MFA
Housing New Mexico

New Mexico Mortgage Finance Authority

Housing New Mexico: A Call to Action

PREPARED BY:
Root Policy Research

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Dear Readers,

In working in the housing industry throughout New Mexico, I have been continuously impressed by the commitment of housing professionals to advancing housing opportunities for our state's residents. From the non-profits that aid individuals experiencing homelessness to the lenders and realtors that help families achieve the dream of homeownership (and everyone in between), housing partners help New Mexicans find and maintain quality housing opportunities that provide stability to individuals, families and communities. Though our industry has high-quality professionals that conduct excellent work, we often operate in silos – focused on single issue areas. The need to coordinate efforts across the housing continuum has long been an ambition for MFA.

The creation of the New Mexico Housing Strategy is the first step in bringing together leaders from across the housing continuum to look at challenges that bedevil our industry and propose actionable strategies. These leaders, who comprise the Housing New Mexico Advisory Committee, have authored the New Mexico Housing Strategy and will help lead its implementation. I am deeply grateful for the participation and dedication of the Advisory Committee; they have created a path to a more prosperous New Mexico through housing policy and program solutions.

Though we have completed this in-depth analysis and have put pen to paper, our work is just getting started. We now enter the most challenging phase – implementation of the strategies to solve our housing challenges. It is incumbent on each one of us to participate in carrying out the New Mexico Housing Strategy.

Doing so may begin with a conversation with peers, housing industry partners or other stakeholders on why the strategy matters and sharing what strategies you are particularly excited about. It might continue with advocacy or direct implementation of a particular strategy that involves you or your organization. No matter how you choose to help us implement this strategy, we are relying on you for help. Our efforts will take time to yield results, but through unceasing dedication, we will achieve stronger communities through collaboration and creating quality housing opportunities for all New Mexicans.

Very respectfully,

Isidoro Hernandez

Executive Director/CEO

New Mexico Mortgage Finance Authority

Prepared for the New Mexico Mortgage Finance Authority by Root Policy Research, Inc.

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EXECUTIVE SUMMARY

In October 2021, the New Mexico Mortgage Finance Authority (MFA) convened an Advisory Committee (AC) of experts to provide leadership over the development of a statewide strategic plan to expand housing opportunities for all New Mexicans. This is the **New Mexico Housing Strategy**.

The Housing Strategy serves as:

1. A **roadmap** for partners to address the continuum of housing needs;
2. A **common source of communication** to housing partners and residents about the state's goals and intentions;
3. **Practical solutions** for streamlining barriers to addressing housing needs and reforming existing systems and programs; and
4. **Big ideas** to change and improve the housing landscape.

The backdrop of the Housing Strategy is a housing market that has become increasingly difficult for all but the highest income New Mexicans to afford.

Lack of affordable housing not only impedes the ability of households to be self-sufficient and invest in economic growth for their families—it also has negative consequences for state and local economic development and growth. The latter can be easy to overlook as it is often hidden, but the impacts are significant.

Without adequate affordable housing:

- New Mexico's urban areas cannot continue to attract new businesses,
- Existing businesses, particularly small businesses, cannot keep standard operating hours and cannot grow;
- Low income renters are forced to move more frequently, disrupting community ties, stable employment, and educational consistency for their children;
- Moderate income renters cannot achieve ownership and pass on wealth to their families; and
- Persons with special needs—including seniors, New Mexicans with disabilities, and residents vulnerable to and experiencing homelessness—are caught in a perpetual and costly cycle of housing instability.

This **call to action** enlists the State of New Mexico, local governments, nonprofit organizations, foundations, lawmakers, and private entities to join together and address the state's housing challenges. It provides the **strategic direction to collectively move forward.**

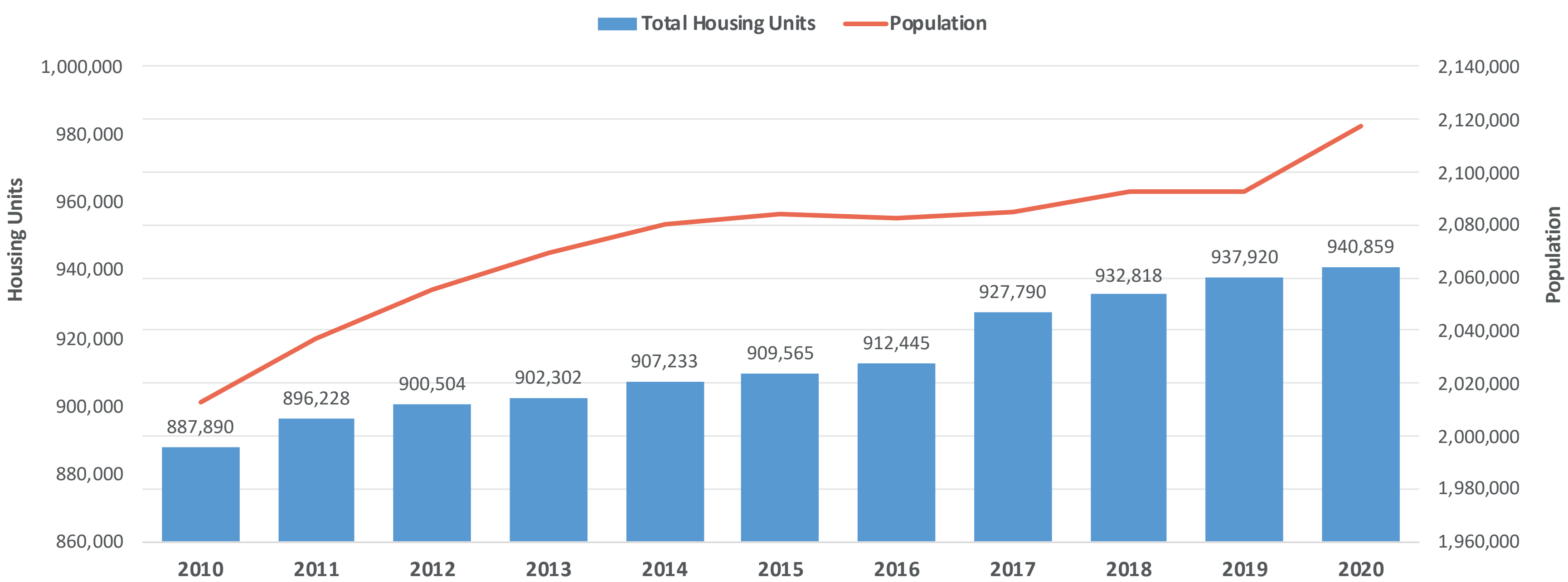
EXECUTIVE SUMMARY

HOUSING COMPOSITION

Between 2000 and 2019, housing production adequately accommodated population and household growth; housing units increased by 20% while population rose by 15%. The 2020 Census shows a shift in the balance between housing production and population growth, with production falling behind growth.

More than 50,000 housing units in the state are vacant for seasonal and recreational use, mostly in Lincoln, Santa Fe, Taos, Otero, and Colfax Counties. Future housing planning should account for the growing number of units that have become intended for seasonal and recreational use.

Housing Units and Population, 2010-2020



Source: 2020 Decennial Census, ACS 5-year estimates (various years), and Root Policy Research.

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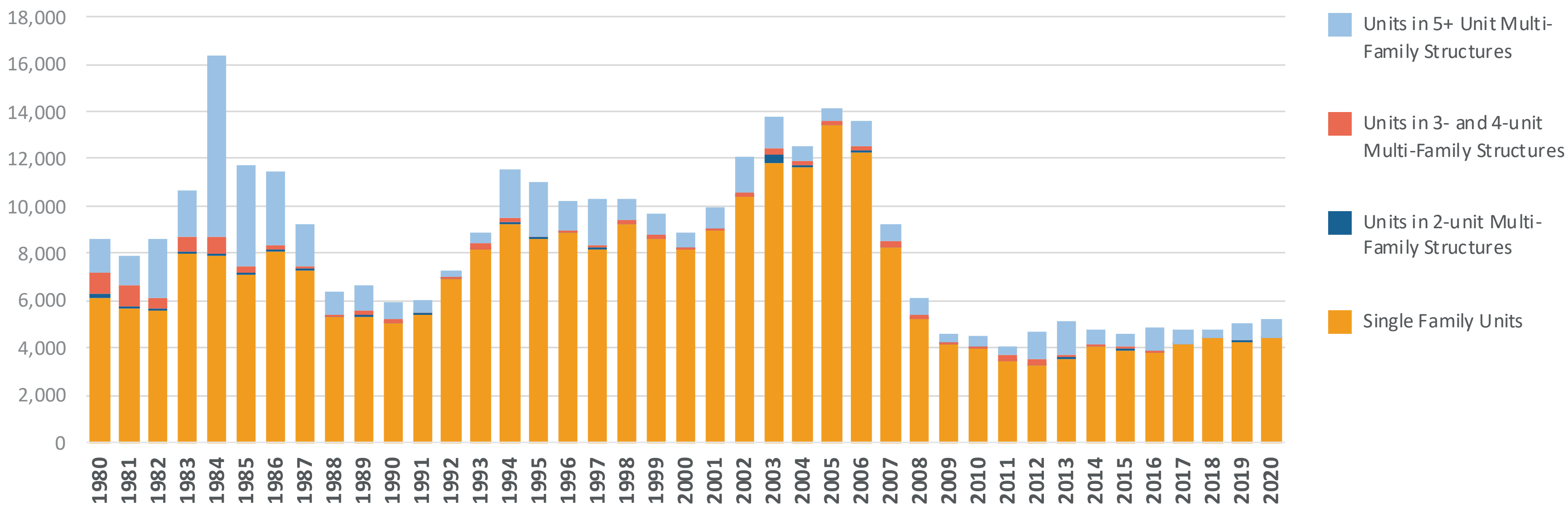
Beginning in 1990, New Mexico's housing production shifted heavily towards single family detached homes. Single family detached homes have remained the dominant housing type built—making up 82% of residential permits issued between 2010 and 2020—despite changing needs. Multifamily units made up 15%, and attached units—townhomes, duplexes, small multifamily structures which typically offer better affordability—made up just 2% of units permitted.

Excluding diverse housing types from a community's housing stock has the effect of excluding diverse residents. As shown in the figure on the following page, about half of low income households—those with incomes of less than 80% of the state's median income—live in units other than single family detached homes.

Building Permits, 1980-2020



Source: 2020 Decennial Census, ACS 5-year estimates (various years), and Root Policy Research.

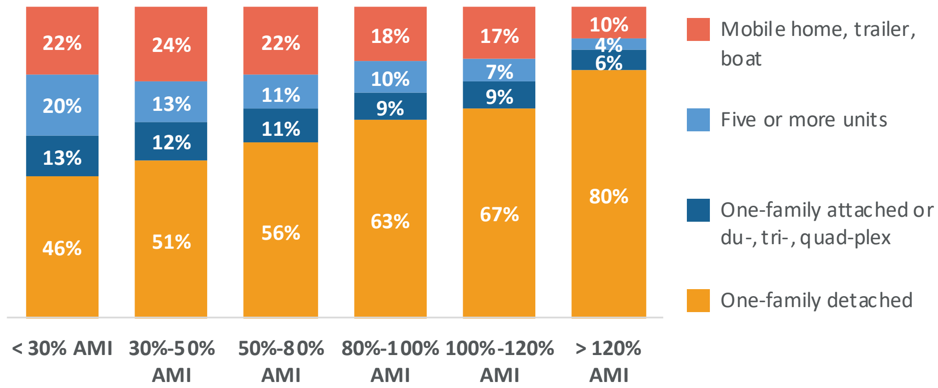
Housing Type Occupied by Income, 2019

Note:

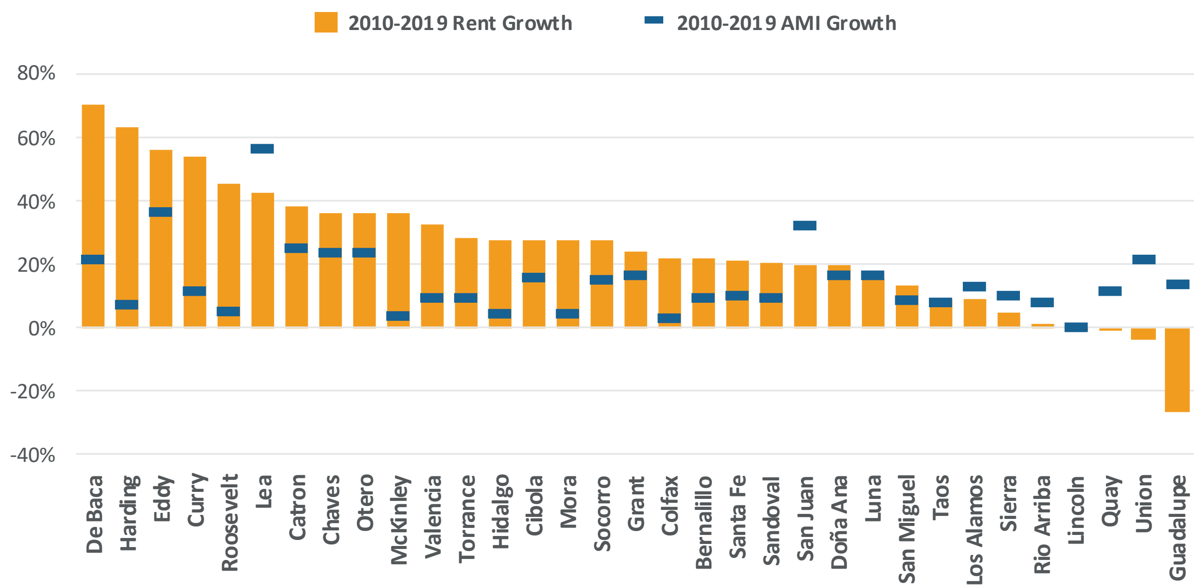
AMIs are calculated by applying a population-weighted average of each county's 50% AMI by household size within PUMA.

Source:

2019 ACS 5-year IPUMS, HUD AMI and Root Policy Research.



Rent and AMI Growth by County, 2010-2019



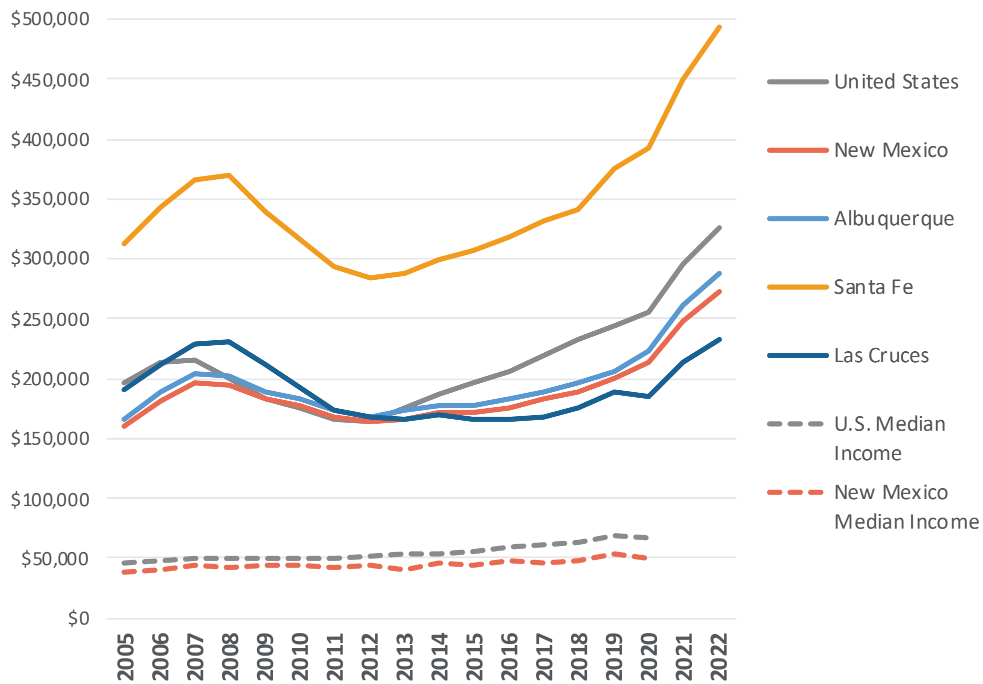
Source: 2010 and 2019 ACS, HUD, and Root Policy Research.

HOUSING COST

In the majority of New Mexico's counties, income growth fell well short of what was needed to keep up with rising rents. As demonstrated in the figure on the bottom left, except for Lea and San Juan Counties, incomes kept up with or outpaced rent increases only in counties where rent growth was modest or declining.

The upward shift in prices disproportionately hurts lower income households. Between 2010 and 2019, the supply of rental units affordable to households with incomes of less than $25,000 a year decreased by over 50%—compared to a 9% decrease in the number of renters with incomes of less than $25,000.

Typical Home Value and Median Income



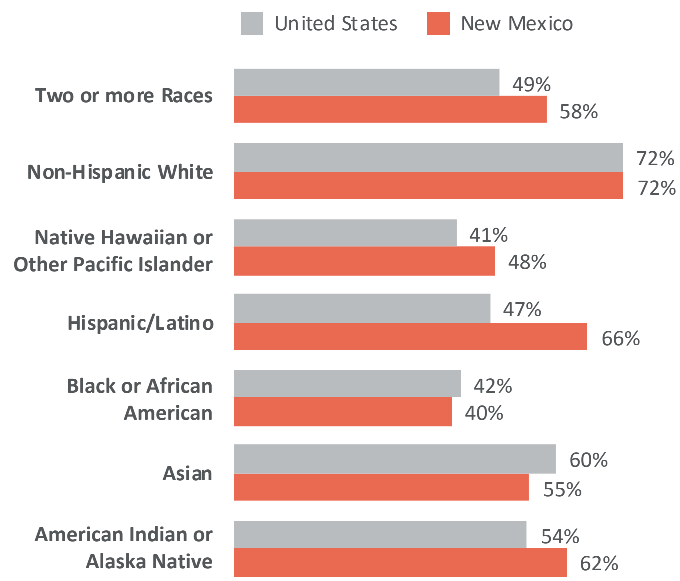
Note: Data for 2022 represents the typical home value for the month of January only.

Source: Zillow Home Value Index, Federal Reserve Bank of St. Louis, and Root Policy Research.

As shown above, trends in home values and incomes in New Mexico have closely followed trends in the U.S. overall, with income growth failing to keep up with value growth. Home values increased significantly beginning in 2020, coinciding with historically low interest rates and supply constraints.

Existing homeowners benefit from these value increases; however, rising prices make it difficult for renters to attain homeownership. Half of low income households in New Mexico are owners, and New Mexico does a better job than the U.S. overall in Native and Hispanic ownership. The state's relatively high homeownership rate will be challenging to sustain with continued increases in home values that outpace income increases.

