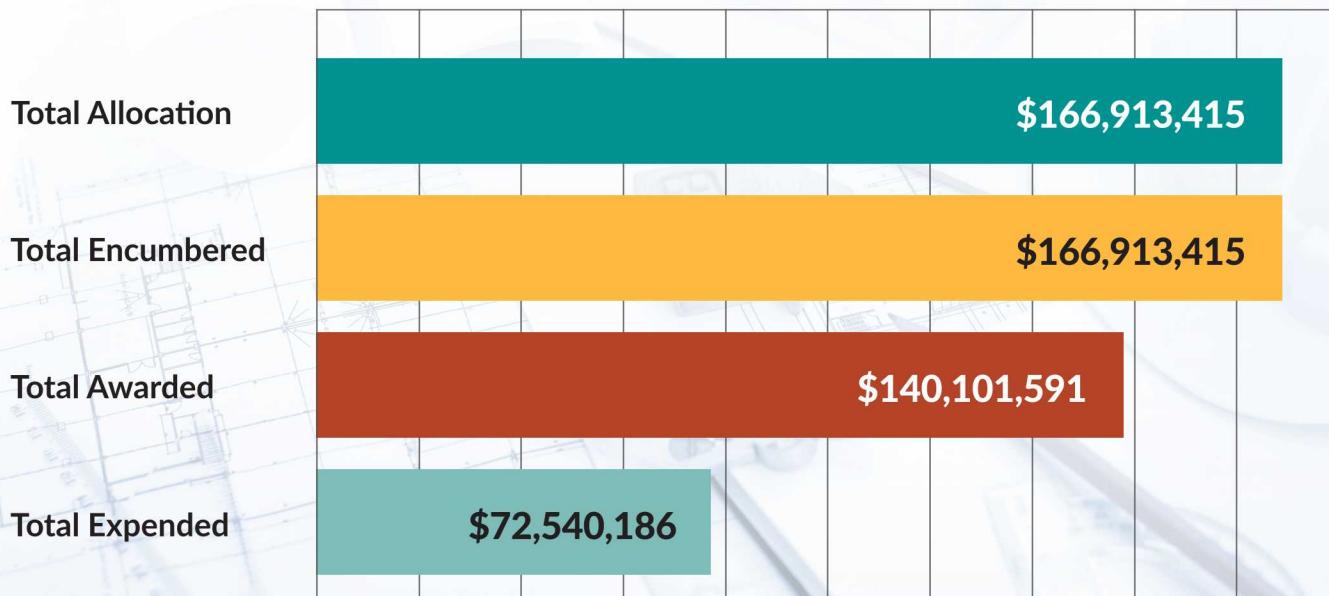
This 12:1 leverage ratio far exceeds the statutory requirement of 3:1.



Performance Metrics

Of the \$167 million allocated to the NMHTF since July 2023, 100% is encumbered (*designated for use*), 84% is awarded (*contractually committed*), and 43% is expended, as of November 2025. When funding is awarded, affordable housing projects and programs can begin development and implementation. Expenditures follow on a reimbursement basis.

NMHTF Performance Since July 2023



New Mexico Housing Trust Fund has supported **8,353 families** and individuals in just the last three fiscal years.



Three Sisters Apartments in Las Cruces, which opened its doors to **70 units 2025**, received a **\$3.5 million NMHTF loan**.