Homeownership Rate by Race/Ethnicity, New Mexico and U.S., 2019



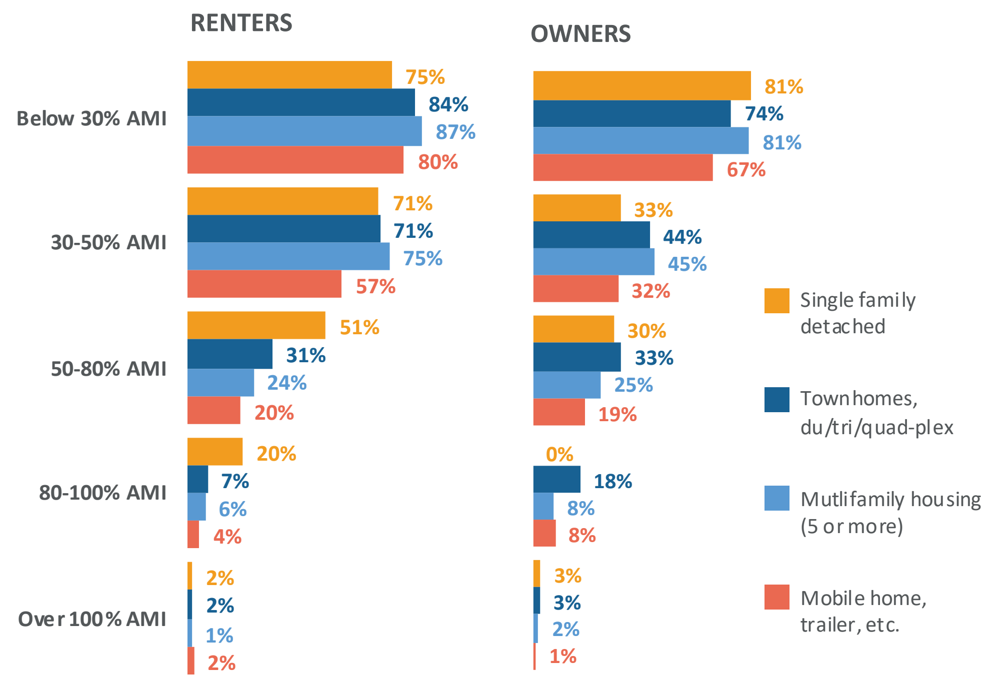
Source: 2019 ACS 5-year estimates, and Root Policy Research.

CURRENT HOUSING NEEDS

Housing cost burden—when households pay more than 30% of their gross income in housing costs—is highest among the state's lowest income households. Low income renters are more likely to be burdened than owners even as their incomes rise and if they live in single family detached homes. Owners and renters occupying mobile homes have lower rates of cost burden.

The state's rental units are concentrated in the $625 to $1,250 range, forcing low income renters to occupy units they cannot afford. These units are also occupied by high income renters who "rent down" because of lack of supply, and who may be more competitive in the very tight rental market, further limiting low income renters' options. The graphic below shows the number of appropriately priced units to renters by income range, revealing deficiencies for both low and high income renters.

Cost Burden by Unit Type and AMI, 2019



Source: 2019 5-year ACS, and Root Policy Research.

APPROPRIATELY PRICED UNITS BY RENTER INCOME, 2019

= one appropriately priced unit

= one renter

INCOME LESS THAN $25,000
1 to 2
1 appropriately priced unit for every 2 renters

INCOME $25,000 TO $50,000
1.8 to 1
1.8 appropriately priced units for every renter

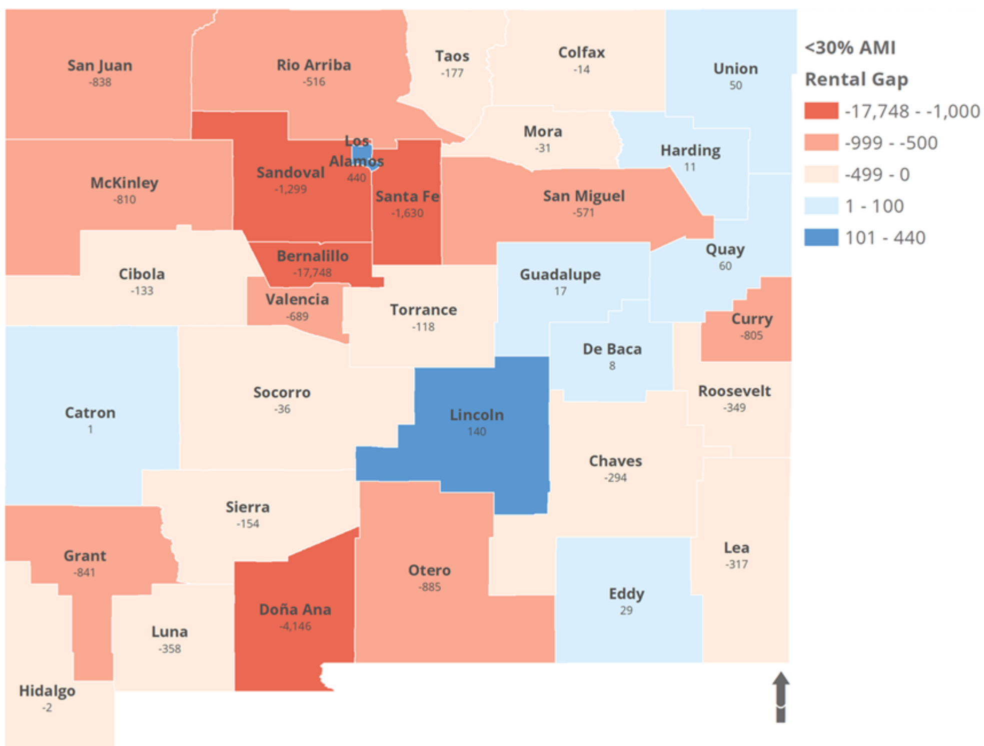
INCOME $50,000 TO $75,000
1 to 1
An equal match of appropriately priced units

INCOME MORE THAN $75,000
1 to 10
1 appropriately priced unit for every 10 renters

Note: Appropriately priced units have rents and utilities that are 30% and less of renter income.

Overall in the state, there are 32,000 too few affordable rental units to meet the needs of renters with incomes of 30% of AMI and less. The shortage is most pronounced in Bernalillo, Dona Ana, Santa Fe, and Sandoval Counties. A combination of new affordable rental units, rental assistance, and market rate production is needed to address this gap.

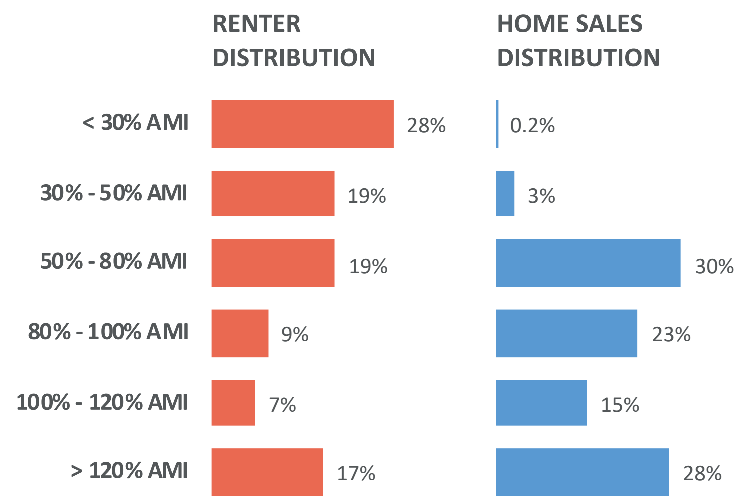
Rental Gap for Households Below 30% AMI by County, 2019



Source: 2019 5-year ACS, and Root Policy Research.

The state will be challenged to maintain its high and equitable ownership rate if production does not keep up with demand. Mortgage loan data suggest many counties do not have the supply to allow renters to transition into homeownership: The majority of renters have incomes of less than 80% of AMI, while the supply of homes affordable is concentrated at higher incomes.

Renter and Affordable Home Sales Distribution, by AMI



Note: Assumes a 30-year mortgage at a rate of 3.25% with a 5% down payment, 35% of monthly payment is used for property taxes, utilities, and insurance.

Source: Root Policy Research, 2019 ACS 5 year estimates, and HMDA.

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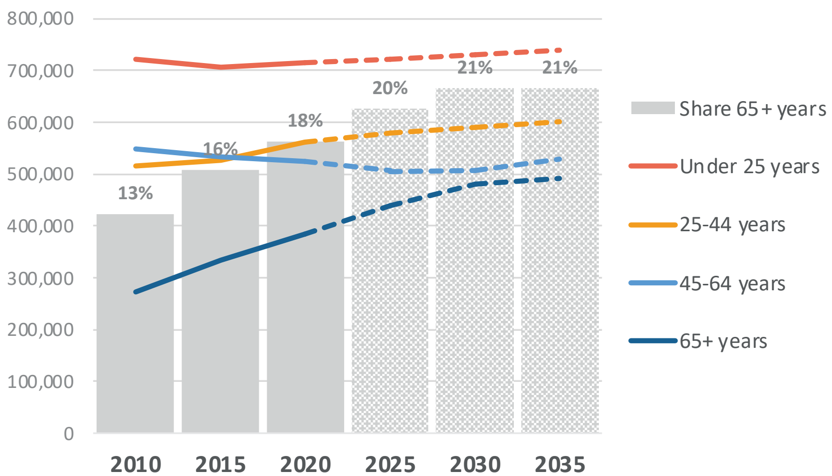
For many New Mexicans, their housing needs are intensified by periods of housing instability, health care challenges, poor housing condition, geographic isolation, and wages paid by the industries in which they work.

- The New Mexico Coalition to End Homelessness (NMCEH) estimates the number of New Mexicans experiencing homelessness at between 15,000 and 20,000—with **9,000 children and youth experiencing homelessness**. This number is much larger than that reported in annual "point in time" counts, which identify between 2,500 and 3,500 homeless individuals. The larger estimate captures the hidden homeless—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. **Native American and Black/African American residents are overrepresented among homeless individuals**, while Hispanic residents are underrepresented, based on their share of individuals living in poverty. NMCEH estimates that more than 6,500 people who experience homelessness annually do not receive adequate services or housing to help them exit homelessness.
- According to the resident survey conducted for the Housing Strategy, 25% of residents live in housing that does not meet the needs of their household member with a disability—equivalent to **43,000 New Mexico households with accessibility needs.**
- **Residents living on Tribal lands and in colonias** are more likely than other New Mexicans to be **living in housing in poor condition.**
- There is a **shortage of 4,590 rental units priced below $500 for senior renter households**. According to the resident survey, 28% of households with an older adult share housing with friends or family members due to lack of housing that meets their needs.
- According to Census data, **around 28% of households with children—an estimated 78,000 households—are cost burdened.** According to the resident survey, families with children experience high rates of housing instability. The survey found that 32% of households with children experienced displacement in the past five years.
- New Mexico has nearly **12,000 jobs** in the agriculture, forestry, fishing, and hunting industries, where the average wage of workers—$35,000 per year—is **30% lower than average annual wages in the state**. Workers in these industries would need rentals that cost no more than $875 per month, including utilities.
- New Mexico is home to over 1**2,000 active duty military members**. A comparison of the Basic Allowance for Housing (BAH) provided by the federal government and gross rents by county found that BAH rates are reasonable when compared to rents in each area. A larger barrier for military personal is the **lack of available housing**, **given the historically low vacancy rates in the state.**
- The Comprehensive Needs Assessment of Young People Experiencing Housing Instability and Homelessness in Bernalillo County identified foster care as a contributor to unstable housing: **34% of youth surveyed who were classified as unstably housed or homeless had been in foster care** at some point in their lives.

FUTURE HOUSING NEEDS

By 2035, New Mexico's senior residents will comprise 21% of all residents, up from 16% in 2010. Growth projections estimate that the state will retain a large share of younger residents, accounting for around 30% of the total population—which bodes well for economic growth.

Population Projections by Age, 2010 to 2035



Source: The University of New Mexico Geospatial and Population Studies, and Root Policy Research.

Ensuring that the state's housing production adequately supports the formation of new households, addresses the needs of aging residents, and supports the needs of housing unstable households will be imperative for sustained economic growth.

By 2035, the state is projected to reach nearly 900,000 households—65,000 more than in 2020.

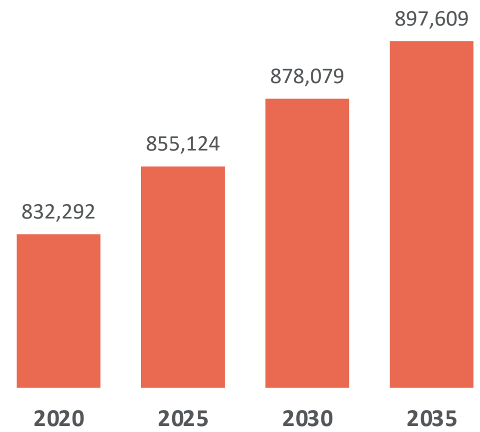
Household Projections, 2020 to 2035

Note:

Holding 2019 average household size for each county constant.

Source:

The University of New Mexico Geospatial and Population Studies, and Root Policy Research.



Based on the above projections,

- 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 to accommodate growth.

This compares to a 10-year average of annual permits issued of 4,107 housing units in growth counties and 4,771 housing units statewide.

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Housing production must be paired with programs and policies to ensure a portion of new units meet affordability needs.[1]

- By 2025 the state will need around 25,400 units; around 4,200 of them should be affordable to households with income below 30% AMI and 7,600 below 50% AMI.
- By 2035 the state will need around 73,700 units; around 12,000 of them should be affordable to households with income below 30% AMI and 22,000 below 50% AMI.
- Market production will be concentrated at 120%+ AMI; therefore, incentives for production below that price point should be pursued.

Projected Total Units Needed by 2035, by County, AMI

Note:

Holding 2019 AMI and tenure distributions constant.

Source:

The University of New Mexico Geospatial and Population Studies, and Root Policy Research.

		PERCENT OF AMI					
	Total	0-30%	30-50%	50-80%	80-100%	100-120%	Over 120%
Total	73,774	12,078	9,861	12,661	7,132	6,156	25,886
Bernalillo	27,399	4,890	3,854	4,663	2,529	2,297	9,165
Sandoval	17,504	2,245	1,799	3,093	1,803	1,699	6,866
Doña Ana	11,700	2,092	1,825	1,858	1,034	774	4,116
Santa Fe	7,362	1,156	1,031	1,315	781	547	2,533
San Juan	3,129	611	473	562	310	273	901
Curry	1,730	253	215	330	173	135	624
Lea	1,609	266	173	262	179	161	568
Chaves	1,389	222	214	232	137	104	480
Valencia	1,053	197	167	199	105	94	290
Roosevelt	483	75	54	80	42	38	194
Eddy	259	41	36	41	25	22	93
Cibola	156	30	19	26	13	11	57

		PERCENT OF AMI					
	Total	0-30%	30-50%	50-80%	80-100%	100-120%	Over 120%
Rental Units	25,637	6,530	5,548	4,489	3,749	3,409	1,912
Bernalillo	11,692	3,048	2,566	2,073	1,660	1,537	807
Sandoval	3,384	878	765	663	440	416	220
Doña Ana	4,991	1,234	1,135	786	766	681	389
Santa Fe	2,206	564	474	357	345	294	173
San Juan	1,105	251	239	202	179	148	87
Curry	693	162	116	115	113	106	81
Lea	549	151	74	101	79	83	62
Chaves	443	96	80	83	77	63	44
Valencia	227	61	38	42	36	33	16
Roosevelt	209	54	35	41	31	30	18
Eddy	81	18	16	15	13	11	8
Cibola	59	13	10	11	10	9	7
Ownership Units	48,137	5,548	4,313	8,172	3,383	2,747	23,974
Bernalillo	15,707	1,841	1,288	2,590	869	760	8,358
Sandoval	14,121	1,367	1,033	2,429	1,363	1,283	6,646
Doña Ana	6,710	858	690	1,073	269	93	3,727
Santa Fe	5,156	592	557	958	436	253	2,360
San Juan	2,023	360	234	361	130	125	814
Curry	1,037	91	99	215	60	30	542
Lea	1,061	115	100	161	101	78	506
Chaves	946	126	135	149	60	41	436
Valencia	827	136	130	157	69	61	273
Roosevelt	275	22	19	39	10	8	176
Eddy	178	23	20	26	13	11	85
Cibola	97	17	8	16	3	2	51

[1] Assumes 2019 household size, AMI distribution, and tenures remain constant.

EXECUTIVE SUMMARY

A CALL TO ACTION

This 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.

The Housing New Mexico Strategic Plan at Work

1 Housing for Individuals Experiencing Homelessness, Unique Needs of Residents:

- PSH predevelopment funding
- Property management and service provider collaborative training and support
- Supportive services funding
- Rental assistance
- Coordinated entry system changes

2 Rental Housing:

- Acquisition and redevelopment funding
- Landlord incentives
- Zoning and land use reform
- Infrastructure funding

3 Manufactured Homes:

- Streamlined process to convert to real property
- Emergency assistance for homeowners

4 Homeownership Housing:

- Regulatory efficiencies
- Down payment and closing cost assistance
- Below market mortgage loans
- Zoning and land use reform
- Infrastructure funding

5 Preservation of Existing Housing:

- Targeted weatherization and rehabilitation funding
- Public housing condition improvements

6 Rehabilitation of Vacant, Underutilized Properties:

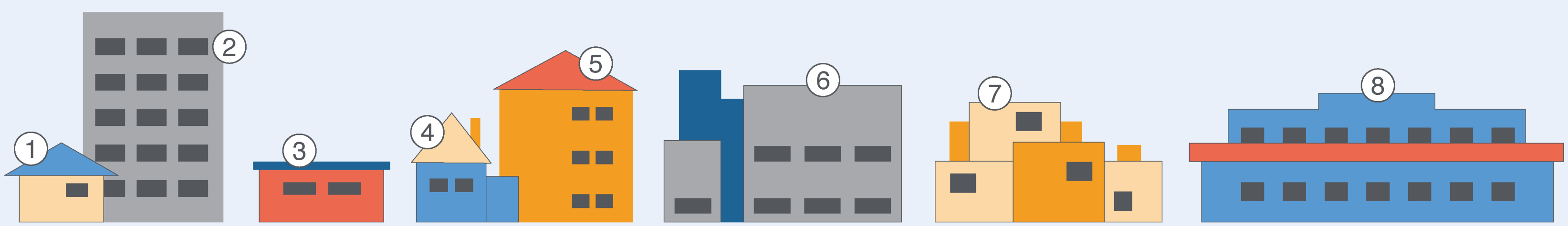
- Toolkit training and technical assistance
- Acquisition and redevelopment funding

7 Housing on Tribal Lands:

- Infrastructure funding
- Tailored financing

8 Policy Leadership:

- Local government policy and program technical assistance



A CALL TO ACTION TO CREATE MORE HOUSING

These actions will address the housing challenges of:

- If current development patterns continue, housing unit production in growth counties will lag demand. Accelerated job growth could further exacerbate production gaps.
- Public infrastructure—water and wastewater systems, public utilities—is expensive to extend and can prevent needed housing from being developed.
- High costs of development—due to materials costs, land costs, and labor shortages—complicate the ability to build new housing to meet needs. The more remote the location, the higher the costs.
- Contractors and laborers are nearly impossible to find in the state's non-urban areas. Very few contractors operate in the market overall and they often need to import labor from other states.
- Local zoning, land use regulations, and building codes present a variety of challenges to getting units built.
- Community resistance to all types of new construction—affordable and market rate—prevents needed units from being built or adds significant delays.