Urgent Need

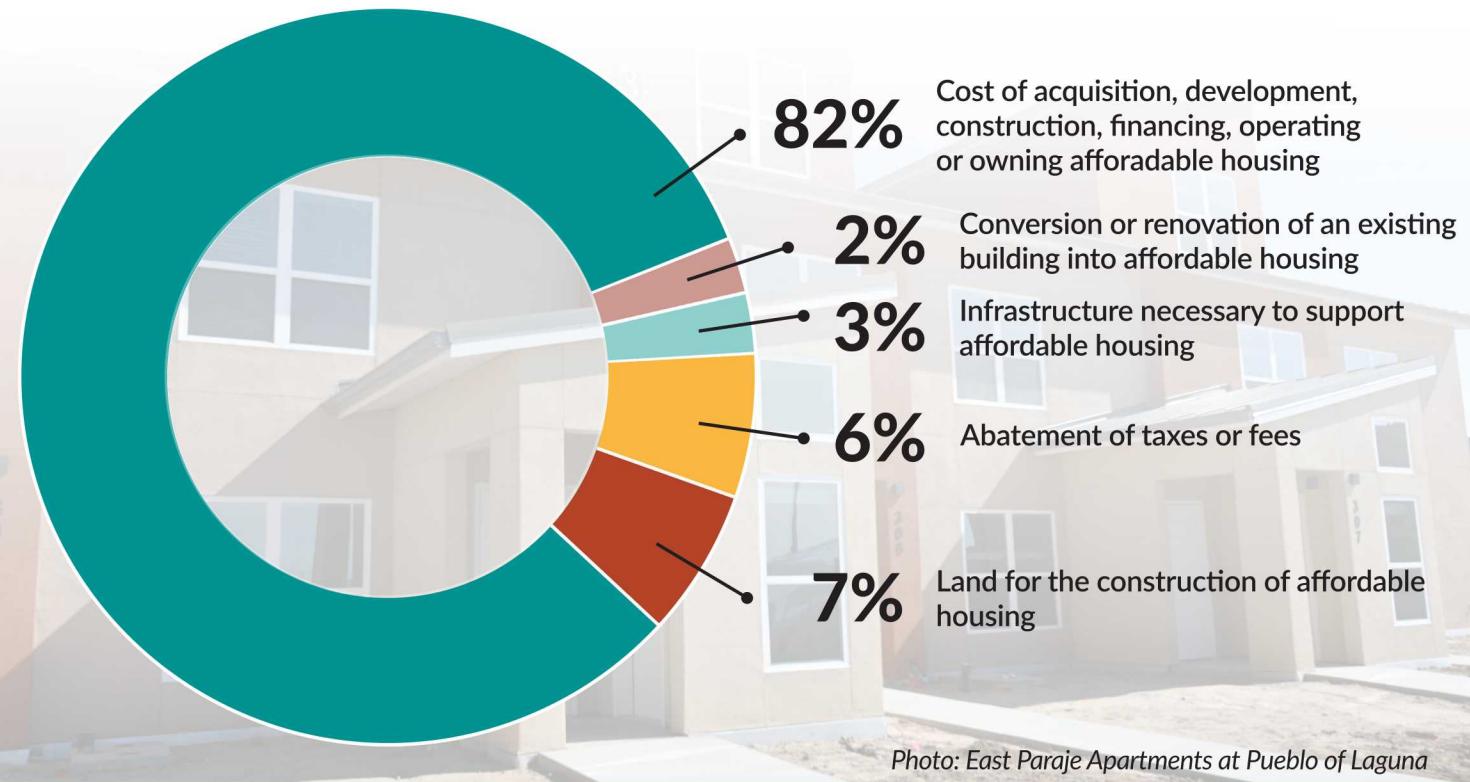
Despite affordable housing crises nationwide, funding across the federal government for housing—from U.S. Department of Housing and Urban Development to Department of Energy to Department of the Treasury—is at risk of cuts. State investment is critical not only to improve the landscape of opportunity, but to prevent worsening conditions.

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AFFORDABLE HOUSING ACT – \$500,000

The Affordable Housing Act (AHA) was signed into law in 2004 to permit state and local governments to contribute public funds, land, buildings and other resources to affordable housing development and programs. Like the Local Economic Development Act (LEDA), AHA donations are exempt from the state's Anti-Donation clause. Housing New Mexico | MFA is charged with rulemaking authority and oversight of the AHA but receives no funds for these purposes. **To date, Housing New Mexico has assisted 40 local governments achieve AHA compliance, which has resulted in \$117.9 million in local government donations to affordable housing.**

Affordable Housing Act Donations Made Since 2004: \$117.9M



Impact

The priority for this funding is to help local governments implement approved housing plans and ordinances, paving the way for communities to increase housing stock and deploy housing solutions that meet local needs. This appropriation will enable Housing New Mexico to:

1. Fund and provide direct technical assistance to local governments in developing affordable housing programs or updating land use policy to promote development;
2. Offer planning and pre-development grants to local governments seeking to develop affordable housing;
3. Oversee the Affordable Housing Act, including assistance with development and review of required plans and ordinances.

Performance Metrics

In 2019, Housing New Mexico received \$232,000 for AHA oversight and implementation. With this funding, Housing New Mexico funded affordable housing plans for nine local governments (*some plans were joint municipal-county plans*). The cost of these plans informed the investment cost assumption in the table below. With \$500,000, Housing New Mexico expects it could support up to 34 local governments.

Use of Investment	Investment Cost	Number of Local Governments Assisted	Total Investment
1. Fund and provide direct technical assistance to local governments in developing affordable housing programs or updating land use policy to promote development.	\$50,000 per local government	4	\$200,000
2. Offer planning and pre-development grants to local governments seeking to develop affordable housing.	\$25,000 per local government	10	\$250,000
3. Oversee the Affordable Housing Act, including assistance with development and review of required plans and ordinances.	\$2,500 per local government	20	\$50,000
	Total	34	\$500,000



Elk Meadows Apartments

In 2025, the Village of Ruidoso broke ground on the 72-unit Elk Meadows Apartments. The development is made possible by a \$1 million development grant and land donation from the Village, which exemplifies how local government can use the AHA to spur affordable housing development in their communities. (*Images: Enriched Communities, LLC*)

Urgent Need

Local governments across the state realize the need—and value—of investing in affordable housing. However, many local governments are not yet able to make donations to affordable housing, and thus attract developers, because they have yet to draft, and secure approval, of an AHA required plan and ordinance. In other cases, AHA compliant local governments need pre-development funding or support for land use modernization to spur housing development. This appropriation will be used to respond directly to those needs.