Goal: Increase housing production across the housing continuum.

1) Prioritize existing federal block grant, state, and local infrastructure resources to fund public improvements to support residential development with the most favorable programs for developments that incorporate affordable housing. This includes infrastructure extensions for new (and improvements for existing) manufactured home communities/parks with affordability and lot lease requirements.

2) Take state policy action to boost residential construction workforce, such as partnerships with technical education and training providers, streamlined licensing, and opportunities for re-entry workforce and persons formerly homeless.

3) Advocate for increased local, state, and federal appropriations, revenue generating policy changes benefiting affordable housing, and tax exemptions for affordable housing development and operation.

Goal: Create flexibility within state and local programs and policies to respond to housing needs and market fluctuations.

1) Advocate for concrete changes to state law to reduce regulatory barriers to housing development. Examples of changes considered or adopted in other states and localities that could be studied include:

   - Incentivize and/or require that planning commissions consider housing needs documented in local or regional housing needs assessments when making zoning and land use decisions;
   - Incentivize and/or require that economic development incentives, such as those offered through LEDA, include a workforce housing component for production and/or preservation;
   - Incentivize by right or administrative approval for developments with a significant share of affordable units including casitas/ADUs and plexes;
   - Allow density bonuses and/or fast track approval for homes that meet energy efficiency requirements (to offset higher costs of green building);
   - Create a model development code that includes feasible land use incentives for affordable housing, mixed-income housing, and mixed-use development;
   - Create an incentive program that provides funding to local governments that adopt policies that facilitate flexibility and efficiency in development approval, infill development, income-diverse development, and efficient zoning. Funding could be used for: community revitalization, economic development, or infrastructure expansion activities;
   - Create a program to mitigate resistance to affordable housing at the local level, including training to build community awareness and support of needs.

A CALL TO ACTION TO PRESERVE AND IMPROVE EXISTING AFFORDABLE HOUSING AND CATALYZE REDEVELOPMENT

These actions will address the housing challenges of:

- New Mexico communities have many underutilized and vacant properties that could be redeveloped into housing but lack the knowledge, staff capacity, and financial resources to facilitate redevelopment.
- Counties where growth is modest or stagnant have trouble attracting capital; investors migrate to higher-return urban areas.
- It is often less expensive to rehabilitate homes to keep them affordable versus build new—but funding (such as 9% tax credits) is harder to secure.
- Public housing is aging and has not had resources to keep up with maintenance.
- Naturally occurring affordable housing (NOAH) provided by the private market is being lost due to rent increases at a much faster pace than new affordable housing is being developed.
- Private property owners are incentivized to raise their rents to keep up with the market, resulting in a loss of NOAH.
- Low income homeowners can be at-risk of losing housing due to rising costs of taxes, maintenance, and economic shocks.

Goal: Catalyze the potential of underutilized properties to be redeveloped into new housing.

1) Create a comprehensive technical assistance (TA) fund, a resource catalogue, and access to TA providers to assist with redevelopment of underutilized and vacant parcels and address staff capacity gaps.

Goal: Preserve existing naturally occurring affordable housing and publicly subsidized housing stock.

1) Support preservation and provide funding to improve the condition of existing affordable housing; and consider prioritizing projects owned and/or managed by public, regional and tribal housing authorities.
2) Reconsider how new funding sources for weatherization and rehabilitation funds could be allocated to ensure that the funding distribution aligns with needs (v. population based distribution).
3) Monitor the Qualified Allocation Plan (QAP) to ensure that 9% credits adequately support multifamily acquisition/rehabilitation.

Goal: Build assurance among property owners and property managers of the economic feasibility of housing formerly homeless and special needs residents, thereby stabilizing housing for low income renters.

1) Incentivize landlords—through a “signing bonus,” “holding fees” while they wait for a voucher approval, enhanced loss mitigation, and subsidies to pay rents above fair market rent standards—to provide units to vulnerable renters.

2) Create a permanent housing stability fund serving renters who need help paying rental costs (including application fees and security deposits), households who do not qualify for housing through the Coordinated Entry System (CES), homeowners vulnerable to foreclosure, and manufactured home park owners who face personal situations (job losses, injuries) that create challenges in paying lot leases.

3) Create a case management program to assist vulnerable housing voucher holders apply for housing and maintain housing stability.

A CALL TO ACTION TO BUILD HOMEOWNERSHIP AND WEALTH

These actions will address the housing challenges of:

- Down payment/closing cost assistance has not kept up with what is needed to attain homeownership in many parts of the state.
- The state residential inspection process delays completion of new homes and adds to building costs; this is exacerbated by rapidly rising construction costs.
- Local zoning, land use regulations, and building codes present a variety of challenges to getting units built.
- Community resistance to all types of new construction—affordable and market rate—prevents needed units from being built or adds significant delays.
- Manufactured homes are a relatively affordable option for ownership in New Mexico and contribute to the state's high ownership rate, yet financing, production, and infrastructure challenges create barriers to continued affordability.

Goal: Create flexibility within state programs and policies to respond to housing needs and market fluctuations.

1) Streamline the local and state residential inspection processes to make the system more efficient, practical, and timely—e.g., by allowing video inspections, allowing third party contractors—while preserving public health and safety objectives.

2) Seek funding sources that allow for down payment assistance programs to adequately meet the needs of consumers and explore programs to support their success as homeowners.

3) Explore and advocate for innovative homeownership programs to expand wealth building opportunities, including extended mortgage terms, accelerated mortgage terms, and land trust models.

4) Explore and advocate for programs aimed at maintaining homeownership.

5) Explore financial capability programs to expand access to homeownership and wealth building.

Goal: Ensure that manufactured homes continue to be a housing solution for homeowners and renters.

1) Make changes to the process of converting chattel property to real property consistent across New Mexico's counties.

2) Explore and pilot a MFA manufactured home purchase program to assist in the conversion to real property loans and facilitate manufactured homeownership.

3) Fund infrastructure extensions for new (and improvements for existing) manufactured home communities/parks with affordability and lot lease requirements.

EXECUTIVE SUMMARY

A CALL TO ACTION TO CREATE STABLE HOUSING ENVIRONMENTS FOR PERSONS EXPERIENCING HOMELESSNESS AND WITH SPECIAL NEEDS

These actions will address the housing challenges of:

- New Mexico needs to expand its range of evidence-proven and housing+services models, tailored to local needs, to address homelessness
- Urban areas need both site-based and scattered site models. Predevelopment funding, developer capacity, deeper subsidies, and adequate and consistent supportive services are needed to create successful exits from homelessness
- Small (< 30 unit) housing+services developments or scattered site developments are often the best solution in rural counties, yet funding favors larger developments. Rural areas need adequate and consistent supportive services for small and scattered site single family homes
- Federal requirements and guidance for defining chronic homelessness and assessing needs through the Coordinated Entry System (CES) can be misaligned with local needs
- Lack of a comprehensive behavioral health care system makes it difficult for housing providers, including private sector property managers, to address the complex needs of tenants. Providers may not recognize the behavioral health needs of residents and be unsure of how to properly address challenges, perpetuating the cycle of housing instability.

Goal: Expand successful housing+services models tailored to local needs.

1) Provide annual funding for predevelopment grants to cultivate Permanent Supportive Housing (PSH) development partners and build local developer and supportive service provider capacity. Funding would support capacity building/local support, needs assessments, zoning and planning review, architecture and engineering, and development applications.

2) Increase collaboration between service providers and property managers through training and technical assistance that results in successful housing of PSH clients.

3) Expand funding for the Linkages program to ensure that New Mexicans with mental health challenges, are experiencing or at-risk of homelessness, and are extremely low income have the resources needed to remain in stable housing environments.

4) Address the operating subsidy deficits common in PSH projects through encouraging PHA's to project-base vouchers and by exploring options to project-base the Linkages program.

5) Evaluate how the Coordinated Entry System (CES) could be tailored through state and local programs so that vulnerable households are prioritized in an equitable manner. Advocate for state and local solutions to ensure that the most vulnerable households are able to fill gaps in emergency housing. This would include households in first-time homelessness and/or who are housed but in unsafe situations.

Goal: Strengthen supportive service programs that foster housing stability.

1) Increase service provision funding options for PSH developments. Examine how Medicaid waivers could be used for supportive services, allowing supportive service providers to be reimbursed at a rate that can sustain programming and operations.

2) Support actions to strengthen statewide behavioral health system including satellite care facilities.

Goal: Strengthen support for emergency homelessness interventions.

1) Advocate for increased state and local appropriations to support emergency homeless shelters and other immediate interventions, including funding to improve the conditions of shelters.

A CALL TO ACTION FOR FEDERAL ADVOCACY

Federal grant funds, federal tax credits, and the federal authority to issue tax-free bonds to finance housing development collectively make up the vast majority of resources available to address housing needs in the U.S.—and in New Mexico.

Current initiatives that would significantly boost the ability of New Mexico and its local governments address housing needs include:

Broaden the Low Income Housing Tax Credit (LIHTC) program.

Because these credits are allocated based on population—not on need—New Mexico receives a disproportionately lower share of credits relative to its need. MFA receives twice as many applications for LIHTC developments annually than it has credits to allocate.

An amendment to LIHTC legislation to increase the amount of credits would help the state meet affordable rental production needs and alleviate renter cost burden. Revisions that would prioritize credits in "hard to reach communities" would benefit New Mexico communities by making capital, which is challenging to raise locally, more readily available for affordable rental housing development.

Create equitable opportunities to attain homeownership and build wealth.

Other than federal block grant funding, there is no significant federal funding source that facilitates the development of affordable ownership products. Federal support of homeownership has historically been in financing and mortgage insurance. New Mexico would benefit from new federal initiatives to develop affordable homeownership products.

Maximize federal appropriations for affordable housing programs.

HUD, U.S. Department of Agriculture (USDA), and Department of Energy housing programs are classified as discretionary programs, meaning that Congress must set annual funding levels through the budget and appropriations process.

Maximizing the annual appropriations for affordable housing programs, including the HOME Investment Partnerships Program (HOME), Emergency Solutions Grant (ESG), Housing Opportunities for Persons with AIDS (HOPWA), Section 811 Project Rental Assistance, Weatherization Assistance Program, and rural housing programs within the USDA, would benefit both urban and rural New Mexico communities. Advocating for HUD training and technical assistance for Tribal governments who are new to housing developments would build capacity to address housing needs that maximize federal and state funding.

Streamline federal regulations related to affordable housing policies and programs. Supporting the efforts of trade associations, such as the National Council of State Housing Agencies (NCSHA), to reduce regulatory barriers would help reduce administrative burden in the delivery of federal housing and community development block grant programs.

Advocating for changes in tenant based rental assistance programs, including Fair Market Rent and income limits, would expand the number of available rental units and not penalize tenants when they acquire employment.

Support federal initiatives to lower housing development costs including tariff reductions on building materials and programs that would add flexibility to non-domestic workers.

RESEARCH BRIEF I.

HOUSING PRODUCTION AND PRESERVATION

RESEARCH BRIEF I.
Housing Production and Preservation

The purpose of this section is to provide:

1) Context for housing production and how production relates to housing needs;

2) An understanding of how different unit types accommodate the needs of different types of households;

3) Estimates of existing gaps in rental and ownership affordability;

4) Estimates of units needed to accommodate projected population growth and employment growth; and

5) Estimates of preservation needs.

Primary Findings

Top findings from analysis in this section include:

- Overall, between 2000 and 2019, housing production (a 20% increase) adequately accommodated population and household growth (a 15% increase). This was not true of all areas of the state, however:

    - Counties that struggled to keep up with growth include Bernalillo, Chaves, Curry, Eddy, Leah, and Sandoval. In these counties, the growth in housing units barely kept up with population growth and it is unlikely that enough units were added to maintain a healthy vacancy rate.
    - In tourism economies, new housing was developed to become second or vacation homes, and existing inventory was converted to second or vacation homes, depressing the inventory for workers. Over 50,000 housing units in the state are vacant for seasonal and recreational use.

  The 2020 Census shows a shift in the balance between housing production and population growth, with production falling behind growth.

- **Residential building activity has not rebounded since the Great Recession** and the overall distribution of housing types has shifted heavily towards single family homes since 1990, despite changing needs.

    - Single family detached homes made up 82% of residential units permitted between 2010 and 2020, followed by multifamily units (15%). Attached units—townhomes, duplexes, small multifamily structures—made up just 2% of units permitted between 2010 and 2019.

  - The limited production of diverse housing types disproportionately impacts some racial and ethnic groups: Black/African American and Asian households in New Mexico are twice as likely to live in multifamily units and attached homes than White non-Hispanic and Hispanic households. Native American and Hispanic households are twice as likely to live in manufactured homes than White non-Hispanic households.
  - Households with incomes of 80% of AMI and less are twice as likely than higher income (120%+ AMI) households to occupy mobile homes, and attached housing (du/tri/fourplexes), and households with income below 30% AMI are five times more likely to occupy multifamily (5+ units) housing.

- A rental gaps analysis, which shows the difference between the number of renter households and the number of rental units affordable to them, shows that **the state's rental gap is concentrated at income levels below 30% AMI. The statewide gap at this income level is around 32,000 units.**

  - Most counties also show a gap for higher income renters. This points to an income mismatch in the market in which higher income households are occupying homes affordable to lower income households.

- **A total of 117,613 households are cost burdened, and another 100,858 are severely cost burdened.** Among cost burdened households, 46% are renters, 41% are owners with a mortgage, and 13% are owners without a mortgage.

- **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, have a higher likelihood of lead exposure, and were built before accessibility features were required.

  - Lower income households are more likely to live in older housing, as are renters, New Mexicans with disabilities, and older adults. Nearly half of households in which a member has a disability or a member is older than age 65 live in a home built before 1980.
  - Multifamily units permitted during the 1980s, now 30 years old, make up nearly half of all multifamily permits issued between 1980 and 2020.
  - An estimated 40,000 housing units in the state do not have complete kitchen facilities, and there are another 40,000 units without complete plumbing. The counties with the largest number of substandard units—McKinley and San Juan—are also those with large shares of Tribal lands.

- Population trends project that the state will add 22,800 new households between now and 2025 and 65,000 new households between now and 2035. Urban counties are expected to drive the growth, with Bernalillo County accounting for 42% of the growth through 2035, followed by Sandoval (27%), Dona Ana (18%), and Santa Fe (11%).

Based on these growth projections:

- By 2025 the state will need around 25,400 units; around 4,200 of them should be affordable to households with income below 30% AMI and 7,600 below 50% AMI.
- By 2035 the state will need around 73,700 units, around 12,000 of them should be affordable to households with income below 30% AMI and 22,000 below 50% AMI.
- Of the state's projected new jobs (84,000 new jobs between now and 2035) the vast majority—71%—are in the low to moderate wage industries of Leisure and Hospitality and Education and Health Services. These workers are unlikely to be able to afford to buy and will have difficulty renting in the state's high growth urban markets.
- Overall, housing production will need to increase by about 400 units per year above the past 10 year average. To meet affordability needs, production must be paired with programs and policies to ensure a portion of new units are affordable to new workers and existing low income households who face cost burden.

- **Strong preservation efforts and strategic development to support economic growth are important to maintain affordability for New Mexico—especially in the state's rural areas**, which are projected to keep growing in employment terms and might be experiencing a change in population trends due to the readjustment of the labor market and location preferences caused by the pandemic.

Housing Production Trends

Between 2000 and 2019, the state's housing production overall adequately accommodated population and household growth. During this period, the state's population and households grew by 15%, while the number of housing units increased by 20%. This does not mean that the new housing built was aligned with what households could afford, however.

Housing production lagged demand in some areas of the state. Counties that struggled to keep up with growth include Bernalillo, Chaves, Curry, Eddy, Leah, and Sandoval. In these counties, the growth in housing units barely kept up with population growth and it is unlikely that enough units were added to maintain a healthy vacancy rate.

Conversely, housing production exceeded population and household growth in some counties. In Catron, Guadalupe, Harding, Lincoln, Quay, Rio Arriba, Socorro, Taos, and Union, production exceeded population and household growth. This may have occurred because housing units were built as second or vacation homes. It is important to note that trends in counties with very small population and unit growth are subject to large margins of error, and that county trends may not reflect municipal trends or needs. However, the general direction of the trends indicates that development accommodated non-residents in resort areas and/or was built to replace existing units in very rural areas.

Figure I-1.
Change in Population, Households, and Housing Units, 2000 to 2019

	Population Change		Household Change		Housing Units Change	
	Number	Percent	Number	Percent	Number	Percent
New Mexico	**273,408**	**15%**	**102,278**	**15%**	**157,341**	**20%**
Bernalillo	121,830	22%	47,022	21%	54,977	23%
Catron	-17	0%	-259	-16%	1,208	47%
Chaves	3,762	6%	723	3%	1,632	6%
Cibola	1,296	5%	381	5%	1,069	10%
Colfax	-2,021	-14%	32	1%	1,325	15%
Curry	4,688	10%	1,782	11%	2,055	11%
De Baca	-200	-9%	-250	-27%	-215	-16%
Doña Ana	41,387	24%	18,286	31%	22,687	35%
Eddy	6,074	12%	1,872	10%	2,327	10%
Grant	-3,333	-11%	-295	-2%	1,005	7%
Guadalupe	-327	-7%	-271	-16%	510	24%
Harding	-369	-46%	-160	-43%	22	4%
Hidalgo	-1,635	-28%	-473	-22%	-394	-14%
Lea	14,766	27%	2,824	14%	3,205	14%
Lincoln	50	0%	-636	-8%	2,858	19%
Los Alamos	282	2%	434	6%	447	6%
Luna	-933	-4%	-493	-5%	-4	0%
McKinley	-2,360	-3%	-534	-2%	-406	-2%
Mora	-644	-12%	-304	-15%	8	0%
Otero	3,839	6%	650	3%	2,473	8%
Quay	-1,829	-18%	-1,161	-28%	26	0%
Rio Arriba	-2,031	-5%	-2,314	-15%	2,168	12%
Roosevelt	870	5%	175	3%	772	10%
San Juan	12,714	11%	5,676	15%	7,892	18%
San Miguel	-2,388	-8%	475	4%	1,730	12%
Sandoval	52,146	58%	19,331	61%	21,455	61%
Santa Fe	20,001	15%	9,439	18%	15,287	26%
Sierra	-2,239	-17%	-558	-9%	-172	-2%
Socorro	-1,220	-7%	-2,155	-32%	426	5%
Taos	2,807	9%	-572	-5%	3,512	20%
Torrance	-1,392	-8%	-380	-6%	769	11%
Union	-41	-1%	-338	-20%	122	5%
Valencia	9,875	15%	4,329	19%	6,565	27%

Source: 2019 5-year ACS, 2010 Census, 2000 Census, and Root Policy Research.

Between 2000 and 2019, the state added approximately 48,800 renter households. While the quantity of housing has expanded to meet supply, it has not done so at price points that are affordable to many households. During this time period, the supply of rental units affordable to households earning less than $25,000 a year decreased by over 50%—compared to a 9% decrease in the number of renters earning less than $25,000.

As of 2019, there was:

- **One affordable rental unit for every two renters with incomes less than $25,000;**
- 1.8 affordable rental units for every one renter with incomes of $25,000 to $50,000;
- An equal match of affordable rentals for renters with incomes of $50,000 to $75,000; and
- **Ten times the number of renters with incomes exceeding $75,000 than rental units.**

In sum, the state's rental units are concentrated in the $625 to $1,250 range, forcing low-income renters into units they cannot afford. These units are also occupied by much higher income renters who "rent down" because of lack of supply—and who may be more competitive in the very tight rental market, further limiting low income renters' options.

Figure I-2.
Number of Renters and Affordable Units by Income, 2000, 2010, and 2019

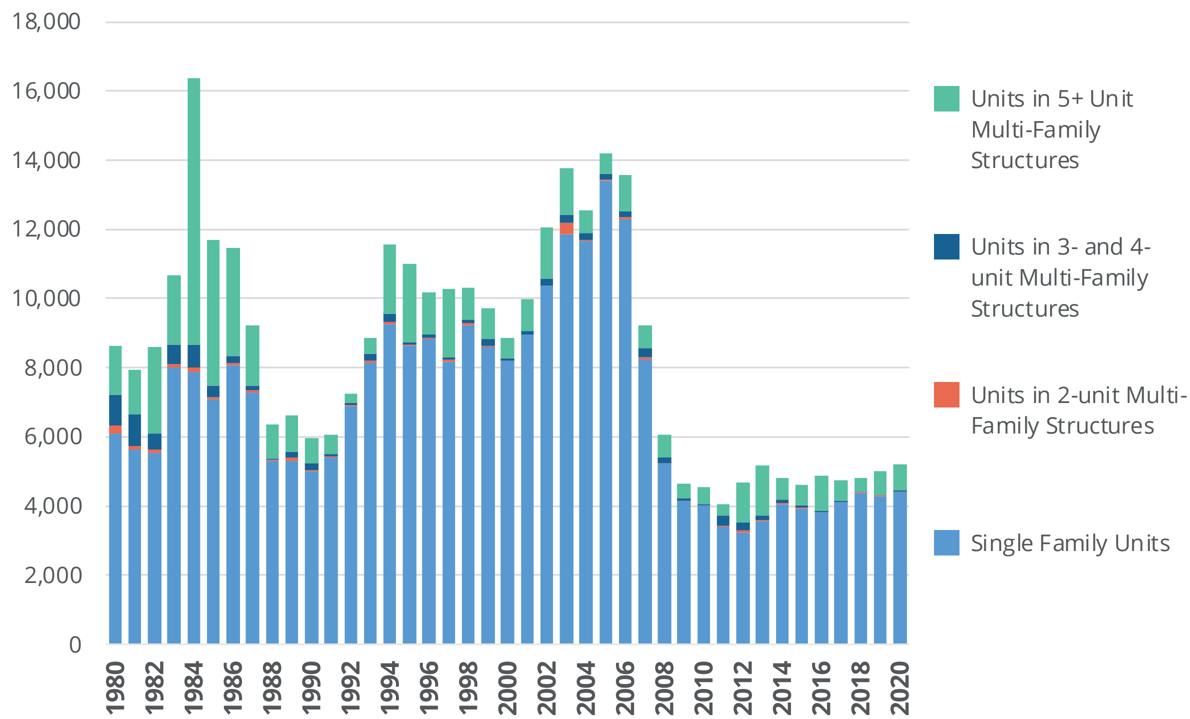
	2000		2010		2019	
Income	Renters	Affordable Units	Renters	Affordable Units	Renters	Affordable Units
Less than $25,000	111,761	125,800	105,878	86,475	101,317	57,571
$25,000-$49,999	61,382	51,157	69,212	104,698	70,806	129,791
$50,000-$74,999	19,413	3,758	31,008	15,185	39,859	38,706
$75,000 and over	10,980	735	23,429	2,066	40,371	4,924

Note: Price breaks for units are $625, $1,250, and $2,000.

Source: 2019 and 2010 ACS 5-year, 2000 Census, and Root Policy Research.

Building trends. Figure I-3 shows building trends in New Mexico since 1980. Despite recessionary periods in the 1980s, population growth and development were strong in the state. Positive and consistent growth continued through the 1990s and 2000s, up until the Great Recession in the mid-2000s. Building activity has not rebounded since, and population growth has leveled off. According to Federal Reserve Economic Research data, the state gained 210,000 residents in the 1980s, 300,000 during the 1990s, nearly 250,000 in the 2000s—and just 35,000 between 2010 and 2020.

Figure I-3.
Building Permits, 1980-2020



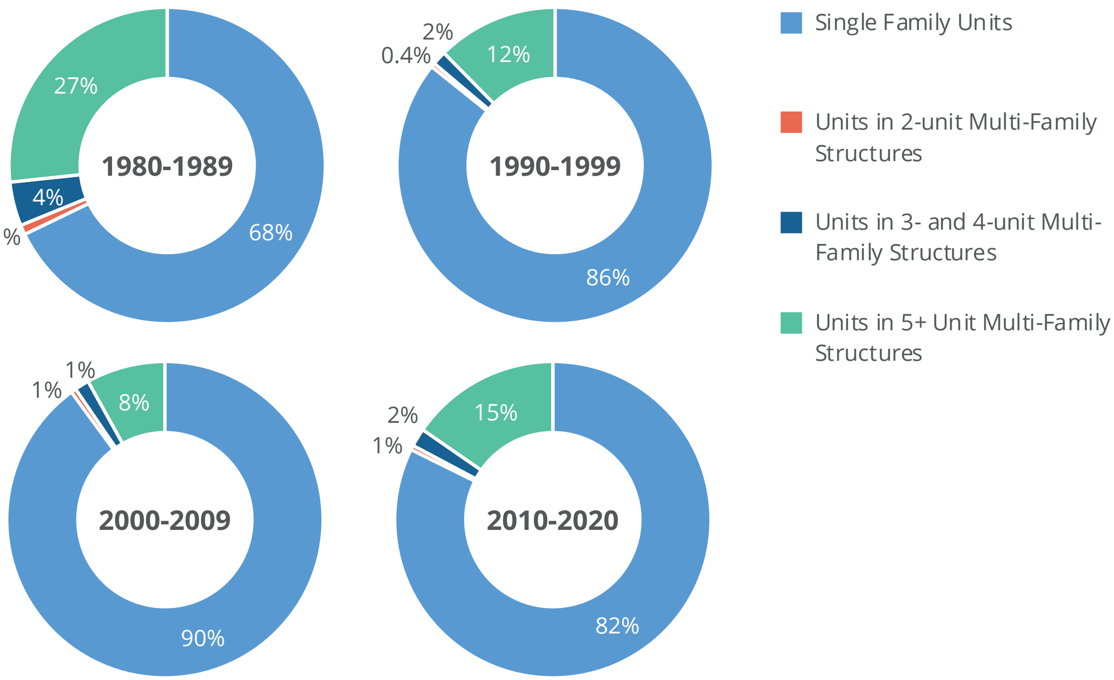
Source: U.S. Census, 2019 Building Permit Survey, and Root Policy Research.

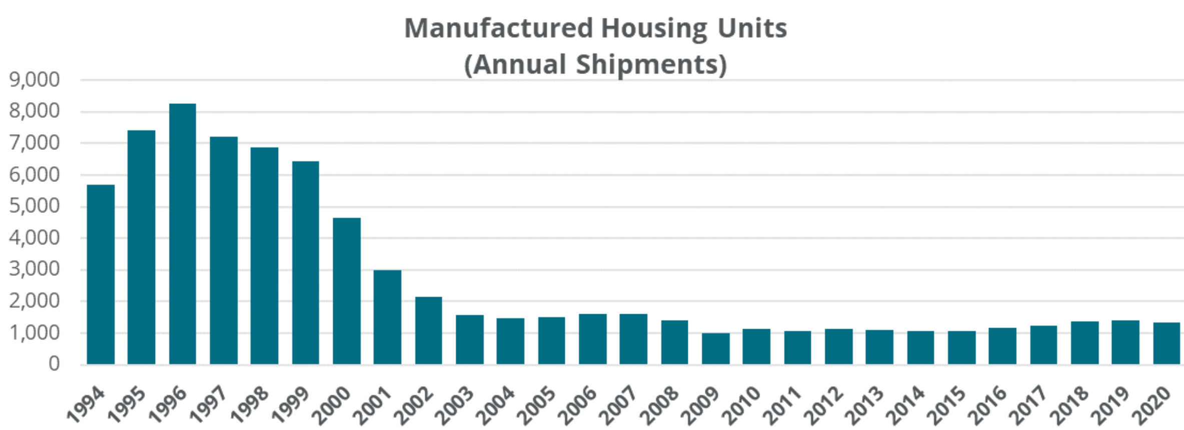
Figure I-4 shows the share of building permits by units in structure by decade as well as the number of manufactured housing units by year. Manufactured homes are tracked using a different survey and data by state are only available back to 1994. The overall distribution of housing types has shifted heavily towards single family homes since 1990, despite changing needs and preferences.

Significant building activity of multifamily units took place in the 1980s. This development occurred during a period of strong population growth yet very high unemployment, as well as high interest rates, which raised the cost of homeownership.

Multifamily units **permitted during the 1980s make up nearly half of all multifamily permits** issued between 1980 and 2020. These units are now more than 30 years old and are likely in need of improvements. The number of annual shipments of manufactured units has decreased considerately since the mid 1990s and has remained persistently low.

Figure I-4.
Building Permit Distribution by Type





Source: U.S. Census, 2019 Building Permit Survey, HUD Manufactured Housing Survey, and Root Policy Research.

Housing Types and Household Occupancy

Households' housing needs and preferences change over time with fluctuations in household composition, income, employment, and age. A variety of housing types is ideal, regardless of the geographic area, to accommodate changing needs. Diversity in housing type is typically easier to achieve in faster growing, urban areas where density, volume building, and financial resources can be leveraged.

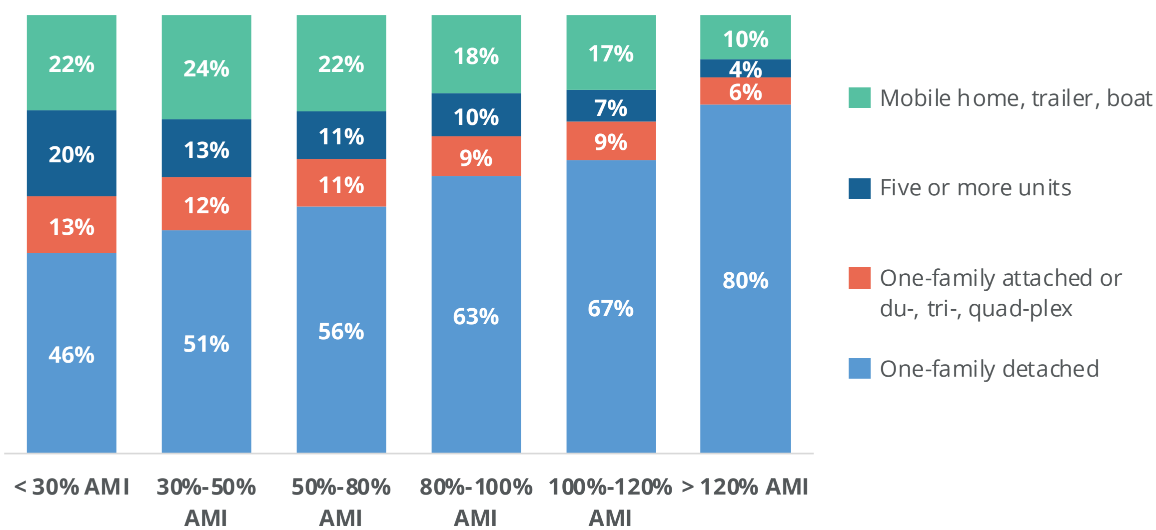
Figure I-5 illustrates housing type by income category. Income categories are determined by family size and area median income.

Households with incomes of 80% of AMI and less are:

- Twice as likely to occupy mobile or manufactured homes than 120% AMI households;
- Twice as likely to occupy attached housing (du/tri/fourplexes);
- For less than 30% AMI households, five times more likely to occupy multifamily (5+ units) housing.

Although homeownership is most common among 120% AMI households, **half of low income households in New Mexico are owners.**

Figure I-5.
Housing Type Occupied by Income, 2019



Note: AMIs are calculated by applying a population-weighted average of each county's 50% AMI by household size within PUMA.

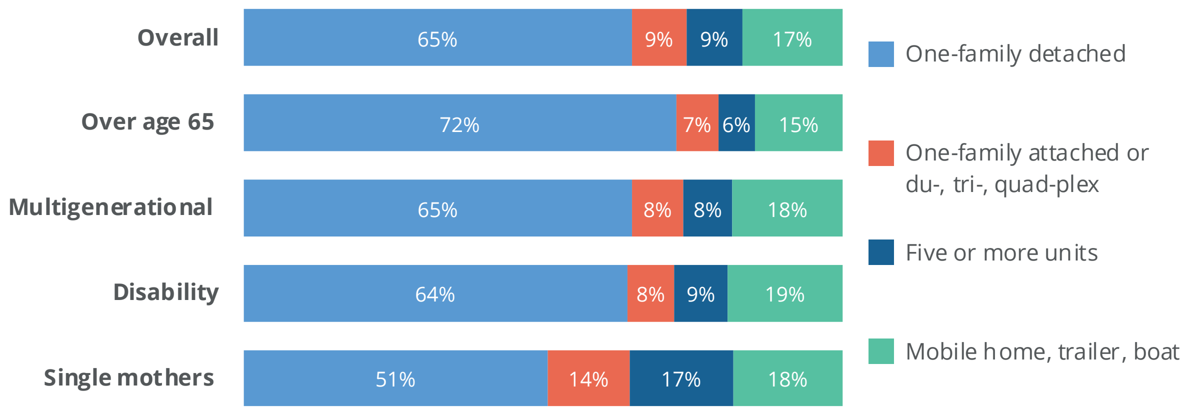
Source: 2019 ACS 5-year IPUMS, HUD AMI and Root Policy Research.

Figure I-6 illustrates how household characteristics vary by housing type. Although 65% of New Mexico's total population live in single-family detached homes, some groups of the population are more likely to live in such housing units. Namely, 72% of households with at least one member over the age of 65 are living in single-family detached homes.

Other groups, like single mothers for example, are less likely to live in single-family detached homes. About half of single mothers live in single-family detached homes and they are much more likely than other groups to live in multifamily housing. In fact, 17% of single mothers live in housing with five or more units in the building, and 14% live in single-family attached housing or a du-, tri-, or quad-plex. These rates are much higher than that of the overall population: just 9% overall live in each type of housing structure.

It is also worth noting that households in which one or more members have a disability are slightly more likely to live in a mobile home compared to the overall population: 19% of households in which a member has a disability live in a mobile home, trailer, or boat compared to 17% of the overall population.

Figure I-6.
Housing Type Occupied by Household Characteristics, 2019



Note: Here a multigenerational household is classified as one where: (1) there are either two or more generations in one household in which some members of the younger generation are married or older than 17; (2) there are two nonadjacent generations (i.e. grandparent and grandchild) in the household; or (3) there are three or more generations in one household.

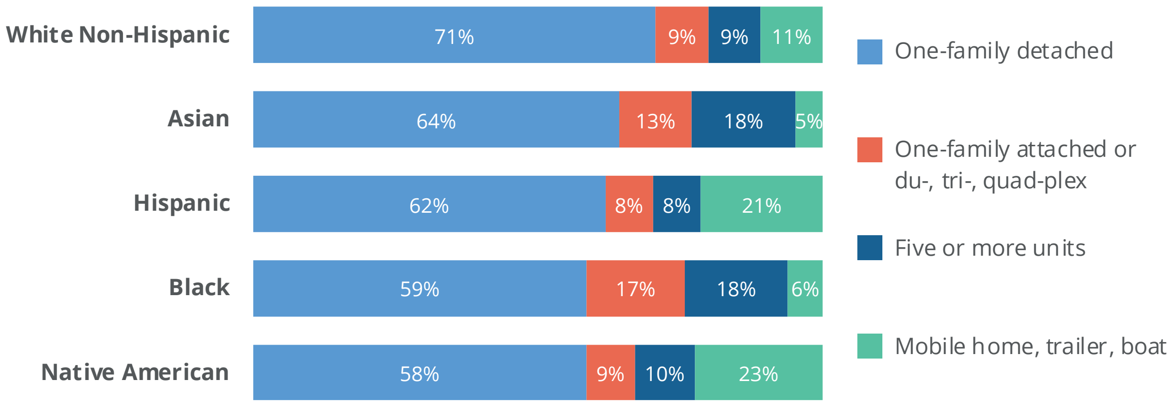
Source: 2019 ACS 5-year IPUMS and Root Policy Research.

Figure I-7 illustrates housing type by race and ethnicity. **The largest variance in housing type by race and ethnicity is found in mobile homes and multifamily units:**

- 18% of Black and Asian New Mexicans live in multifamily units compared to 9% of White, Non-Hispanic households and 8% of Hispanic households;
- Black and Asian households are also more likely to live in attached homes;
- Overall, 31% of Asian households and 35% of Black households live in a building with five or more units, an attached single-family home, or a du-, tri-, or quad-plex; and
- 23% of Native American households and 21% of Hispanic households live in mobile homes compared to 11% of White, non-Hispanic households.

White non-Hispanic households live in single-family detached homes at higher rates than other race and ethnic groups: 71% live in single-family detached homes compared to 64% of Asian households, 62% of Hispanic households, 59% of Black households, and 58% of Native American households.

Figure I-7.
Housing Type Occupied by Race and Ethnicity, 2019



Notes: Households' races and ethnicities are determined based on whether one or more people in the household identify in either of the above races or ethnic groups. This means that mixed-race or mixed-ethnicity households are counted in more than one race/ethnic groups.

Source: 2019 ACS 5-year IPUMS and Root Policy Research.

Figure I-8 shows the number of housing units by type and county. Counties with higher share of higher density units (attached and five or more units) include Bernalillo, Los Alamos, and Santa Fe. **Mobile homes** provide a large share of housing stock in many counties and **are the second largest housing type after single family detached homes** in every county except for Bernalillo, Curry, and Los Alamos.

Figure I-8.
Housing Units by Type, 2019

	One-Family Detached	One-Family Attached/Du/Tri/4-plex	Five or More Units	Mobile Home, Trailer	Total
New Mexico	**64%**	**9%**	**9%**	**17%**	**937,920**
Bernalillo	65%	12%	17%	6%	293,787
Catron	65%	1%	0%	34%	3,756
Chaves	73%	7%	6%	14%	27,279
Cibola	60%	6%	5%	29%	11,397
Colfax	69%	6%	8%	17%	10,284
Curry	71%	13%	6%	11%	21,267
De Baca	77%	3%	0%	21%	1,092
Doña Ana	58%	10%	10%	22%	87,897
Eddy	72%	4%	7%	17%	24,576
Grant	61%	5%	4%	30%	15,071
Guadalupe	59%	10%	3%	27%	2,670
Harding	77%	1%	0%	23%	567
Hidalgo	55%	3%	3%	39%	2,454
Lea	66%	5%	9%	20%	26,610
Lincoln	66%	7%	6%	21%	18,156
Los Alamos	64%	17%	15%	4%	8,384
Luna	51%	4%	7%	38%	11,287
McKinley	65%	8%	3%	23%	26,312
Mora	65%	1%	0%	34%	2,981
Otero	61%	8%	3%	28%	31,745
Quay	68%	5%	4%	24%	5,690
Rio Arriba	56%	4%	1%	40%	20,184
Roosevelt	65%	12%	3%	20%	8,518
San Juan	56%	7%	4%	33%	51,113
San Miguel	53%	7%	3%	36%	15,984
Sandoval	81%	6%	4%	8%	56,585
Santa Fe	64%	12%	10%	14%	72,988
Sierra	48%	4%	7%	41%	8,555
Socorro	55%	4%	4%	37%	8,234
Taos	65%	9%	5%	21%	20,916
Torrance	53%	1%	1%	45%	8,026
Union	82%	3%	0%	15%	2,347
Valencia	64%	4%	2%	30%	31,208

Source: 2019 ACS 5-year, and Root Policy Research.

Second home/vacation home demand. There is early evidence that the pandemic has prompted second-home purchases by wealthier households and near-retirees who may be accelerating their purchase of a retirement home while holding on to their primary residence for longer.

Demand for second and vacation homes has important implications for the inventory of units for rent and for sale available to current residents. Over 50,000 housing units in the state are vacant for seasonal and recreational use.

Figure I-9 shows the number of vacant homes by county, including seasonal and recreational use homes. Of the state's total vacant units for seasonal and recreational use, 15% are in Lincoln County and 11% are in Santa Fe County. The next largest shares are in Taos County (8%), Otero (7%), and Colfax (6%).

Figure I-9.
Vacant Units by Reason, 2019

	For Rent	For Sale Only	Rented or Sold, not Occupied	For Seasonal/ Rec. Use	For Migrant Workers	Other
New Mexico	**24,352**	**11,913**	**9,034**	**51,457**	**654**	**60,261**
Bernalillo	8,276	2,887	2,665	2,734	0	9,526
Catron	19	162	0	1,871	2	377
Chaves	1,114	318	466	263	52	1,782
Cibola	143	60	134	598	30	1,724
Colfax	399	146	103	2,880	0	903
Curry	554	375	305	341	12	1,132
De Baca	0	0	0	267	0	153
Doña Ana	2,737	1,056	617	1,839	75	3,731
Eddy	346	248	456	528	161	1,586
Grant	258	343	80	708	0	1,831
Guadalupe	13	30	16	1,110	0	117
Harding	5	4	5	273	0	69
Hidalgo	54	26	11	129	0	555
Lea	1,069	160	276	217	137	2,228
Lincoln	931	610	234	7,465	9	1,341
Los Alamos	67	74	31	122	0	159
Luna	202	256	139	197	0	1,589
McKinley	384	92	94	1,383	29	3,388
Mora	36	30	7	608	0	587
Otero	895	490	620	3,360	26	2,720
Quay	95	50	7	2,112	0	386
Rio Arriba	298	278	154	2,344	13	4,367
Roosevelt	355	178	382	145	0	644
San Juan	1,206	558	191	1,407	7	4,357
San Miguel	308	244	27	2,131	14	1,651
Sandoval	808	953	501	1,620	0	1,702
Santa Fe	1,417	705	606	5,530	0	2,809
Sierra	268	375	78	1,503	0	776
Socorro	513	212	96	1,880	0	1,013
Taos	900	264	350	4,071	0	3,228
Torrance	109	173	100	495	28	1,477
Union	0	41	0	693	0	218
Valencia	573	515	283	633	59	2,135

Source: 2019 ACS 5-year, and Root Policy Research.

Figure I-10 shows the percent change in vacant units by reason. Most counties have experienced a significant increase in the number of vacant units for seasonal/recreational use.

Figure I-10.
Percent Change in Vacant Units by Reason, 2010-2019

	For Rent	For Sale Only	Rented or Sold, not Occupied	For Seasonal/ Rec. Use	For Migrant Workers	Other
New Mexico	**10%**	**8%**	**162%**	**41%**	**186%**	**65%**
Bernalillo	11%	-12%	215%	54%	-100%	95%
Catron	-44%	224%	-100%	67%	-60%	31%
Chaves	64%	1%	521%	23%	940%	4%
Cibola	-65%	-32%	109%	-32%	650%	115%
Colfax	38%	-10%	102%	0%	-100%	48%
Curry	17%	67%	296%	417%	300%	-6%
De Baca	-100%	-100%	-100%	28%	-100%	-18%
Doña Ana	33%	19%	155%	170%	369%	79%
Eddy	-21%	16%	243%	126%	3925%	38%
Grant	-26%	79%	10%	18%	-100%	105%
Guadalupe	-81%	15%	220%	687%	-100%	-69%
Harding	150%	-33%	67%	618%	-	-46%
Hidalgo	-33%	-7%	-15%	47%	-100%	126%
Lea	23%	-14%	197%	0%	954%	71%
Lincoln	146%	80%	157%	26%	-64%	-13%
Los Alamos	-66%	0%	41%	-53%	-100%	14%
Luna	-31%	25%	107%	36%	-100%	132%
McKinley	-20%	10%	2%	10%	16%	77%
Mora	9%	50%	250%	17%	-100%	8%
Otero	4%	20%	331%	2%	2500%	48%
Quay	-21%	-49%	-42%	288%	-100%	-46%
Rio Arriba	-20%	55%	86%	37%	63%	188%
Roosevelt	128%	100%	905%	164%	-100%	25%
San Juan	4%	33%	-18%	6%	-65%	145%
San Miguel	-24%	109%	-47%	15%	367%	38%
Sandoval	36%	7%	127%	6%	-100%	18%
Santa Fe	-26%	-39%	84%	44%	-100%	37%
Sierra	-18%	126%	160%	13%	-100%	32%
Socorro	62%	248%	60%	826%	-100%	153%
Taos	47%	7%	438%	29%	-100%	136%
Torrance	-37%	2%	33%	110%	155%	70%
Union	-100%	17%	-100%	446%	-100%	-40%
Valencia	16%	-16%	126%	288%	228%	82%

Source: 2019 ACS 5-year, 2010 Census, and Root Policy Research.

Home Mortgage Disclosure Act (HMDA) data indicate which home mortgages were for second homes and can be analyzed to better understand the shift in purchases of second homes. However, HMDA data only include home purchases which made use of a mortgage; home purchases made in cash, without a mortgage, are not included in the data. Therefore, the following estimates are an undercount of how many homes were purchased as second homes. Figure I-11 shows the number of originated loans for second home purchases by county.

Between 2015 and 2020 the number of second home loan originations increased by 50%. Counties with a significant volume of sales and a high share of home purchases for second homes include: Colfax (65%), Lincoln (57%), Taos (37%), and Santa Fe (17%).

Figure I-11.
Second Home Loan Originations by County, 2015-2020

	2015	2016	2017	2018	2019	2020
New Mexico	1,967	1,996	2,175	2,595	2,724	2,945
Bernalillo	570	578	656	799	873	812
Catron	2	1	7	6	6	7
Chaves	33	16	22	28	39	31
Cibola	8	4	2	1	19	21
Colfax	45	70	66	88	102	200
Curry	11	13	19	22	19	29
De Baca	-	-	2	-	-	-
Doña Ana	171	214	228	246	260	303
Eddy	35	33	32	75	71	48
Grant	23	21	26	23	19	23
Guadalupe	-	2	1	1	1	-
Harding	-	-	-	-	1	-
Hidalgo	3	5	4	2	1	1
Lea	26	16	13	28	40	35
Lincoln	169	198	203	225	199	286
Los Alamos	24	29	28	31	21	30
Luna	20	14	17	7	10	10
McKinley	12	14	6	21	16	10
Mora	3	-	3	3	5	5
Otero	72	81	86	78	90	109
Quay	5	1	2	3	4	7
Rio Arriba	20	22	17	23	24	36
Roosevelt	9	5	6	10	7	7
Sandoval	159	143	149	221	214	230
San Juan	46	44	59	57	65	65
San Miguel	21	11	28	17	20	33
Santa Fe	322	309	324	394	405	369
Sierra	24	24	25	26	23	39
Socorro	4	6	7	7	15	12
Taos	86	85	99	93	101	122
Torrance	4	7	6	5	4	7
Union	3	-	1	1	3	7
Valencia	37	30	31	54	47	51

Note: Includes first lien loan originations.

Source: HMDA and Root Policy Research.

Housing Needs

Housing needs are reflected in cost burden when households pay more than 30% of their incomes in housing costs. This industry standard ensures that households can manage other necessary costs such as health care, child care, the basic necessities of food and personal care. When households are paying more than 50% of their incomes in housing costs they are "severely" cost burdened and carry a higher risk of eviction or foreclosure.

Housing needs in this section are also described in terms of the "rental gap" which compares the distribution of renters by income to rental units available to them.

Cost burden. Figures I-12 and I-13 show the number of cost burdened and severely cost burdened households by tenure and county. In the state:

- A total of **117,613 households are cost burdened, and another 100,858 are severely cost burdened.**
- 38% of all cost burdened households and 41% of all severely cost burdened households reside in Bernalillo County;
- Among cost burdened households, 46% are renters, 41% are owners with a mortgage, and 13% are owners without a mortgage.
- This changes for severely cost burdened households, who are more likely to be renters. Among severely cost burdened households, 54% are renters, 35% are owners with a mortgage, and 11% are owners without a mortgage.

Figure I-12. Cost Burdened Households by Tenure, Paying 30%-49%, 2019

Source:

2019 ACS 5-year, and Root Policy Research.

	Renters	Owners with Mortgage	Owners without Mortgage	Total
New Mexico	**54,537**	**48,342**	**14,734**	**117,613**
Bernalillo	23,077	18,237	3,896	45,210
Catron	12	53	0	65
Chaves	1,522	1,194	582	3,298
Cibola	446	209	206	861
Colfax	316	464	307	1,087
Curry	1,771	987	323	3,081
De Baca	67	13	21	101
Doña Ana	6,199	4,477	1,276	11,952
Eddy	1,086	674	210	1,970
Grant	777	662	181	1,620
Guadalupe	97	7	31	135
Harding	19	0	5	24
Hidalgo	61	76	66	203
Lea	1,064	726	271	2,061
Lincoln	318	623	183	1,124
Los Alamos	266	168	32	466
Luna	823	469	178	1,470
McKinley	657	406	665	1,728
Mora	41	42	208	291
Otero	2,279	1,432	429	4,140
Quay	348	141	45	534
Rio Arriba	427	433	393	1,253
Roosevelt	632	383	74	1,089
San Juan	2,393	2,399	934	5,726
San Miguel	650	528	513	1,691
Sandoval	2,552	4,986	708	8,246
Santa Fe	4,167	4,667	1,347	10,181
Sierra	352	339	140	831
Socorro	260	179	139	578
Taos	686	565	352	1,603
Torrance	146	445	311	902
Union	46	61	18	125
Valencia	980	2,297	690	3,967

Figure I-13. Severely Cost Burdened Households by Tenure, Paying Over 50%, 2019

Source:

2019 ACS 5-year, and Root Policy Research.

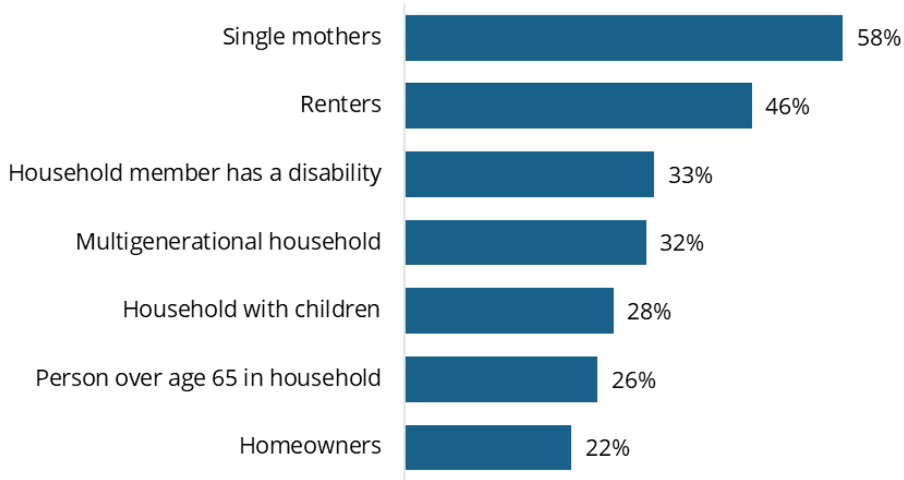
	Renters	Owners with Mortgage	Owners without Mortgage	Total
New Mexico	54,074	35,606	11,178	100,858
Bernalillo	24,323	13,509	3,051	40,883
Catron	9	13	70	92
Chaves	1,130	961	374	2,465
Cibola	301	118	238	657
Colfax	328	192	116	636
Curry	1,582	951	177	2,710
De Baca	13	15	19	47
Doña Ana	7,018	3,492	1,118	11,628
Eddy	664	641	338	1,643
Grant	876	444	212	1,532
Guadalupe	20	6	64	90
Harding	0	4	13	17
Hidalgo	84	89	29	202
Lea	1,310	548	216	2,074
Lincoln	201	440	150	791
Los Alamos	186	131	56	373
Luna	689	392	82	1,163
McKinley	996	627	313	1,936
Mora	72	65	33	170
Otero	1,358	561	290	2,209
Quay	112	91	21	224
Rio Arriba	568	394	222	1,184
Roosevelt	636	182	151	969
San Juan	2,328	1,322	760	4,410
San Miguel	745	466	588	1,799
Sandoval	2,339	2,617	509	5,465
Santa Fe	3,501	3,994	1,038	8,533
Sierra	330	368	127	825
Socorro	313	48	52	413
Taos	751	504	144	1,399
Torrance	254	428	154	836
Union	23	27	32	82
Valencia	1,014	1,966	421	3,401

Additionally, rates of cost burden vary by household characteristics. Single mothers and renters are significantly more likely to be cost burdened while homeowners and households with a person over age 65 are the least likely.

Figure I-14. Cost Burden by Household Characteristics

Source:

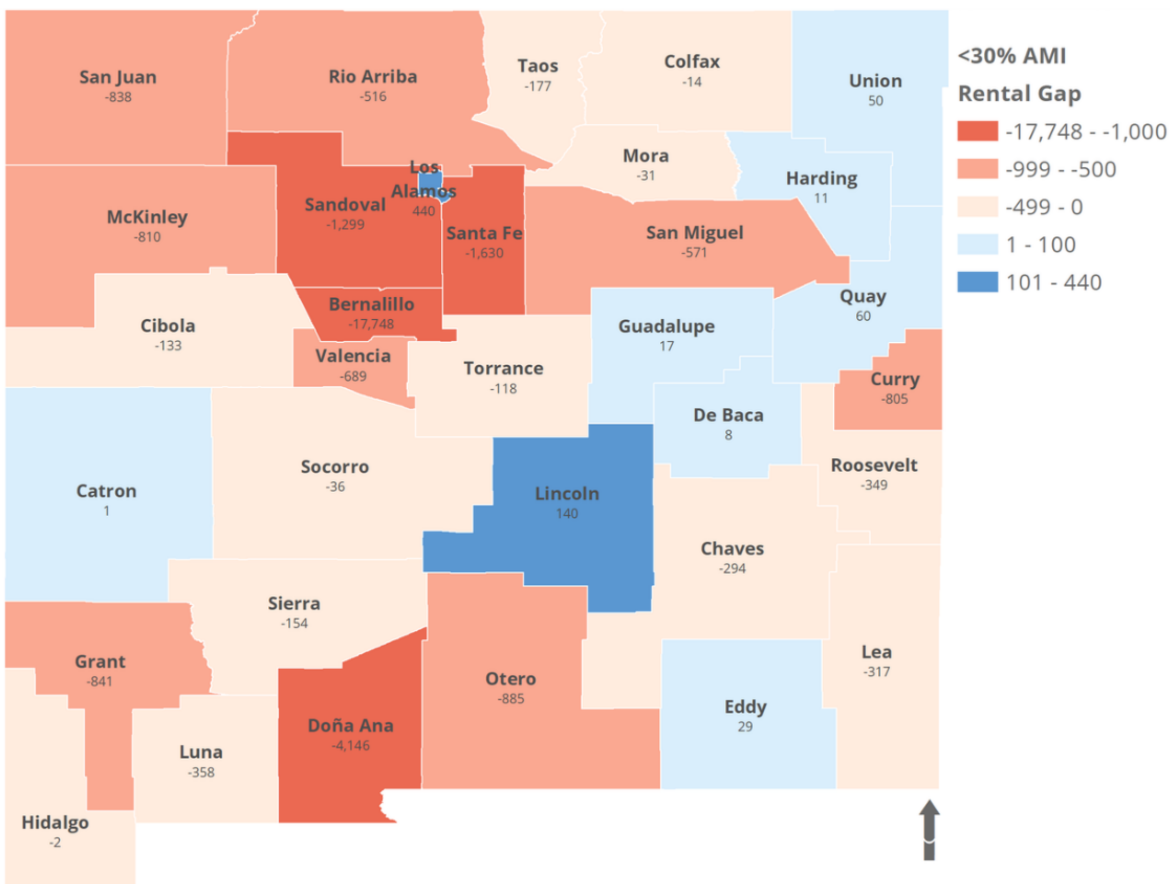
2019 ACS 5-year IPUMS and Root Policy Research.



Rental gaps. The "Rental Gap" shows the difference between the number of renter households and the number of rental units affordable to them.

- The state's rental gap is concentrated at income levels below 30% AMI. The statewide gap at this income level is around 32,000 units.
- The Albuquerque MSA gap is around 19,850 units—making up 62% of the state's gap overall.
- Counties with gaps at 50 to 80% AMI include Guadalupe (40 units), Harding (19 units), and San Miguel (12 units).

Figure I-15.
Rental Gap for Households Below 30% AMI by County, 2019



Source: 2019 5-year ACS, and Root Policy Research.

High-income rental gap. Most counties also show a gap for higher income renters. This points to an income mismatch in the market in which higher income households are occupying homes affordable to lower income households.

According to ACS data, 28% of renter households in New Mexico are spending less than 20% of their household income on housing costs.[1] This equates to about 65,554 households. These households are largely upper-income households—64% of them earn more than 120% of AMI. As illustrated in Figure I-16, 31% of these households earn between $50,000 and $75,000 per year and 48% earn more than $75,000 per year.

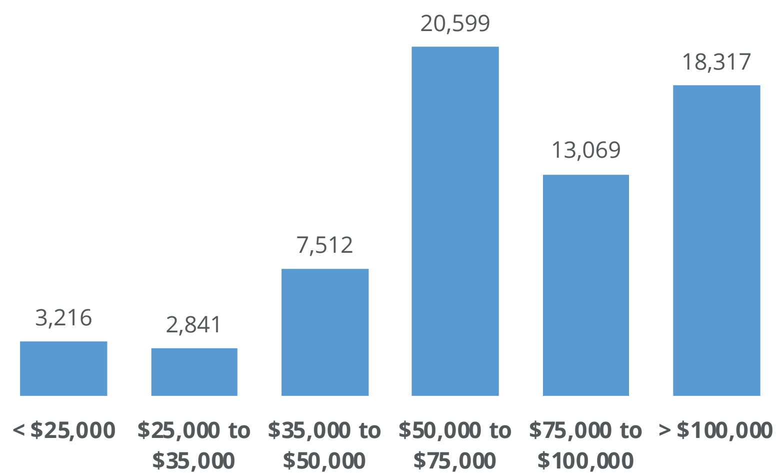
Figure I-16. Income Distribution of Households Paying Less than 20% of Income in Rent, 2019

Note:

20% was used as a reasonable threshold to identify households who could pay more in rent if appropriate units were available

Source:

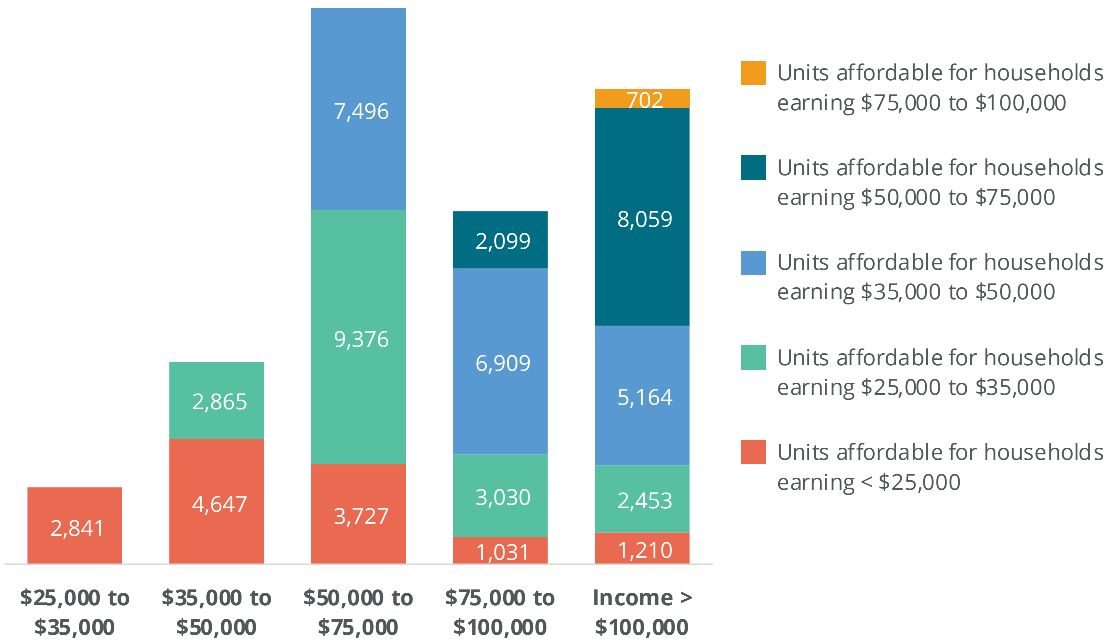
2019 ACS 5-year IPUMS and Root Policy Research.



Many of these households are taking up units that lower-income households could otherwise be renting. Figure I-17 illustrates the number of homes occupied by those paying less than 20% of their monthly income in gross rent with the corresponding distribution of such units that would be better occupied by a lower-income household. For example, units considered "preferable for households earning less than $25,000" are units which rent for $625 or less per month (in other words, less than 30% of monthly income for households earning $25,000). Units considered "preferable for households earning $25,000 to $35,000" are units which cost between $625 and $875 in gross rent, and so on.

[1] The 20% threshold is used as a proxy for households who could afford to spend more on housing costs if appropriate units were available. Some of these households may be cost constrained by other household expenses, such as child care, or choose to continue to rent down to save for homeownership.

Figure I-17.
Units Occupied by Households Paying Less than 20% of their Income in Rent, 2019



Note: 20% was used as a reasonable threshold to identify households who could pay more in rent if appropriate units were available.

Source: 2019 ACS 5-year IPUMS and Root Policy Research.

Figure I-17 illustrates that households earning over $100,000 and paying less than 20% of their income in gross rent are occupying:

- 702 units whose prices would be better suited for households earning $75,000 to $100,000;
- 8,059 units whose prices would be better suited for households earning $50,000 to $75,000;
- 5,164 units whose prices would be better suited for households earning $35,000 to $50,000;
- 2,453 units whose prices would be better suited for households earning $25,000 to $35,000; and
- 1,210 units whose prices would be better suited for households earning less than $25,000.

The process of "filtering" occurs in the housing market when households move into units that are a better match for their income levels as new units are added to the market. Filtering could alleviate a significant portion of the rental gap, although this depends on higher income renters' desires to take on higher housing costs. Filtering is a more realistic solution in urban, high growth areas where renters have access to higher-wage jobs and where new rental development is most active.

Forecasted Needs

The University of New Mexico Geospatial and Population Studies (GPS) releases periodic population projections for New Mexico and its 33 counties.[2] These projections are used to forecast household growth in the state and counties. These projections have more error as they move further from the most recent census used (2010), and, as such, should be considered a baseline for analysis.[3]

Population and household growth. Figure I-18 shows the projected population growth by age group, according to population projections by the University of New Mexico. The share of residents over the age of 65 is projected to increase from 18% in 2020 to 21% of total residents by 2035. Despite the large increase in senior residents, younger residents under age 25 are projected to continue to make the largest share of the population (accounting for around 30% of the total population).

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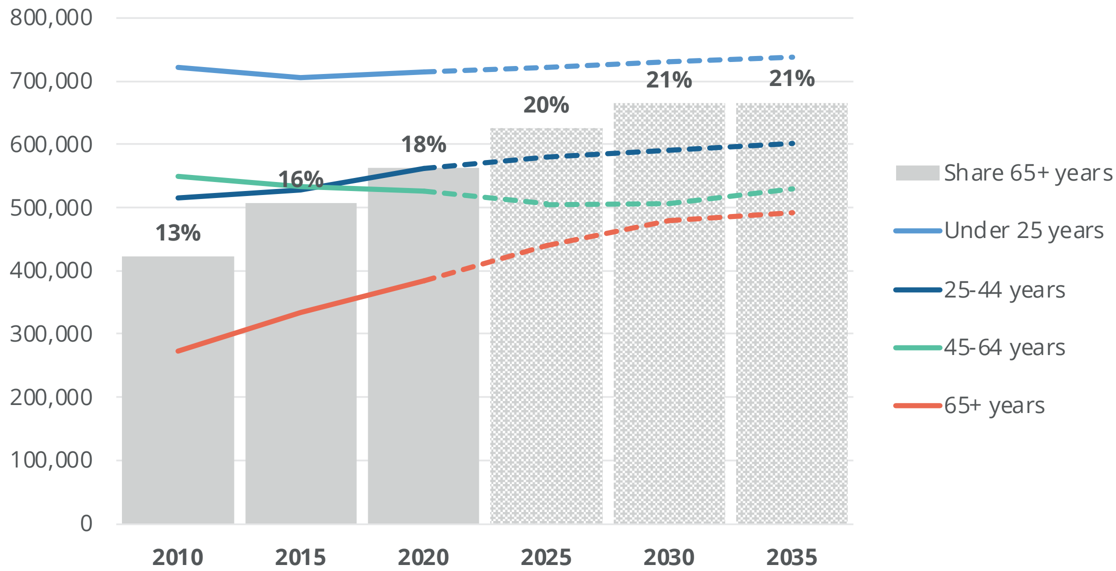
[2] GPS uses a standard cohort component method based on the demographic balancing equation:

$Pop_t = Pop_{t-1} + Births - Deaths + Net\ Migration$

These five-year interval projections begin with GPS population estimates. From this, the number of expected deaths is subtracted from the population using life tables calculated from the New Mexico Department of Health. Next, the number of expected births for the female population ages 15-44 is calculated using fertility data from the New Mexico Department of Health. Finally, net migration is calculated based on recent historical trends. This was not straightforward for the 2020-2040 estimates, because of large in-migration between 2000 and 2010 and because of large out-migration between 2010 and 2015. Neither of these trends is expected to soon return or continue. Therefore, migration was roughly calculated as half the net migration observed between 2000 and 2010. This process is completed for each county and then controlled to a statewide projection total.

[3] Future trends may be different due to the cyclical nature of migration (such as oil drilling) and due to policy changes that directly aim to impact migration or other components of population change.

Figure I-18.
Population Projections by Age



Source: The University of New Mexico Geospatial and Population Studies, and Root Policy Research.

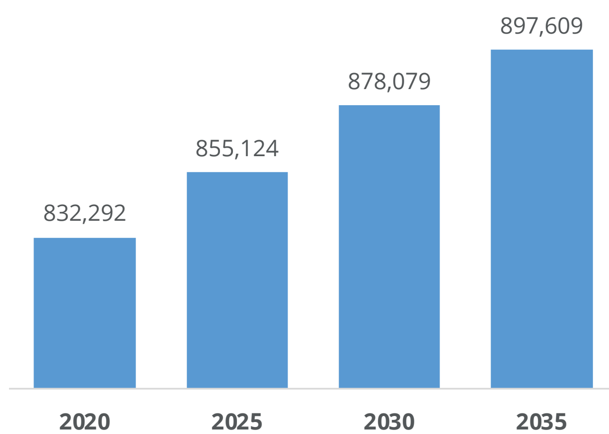
Population trends project that overall, the state will add:

- 22,800 new households between now and 2025; and
- 65,000 new households between now and 2035.

Figure I-19.
Household Projections, 2020 to 2035

Note:
Holding 2019 average household size for each county constant.

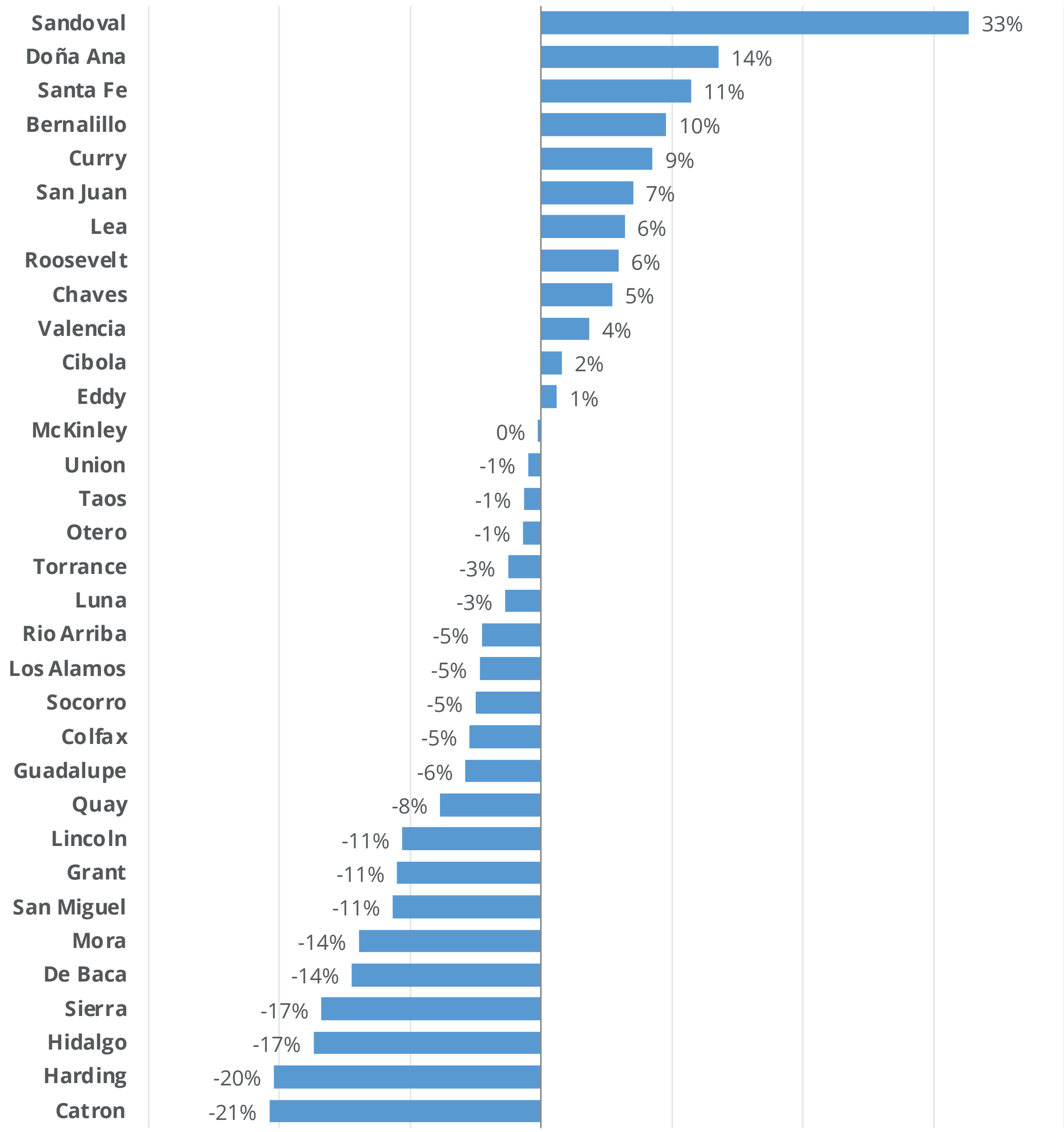
Source:
The University of New Mexico Geospatial and Population Studies, and Root Policy Research.



As shown in Figure I-20, urban counties are expected to drive the state's population growth, a phenomenon that is also true at the national level. A handful of counties are expected to show no or minimal change, and about half of the state's counties are projected to lose population.

The largest overall increase is projected in Bernalillo County, which is projected to add around 27,400 new households by 2035 (10% increase). The largest proportional increase in population is projected in Sandoval County, whose households are expected to increase by 33% between 2020 and 2035 (about 17,500 households).

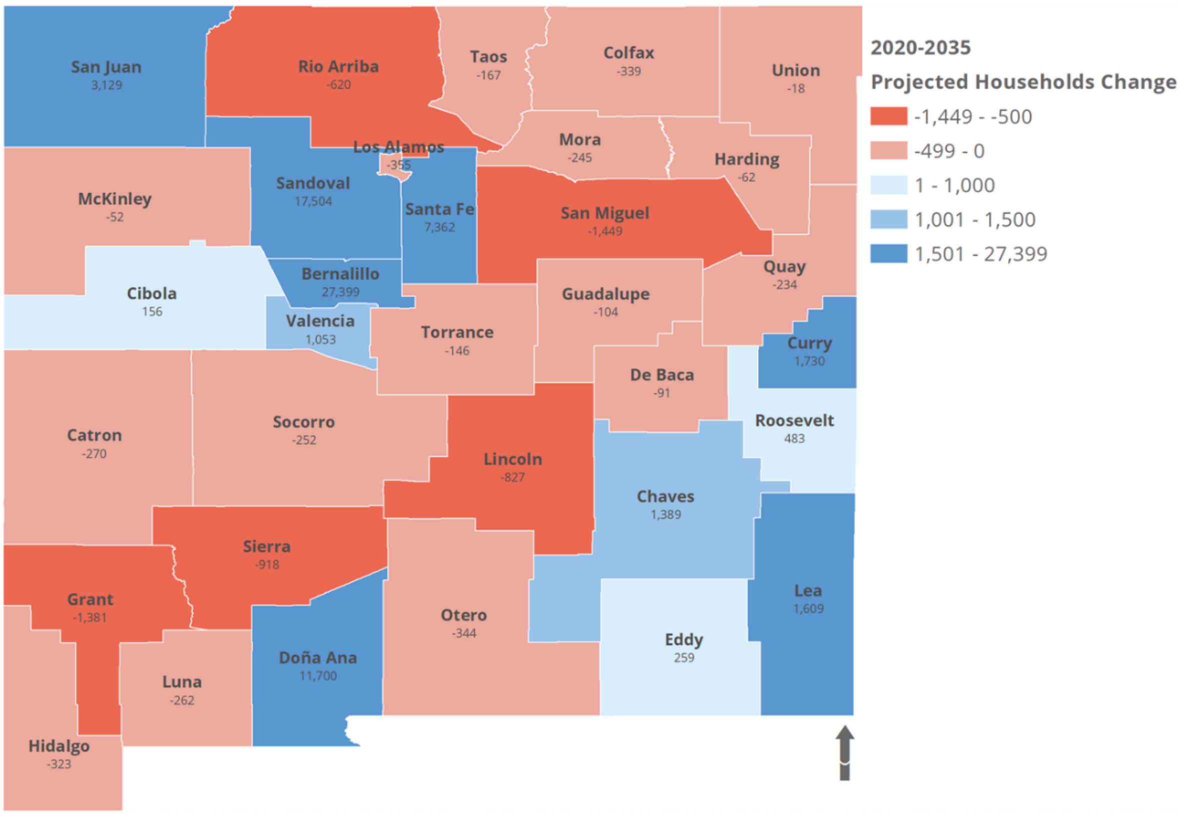
Figure I-20.
Projected Household Growth by County, 2020-2035



Note: Holding 2019 average household size for each county constant.

Source: The University of New Mexico Geospatial and Population Studies, and Root Policy Research.

Figure I-21.
Projected Household Change by County, 2020-2035



Note: Holding 2019 average household size for each county constant.

Source: The University of New Mexico Geospatial and Population Studies, and Root Policy Research.

Housing units needed. Based on the above projections,

- 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 to accommodate growth.

This compares to a 10-year average of annual permits issued to 4,107 housing units in growth counties and 4,771 housing units for New Mexico. **Increased production is needed—but must be paired with programs and policies to ensure a portion of new units meet affordability needs.**

Figures I-22 to I-24 show the number of units needed to accommodate new households by county, AMI, and tenure[4].

- By 2025 the state will need around 25,400 units; around 4,200 of them should be affordable to households with income below 30% AMI and 7,600 below 50% AMI.
- By 2035 the state will need around 73,700 units, around 12,000 of them should be affordable to households with income below 30% AMI and 22,000 below 50% AMI.

Market production will be concentrated at 120%+ AMI; incentives to production below that price point should be pursued.

[4] Assumes 2019 household size, AMI distribution, and tenures remain constant.

Figure I-22. Projected Units Needed by 2025, by County, AMI and Tenure

Note:

Holding 2019 AMI and tenure distributions constant.

Source:

The University of New Mexico Geospatial and Population Studies, and Root Policy Research.

County	Total	Percent of AMI					
		0-30%	30-50%	50-80%	80-100%	100-120%	120%+
Total	**25,476**	**4,210**	**3,431**	**4,360**	**2,449**	**2,114**	**8,912**
Bernalillo	**10,153**	1,812	1,428	1,728	937	851	3,396
Sandoval	**5,417**	695	557	957	558	526	2,125
Doña Ana	**4,263**	762	665	677	377	282	1,499
Santa Fe	**2,261**	355	317	404	240	168	778
San Juan	**1,082**	211	163	194	107	94	311
Curry	**550**	81	68	105	55	43	198
Lea	**508**	84	55	83	57	51	179
Chaves	**454**	73	70	76	45	34	157
Valencia	**328**	61	52	62	33	29	90
Roosevelt	**219**	34	25	36	19	17	88
Eddy	**114**	18	16	18	11	10	41
Cibola	**78**	15	9	13	6	6	29
McKinley	**49**	10	5	7	4	3	20
Rental Units	**9,043**	**2,303**	**1,959**	**1,581**	**1,323**	**1,204**	**674**
Bernalillo	**4,333**	1,130	951	768	615	569	299
Sandoval	**1,047**	272	237	205	136	129	68
Doña Ana	**1,818**	450	414	286	279	248	142
Santa Fe	**678**	173	146	110	106	90	53
San Juan	**382**	87	83	70	62	51	30
Curry	**220**	51	37	37	36	34	26
Lea	**173**	48	23	32	25	26	20
Chaves	**145**	31	26	27	25	21	14
Valencia	**70**	19	12	13	11	10	5
Roosevelt	**94**	24	16	18	14	14	8
Eddy	**36**	8	7	7	6	5	4
Cibola	**30**	7	5	5	5	5	3
McKinley	**17**	4	3	2	2	3	3
Ownership Units	**16,433**	**1,907**	**1,472**	**2,779**	**1,126**	**910**	**8,238**
Bernalillo	**5,821**	682	477	960	322	282	3,097
Sandoval	**4,370**	423	320	752	422	397	2,056
Doña Ana	**2,444**	313	251	391	98	34	1,358
Santa Fe	**1,584**	182	171	294	134	78	725
San Juan	**700**	124	81	125	45	43	281
Curry	**330**	29	32	68	19	9	173
Lea	**335**	36	31	51	32	25	160
Chaves	**309**	41	44	49	20	13	143
Valencia	**257**	42	40	49	22	19	85
Roosevelt	**124**	10	9	18	5	4	80
Eddy	**78**	10	9	11	6	5	37
Cibola	**48**	8	4	8	2	1	25
McKinley	**32**	6	3	5	2	0	18

Figure I-23. Projected Units Needed by 2030, by County, AMI and Tenure

Note:

Holding 2019 AMI and tenure distributions constant.

Source:

The University of New Mexico Geospatial and Population Studies, and Root Policy Research.

County	Total	Percent of AMI					
		0-30%	30-50%	50-80%	80-100%	100-120%	120%+
Total	**51,182**	**8,438**	**6,886**	**8,784**	**4,936**	**4,266**	**17,872**
Bernalillo	19,382	3,459	2,727	3,299	1,789	1,625	6,483
Sandoval	11,353	1,456	1,166	2,006	1,169	1,102	4,453
Doña Ana	8,194	1,465	1,278	1,301	724	542	2,882
Santa Fe	4,667	733	654	833	495	347	1,606
San Juan	2,182	426	330	392	216	190	628
Valencia	1,468	275	233	277	147	132	404
Curry	1,117	164	139	213	112	87	403
Lea	1,069	176	115	174	119	107	378
Chaves	943	151	146	157	93	70	326
Roosevelt	384	60	43	64	33	30	154
Eddy	236	38	33	37	23	20	85
Cibola	131	25	16	22	11	10	48
McKinley	55	11	6	8	4	3	23
Rental Units	**17,867**	**4,552**	**3,859**	**3,128**	**2,615**	**2,380**	**1,333**
Bernalillo	8,271	2,156	1,815	1,466	1,174	1,087	571
Sandoval	2,194	570	496	430	286	270	143
Doña Ana	3,495	864	795	550	536	477	272
Santa Fe	1,399	357	300	226	219	186	109
San Juan	771	175	167	141	125	103	61
Valencia	316	86	52	58	51	46	23
Curry	447	105	75	74	73	68	52
Lea	365	100	49	67	52	55	41
Chaves	301	65	54	56	52	43	30
Roosevelt	166	43	28	32	25	24	14
Eddy	74	17	14	14	11	10	7
Cibola	50	11	9	9	8	8	6
McKinley	19	4	3	3	3	3	3
Ownership Units	**33,315**	**3,885**	**3,027**	**5,656**	**2,321**	**1,886**	**16,540**
Bernalillo	11,111	1,303	911	1,832	615	538	5,912
Sandoval	9,158	886	670	1,575	884	832	4,310
Doña Ana	4,699	601	483	751	188	65	2,610
Santa Fe	3,269	375	353	607	276	160	1,496
San Juan	1,411	251	163	251	91	87	568
Valencia	1,152	189	181	219	97	85	381
Curry	670	59	64	139	39	19	350
Lea	705	76	66	107	67	52	336
Chaves	643	86	91	101	41	28	296
Roosevelt	218	17	15	31	8	6	140
Eddy	162	21	18	23	12	10	77
Cibola	81	14	7	13	3	2	42
McKinley	36	7	3	5	2	0	20

Figure I-24. Projected Units Needed by 2035, by County, AMI and Tenure

Note:

Holding 2019 AMI and tenure distributions constant.

Source:

The University of New Mexico Geospatial and Population Studies, and Root Policy Research.

County	Total	Percent of AMI					
		0-30%	30-50%	50-80%	80-100%	100-120%	120%+
Total	**73,774**	**12,078**	**9,861**	**12,661**	**7,132**	**6,156**	**25,886**
Bernalillo	27,399	4,890	3,854	4,663	2,529	2,297	9,165
Sandoval	17,504	2,245	1,799	3,093	1,803	1,699	6,866
Doña Ana	11,700	2,092	1,825	1,858	1,034	774	4,116
Santa Fe	7,362	1,156	1,031	1,315	781	547	2,533
San Juan	3,129	611	473	562	310	273	901
Curry	1,730	253	215	330	173	135	624
Lea	1,609	266	173	262	179	161	568
Chaves	1,389	222	214	232	137	104	480
Valencia	1,053	197	167	199	105	94	290
Roosevelt	483	75	54	80	42	38	194
Eddy	259	41	36	41	25	22	93
Cibola	156	30	19	26	13	11	57
Rental Units	**25,637**	**6,530**	**5,548**	**4,489**	**3,749**	**3,409**	**1,912**
Bernalillo	11,692	3,048	2,566	2,073	1,660	1,537	807
Sandoval	3,384	878	765	663	440	416	220
Doña Ana	4,991	1,234	1,135	786	766	681	389
Santa Fe	2,206	564	474	357	345	294	173
San Juan	1,105	251	239	202	179	148	87
Curry	693	162	116	115	113	106	81
Lea	549	151	74	101	79	83	62
Chaves	443	96	80	83	77	63	44
Valencia	227	61	38	42	36	33	16
Roosevelt	209	54	35	41	31	30	18
Eddy	81	18	16	15	13	11	8
Cibola	59	13	10	11	10	9	7
Ownership Units	**48,137**	**5,548**	**4,313**	**8,172**	**3,383**	**2,747**	**23,974**
Bernalillo	15,707	1,841	1,288	2,590	869	760	8,358
Sandoval	14,121	1,367	1,033	2,429	1,363	1,283	6,646
Doña Ana	6,710	858	690	1,073	269	93	3,727
Santa Fe	5,156	592	557	958	436	253	2,360
San Juan	2,023	360	234	361	130	125	814
Curry	1,037	91	99	215	60	30	542
Lea	1,061	115	100	161	101	78	506
Chaves	946	126	135	149	60	41	436
Valencia	827	136	130	157	69	61	273
Roosevelt	275	22	19	39	10	8	176
Eddy	178	23	20	26	13	11	85
Cibola	97	17	8	16	3	2	51

Employment growth. Employment projections were constructed using the latest Bureau of Labor Statistics employment projections at the national level and applying them to the industry composition of each county in New Mexico. These projections are independent of the population projections presented above and represent changes in the number of jobs—not workers.

Between 2020 and 2035, the state is projected to add 84,000 jobs. Around 60,000 of these jobs are projected to belong to the Education and Health Services, and the Leisure and Hospitality industries. The Leisure and Hospitality industry has the lowest average wages in the state—$20,000 annual average for 2020—and the Education and Health Services industry has wages in the middle of the distribution—$45,200 annual average for 2020.

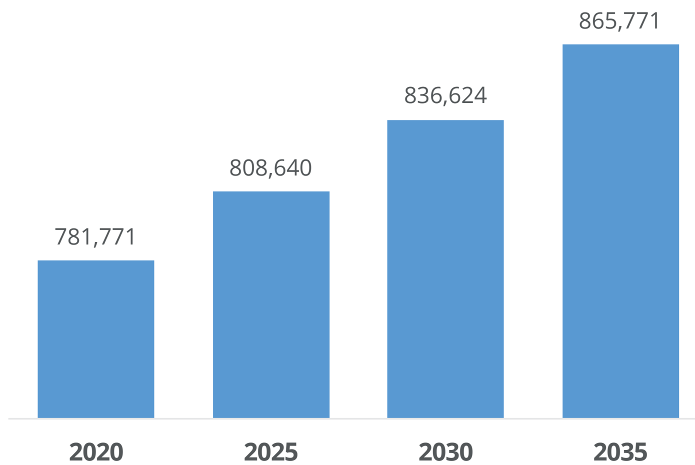
Figure I-25. Employment Projections, 2020 to 2035

Note:

Estimates are number of jobs. Estimates constructed applying projected national employment growth by industry to each county's industry employment.

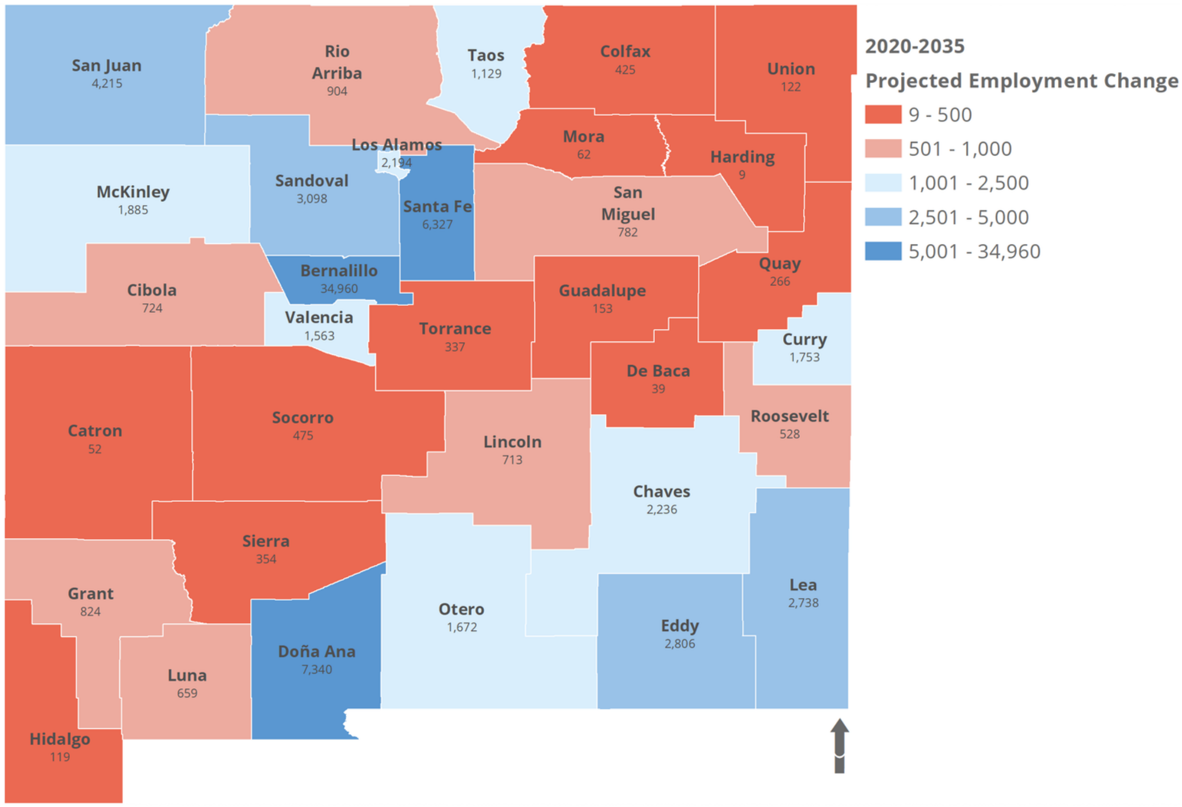
Source:

Bureau of Labor Statistics Quarterly Census of Employment and Wages, and Root Policy Research.



While much of the projected employment growth will continue to occur in urban areas, all counties are expected to experience some job growth, as shown in the following map.

Figure I-26.
Projected Change in Number of Jobs by County, 2020-2035



Note: Estimates are number of jobs. Estimates constructed applying projected national employment growth by industry to each county's industry employment.

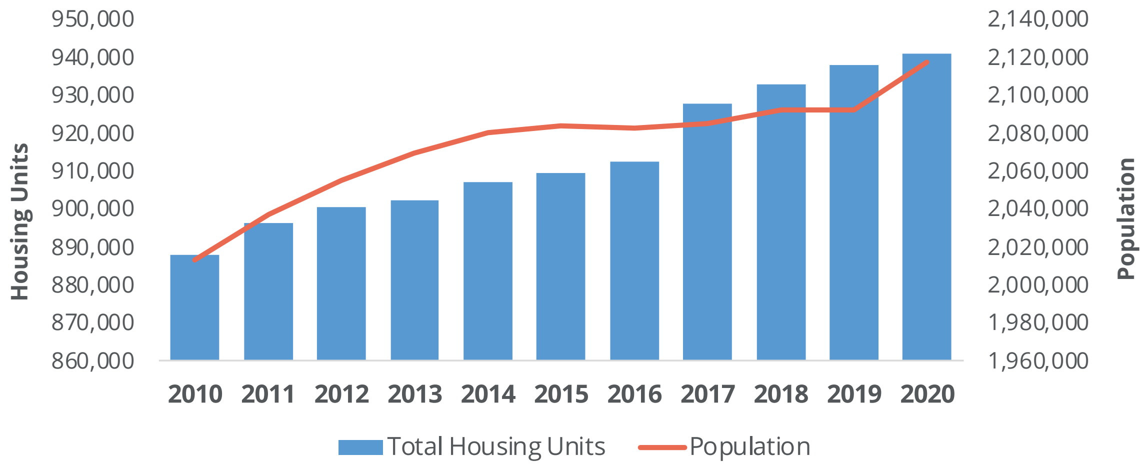
Source: Bureau of Labor Statistics Quarterly Census of Employment and Wages, and Root Policy Research.

These forecasts assume state industries will grow at the same rate projected at the national level. However, these might differ from national trends. For example, the City of Albuquerque is expected to experience significant expansion of their Information and Technology, and Financial Services industries.

COVID effect and future needs. The data and analysis above do not incorporate the impact of the COVID-19 pandemic on housing supply—the full effects of which are difficult to determine. More time is needed to understand which changes in trends will be structural versus temporary. This section addresses what is currently known about the pandemic's effect on New Mexico's housing market.

According to data from the 2020 Census, population growth accelerated in the state. This growth was not met with increased housing supply and the number of vacant units sharply decreased. Between 2019 and 2020, the Census estimates that the state's population increased by 1.2% (around 25,000 residents) and the number of vacant housing units decreased by 29%—from around 157,000 to 111,000 units.[5] Data for 2020 on number of households and vacancy type are not yet available.

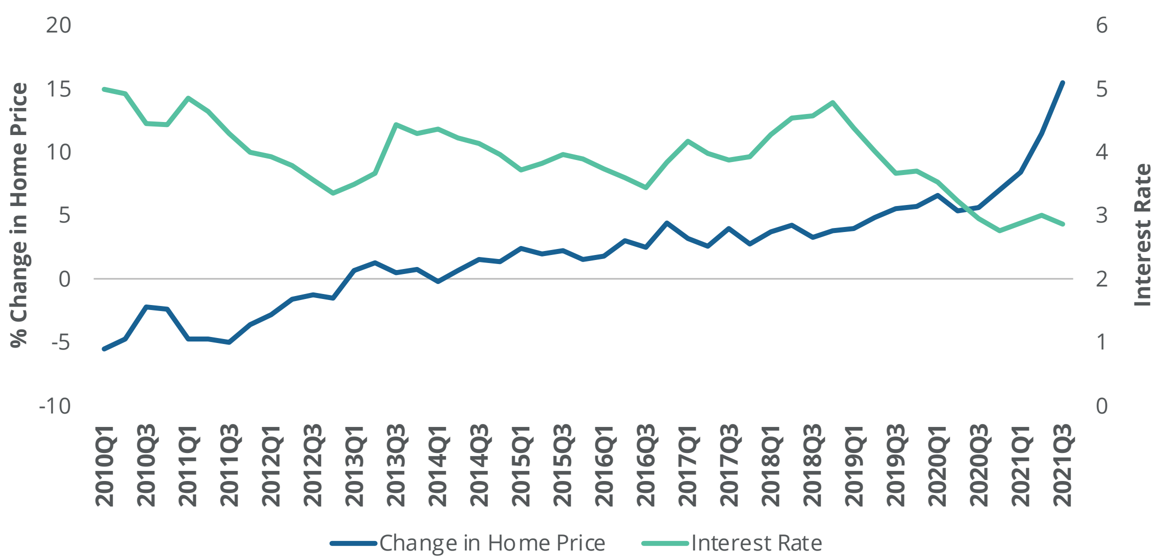
Figure I-27.
Housing Units and Population, 2010-2020



Source: 2020 Decennial Census, ACS 5-year estimates (various years), and Root Policy Research.

Population growth combined with historically low interest rates seem to be key drivers of home price appreciation into 2021.

Figure I-28.
Year Over Year Change in Home Price and Interest Rates, New Mexico, 2010 - 2021



Source: U.S. Federal Housing Finance Agency, Freddie Mac, and Root Policy Research.

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[5] The Federal Reserve's economic data show a slight decline in population during 2020 but a large increase during 2019.

Figure I-29 shows population change between 2010 and 2019 compared to the change between 2019 and 2020. Notably, population trends seem to have reversed in many counties. **Between 2019 and 2020 the state gained 75% of the number of residents it gained between 2010 and 2019.** Counties where population loss reversed include Catron, Chaves, Cibola, Colfax, Grant, Guadalupe, Harding, Lincoln, Luna, Quay, Rio Arriba, Roosevelt, Sierra, Taos, and Valencia.

Figure I-29. Change in Population Trends, by County

	Population Change 2010-2019		Population Change 2019-2020	
	Number	Percent	Number	Percent
New Mexico	**33,275**	**2%**	**25,068**	**1%**
Bernalillo	15,294	2%	-1,414	0%
Catron	-199	-5%	53	2%
Chaves	-501	-1%	13	0%
Cibola	-322	-1%	281	1%
Colfax	-1,582	-12%	219	2%
Curry	1,356	3%	-1,302	-3%
De Baca	18	1%	-342	-17%
Doña Ana	6,836	3%	3,492	2%
Eddy	3,903	7%	4,582	8%
Grant	-1,845	-6%	516	2%
Guadalupe	-334	-7%	99	2%
Harding	-254	-37%	216	49%
Hidalgo	-597	-12%	-119	-3%
Lea	5,550	9%	4,178	6%
Lincoln	-1,036	-5%	808	4%
Los Alamos	675	4%	794	4%
Luna	-1,012	-4%	1,344	6%
McKinley	946	1%	464	1%
Mora	-345	-7%	-347	-8%
Otero	2,340	4%	1,702	3%
Quay	-715	-8%	420	5%
Rio Arriba	-1,087	-3%	1,204	3%
Roosevelt	-958	-5%	303	2%
Sandoval	11,143	8%	6,130	4%
San Juan	-3,529	-3%	-4,854	-4%
San Miguel	-1,655	-6%	-537	-2%
Santa Fe	5,123	4%	5,530	4%
Sierra	-957	-8%	545	5%
Socorro	-1,008	-6%	-263	-2%
Taos	-151	0%	1,703	5%
Torrance	-864	-5%	-474	-3%
Union	-416	-9%	-54	-1%
Valencia	-542	-1%	178	0%

Source:

2010 and 2020 Decennial Census, 2019 5-year ACS, and Root Policy Research.

Housing Preservation

Strong preservation efforts and strategic development to support economic growth are important to maintain affordability for New Mexico—especially in the state's rural areas, which are projected to keep growing in employment terms and might be experiencing a change in population trends due to the readjustment of the labor market and location preferences caused by the pandemic.

Expiring affordable units. Overall, according to HUD, an estimated 11,377 rental units in the state have rental subsidies with contracts that will expire in the next 15 years. As shown in Figure I-30, most of these are located in Bernalillo, Dona Ana, and Santa Fe Counties—although many counties have a relatively large number of units that could lose their affordability guarantee.

Figure I-30. Federally Assisted Rental Homes with Subsidies Expiring in the Next 5, 10, and 20 years

Source:

National Housing Preservation Database (NHPD), and Root Policy Research.

	2025	2030	2035
New Mexico	1,209	4,967	11,377
Bernalillo	567	1,686	4,265
Catron	0	0	0
Chaves	7	183	393
Cibola	100	100	140
Colfax	0	85	109
Curry	5	77	294
De Baca	0	0	0
Doña Ana	145	400	1,097
Eddy	0	84	196
Grant	29	129	129
Guadalupe	0	0	91
Harding	0	0	0
Hidalgo	0	0	0
Lea	0	44	236
Lincoln	0	60	108
Los Alamos	8	84	84
Luna	70	70	167
McKinley	60	261	404
Mora	0	0	0
Otero	0	6	56
Quay	0	46	133
Rio Arriba	0	0	134
Roosevelt	0	8	134
Sandoval	0	213	426
San Juan	1	193	447
San Miguel	40	40	202
Santa Fe	137	1,028	1,400
Sierra	0	32	136
Socorro	0	16	168
Taos	8	52	197
Torrance	0	0	0
Union	0	0	25
Valencia	32	70	206

Housing condition. Units in poor condition are typically naturally affordable—and are oftentimes the only choice for low income households in very tight markets. Preserving and improving these units can be a critical part of housing strategies, particularly in small markets.

Data on the number of units in poor condition and needed improvements are difficult to obtain. Census surveys estimate units with significant condition issues (i.e., incomplete plumbing and kitchens) and, as such, can be used as a measure of units that are at-risk of demolition and loss. According to Census data, just 1.4% of households in New Mexico live in substandard housing. A housing unit is considered substandard if any of the following conditions are true: (1) the housing unit does not contain a kitchen, (2) the housing unit does not contain access to a sink with running water, (3) the housing unit does not have a stove or rage, (4) the housing unit does not contain a permanently installed shower or bathtub, (5) incomplete plumbing facilities (i.e. flush toilet), or (6) no hot and cold piped water.

Households in which at least one of the members has a disability are more likely to live in substandard housing compared to the general population: 2.2% of households with a disability live in substandard housing compared to 1.4% of the total population. Similarly, renters and households with at least one elderly member are also more likely than the general population to live in substandard housing.

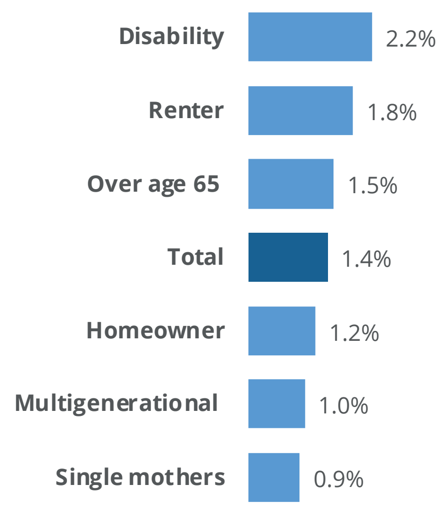
Figure I-31.
Substandard Housing by Household Characteristics, 2019

Note:

A housing unit is considered substandard if any of the following conditions are true: (1) the housing unit does not contain a kitchen, (2) the housing unit does not contain access to a sink with running water, (3) the housing unit does not have a stove or rage, (4) the housing unit does not contain a permanently installed shower or bathtub, (5) incomplete plumbing facilities (i.e. flush toilet), or (6) no hot and cold piped water.

Source:

2019 ACS 5-year IPUMS and Root Policy Research.



Native Americans are more likely to live in substandard housing than any other race or ethnic group: 7.3% live in substandard housing compared to 2% of Asian households, 1% of White households, and less than 1% of Hispanic and Black households.

Figure I-32.
Substandard Housing by Race and Ethnicity, 2019

Note:

A housing unit is considered substandard if any of the following conditions are true: (1) the housing unit does not contain a kitchen, (2) the housing unit does not contain access to a sink with running water, (3) the housing unit does not have a stove or rage, (4) the housing unit does not contain a permanently installed shower or bathtub, (5) incomplete plumbing facilities (i.e. flush toilet), or (6) no hot and cold piped water. Households' races and ethnicities are determined based on whether one or more people in the household identify in either of the above races or ethnic groups. This means that mixed-race or mixed-ethnicity households are counted in more than one race/ethnic groups.

Source:

2019 ACS 5-year IPUMS and Root Policy Research.

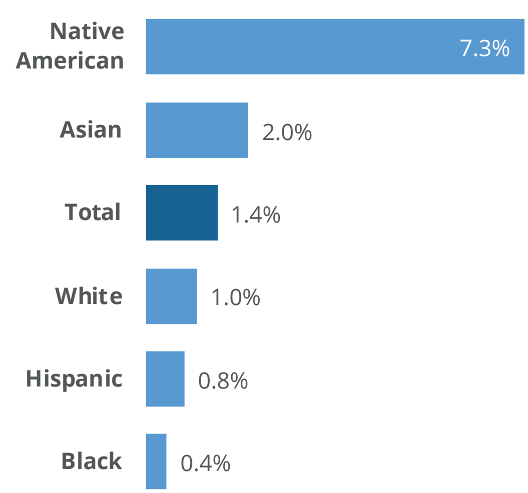


Figure I-33 below show the number of housing units without complete kitchen facilities and the number without complete plumbing by county. The counties with the largest number of substandard units—McKinley and San Juan—are also those with large shares of Tribal lands.

Figure I-33. Substandard Units, 2019

Source:

2019 ACS 5-year, 2010 Census, and Root Policy Research.

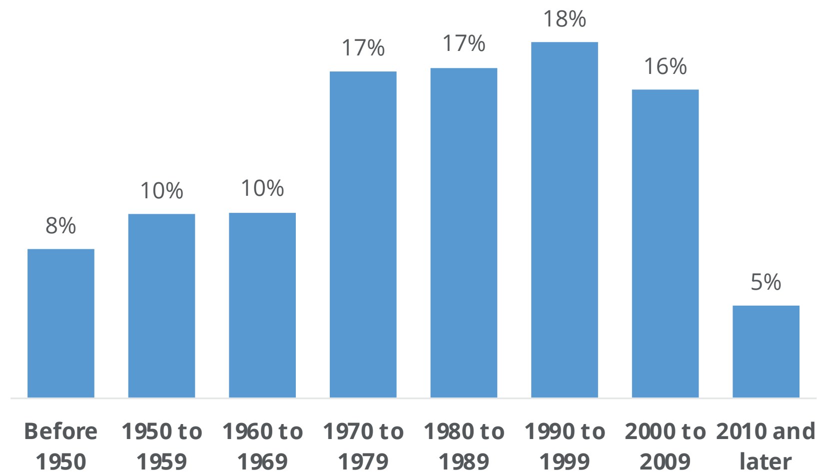
	Units Without Complete Kitchen Facilities	Units Without Complete Plumbing
New Mexico	40,021	40,310
Bernalillo	4,511	2,993
Catron	280	669
Chaves	1,643	1,559
Cibola	1,435	1,846
Colfax	389	502
Curry	388	380
De Baca	62	67
Doña Ana	2,397	2,865
Eddy	1,553	735
Grant	1,263	817
Guadalupe	425	305
Harding	135	100
Hidalgo	465	178
Lea	1,426	958
Lincoln	676	512
Los Alamos	46	0
Luna	946	359
McKinley	3,788	5,055
Mora	522	565
Otero	1,340	1,761
Quay	800	446
Rio Arriba	1,896	2,127
Roosevelt	262	238
San Juan	4,036	4,520
San Miguel	1,439	1,237
Sandoval	1,751	1,576
Santa Fe	1,377	1,206
Sierra	413	431
Socorro	954	1,849
Taos	1,432	1,568
Torrance	780	912
Union	382	371
Valencia	809	1,603

Age of housing. Many of New Mexico's homes are relatively old: 44% were built before 1980. Although older homes are often popular for their unique design and charm, they can also be more expensive to heat/cool, have higher maintenance costs, and have a higher likelihood of lead exposure which can lead to adverse health effects.[6]

These units are also less likely to be accessible to residents with disabilities. The Fair Housing Act of 1991 introduced accessibility rules for new housing developments. Since the passage of the Act, newly developed affordable housing is required to make 5% of units accessible and newly developed market rate housing is required to make 2% accessible.

Figure I-34.
Age of Housing Stock, 2019

Source:
2019 ACS 5-year IPUMS and Root Policy Research.



Overall, 44% of New Mexicans live in a home built before 1980. Lower income households are more likely to live in older housing, as are renters. Further, older adults and people with disabilities are more likely to live in older housing in New Mexico. In fact, nearly half of households in which a member has a disability or a member is older than age 65 live in a home built before 1980—and these units are unlikely to have all of the accessibility features that these households need.

Additionally, 40% of households with children live in a home built before 1980, which poses lead exposure and early childhood development concerns.

Multigenerational households are least likely to live in older housing, perhaps because they are able to afford higher housing costs through doubling up.

6 Dignam, Timothy, et al. "Control of lead sources in the United States, 1970-2017: public health progress and current challenges to eliminating lead exposure." *Journal of public health management and practice: JPHMP* 25 (2019): S13.

Figure I-35. Age of Housing Stock by AMI, 2019

Source:

2019 ACS 5-year IPUMS and Root Policy Research.

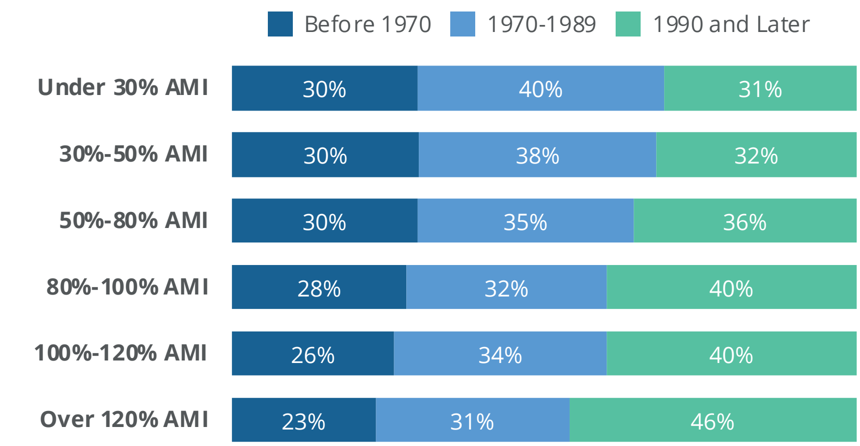


Figure I-36. Age of Housing Stock by Household Characteristics, 2019

Source:

2019 ACS 5-year IPUMS and Root Policy Research.

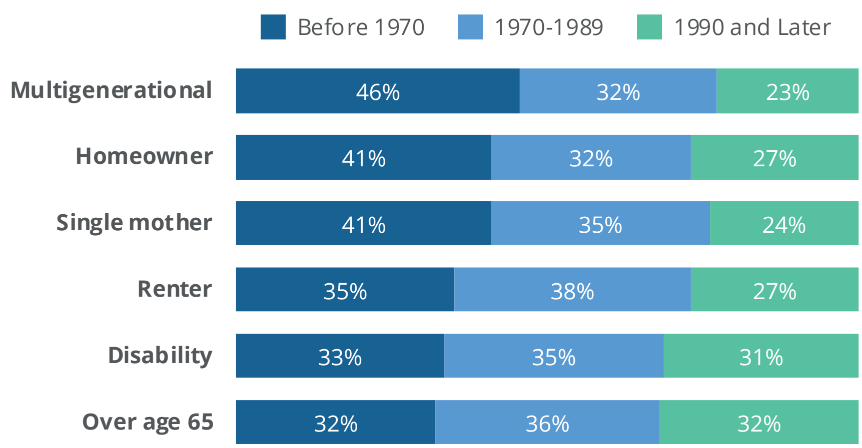


Figure I-37 on the following page shows units built between 1940 to 1960, and 1960 to 1980, and for the state overall and by county and can be used as a proxy for improvement needs.

Figure I-37.
Units by Type and Decade Built

	One-Family Attached/Detached		Two to Four Units		Five or More Units		Mobile Home, Trailer, Other	
	1940-1959	1960-1979	1940-1959	1960-1979	1940-1959	1960-1979	1940-1959	1960-1979
New Mexico	**93,206**	**141,412**	**5,565**	**15,023**	**4,400**	**23,836**	**1,484**	**29,689**
Bernalillo	36,567	50,817	2,632	7,835	2,346	15,403	207	4,108
Catron	78	247	0	0	0	0	18	79
Chaves	6,019	6,303	64	379	46	314	54	813
Cibola	796	2,687	12	113	72	227	58	777
Colfax	1,069	816	94	88	0	131	5	240
Curry	2,930	5,141	66	552	33	293	29	504
De Baca	220	129	18	10	0	0	0	29
Doña Ana	5,661	9,310	615	1,428	219	1,969	229	4,081
Eddy	5,166	4,939	23	184	204	316	31	624
Grant	1,780	2,246	155	111	55	294	67	596
Guadalupe	222	193	0	140	27	6	0	33
Harding	52	19	0	0	0	0	0	19
Hidalgo	226	307	19	3	0	66	4	132
Lea	5,341	5,998	74	259	153	565	100	954
Lincoln	677	1,095	38	138	139	56	29	654
Los Alamos	1,210	2,756	421	97	249	313	0	57
Luna	988	1,508	92	160	165	253	15	561
McKinley	1,806	4,817	113	371	34	302	5	987
Mora	297	78	0	3	0	0	0	239
Otero	2,952	4,581	92	514	16	277	156	1,828
Quay	921	602	65	84	24	95	5	178
Rio Arriba	1,120	2,106	8	128	5	26	9	1,274
Roosevelt	1,478	1,432	0	160	0	28	0	181
Sandoval	1,244	6,468	57	121	53	338	16	785
San Juan	4,198	7,271	197	683	131	759	138	3,267
San Miguel	956	1,613	165	133	43	76	62	959
Santa Fe	4,845	8,883	378	752	284	1,344	74	1,651
Sierra	678	709	72	114	72	103	36	619
Socorro	466	898	13	63	5	70	39	302
Taos	1,003	1,770	44	175	5	74	17	679
Torrance	232	744	33	11	7	5	33	460
Union	406	398	5	14	0	0	0	27
Valencia	1,602	4,531	0	200	13	133	48	1,992

Source: 2019 ACS 5-year estimates and Root Policy Research.

Home improvement loan demand. Another proxy for improvement needs is found in home improvement loans. As shown in Figure I-38, home improvement loans originated with private financial institutions are very modest, much lower than assumed needs—suggesting that New Mexicans are reluctant to take out loans to improve their properties.

As shown in Figure I-39, loan originations were highest in the state's urban counties. Denials were moderately high in urban counties and very high in a handful of rural counties.

The home improvement loan amounts—shown in Figure I-40—are fairly large. The median amount of originated loans in the state overall was $55,000; the median amount of loans denied was similar, $45,000.

The data also show that applicants who had loans originated had higher incomes (median of $96,000) than those whose loans were denied ($70,000). This is not consistent across counties, however—some counties show little variance in incomes of households with originated loans v. denied loans.

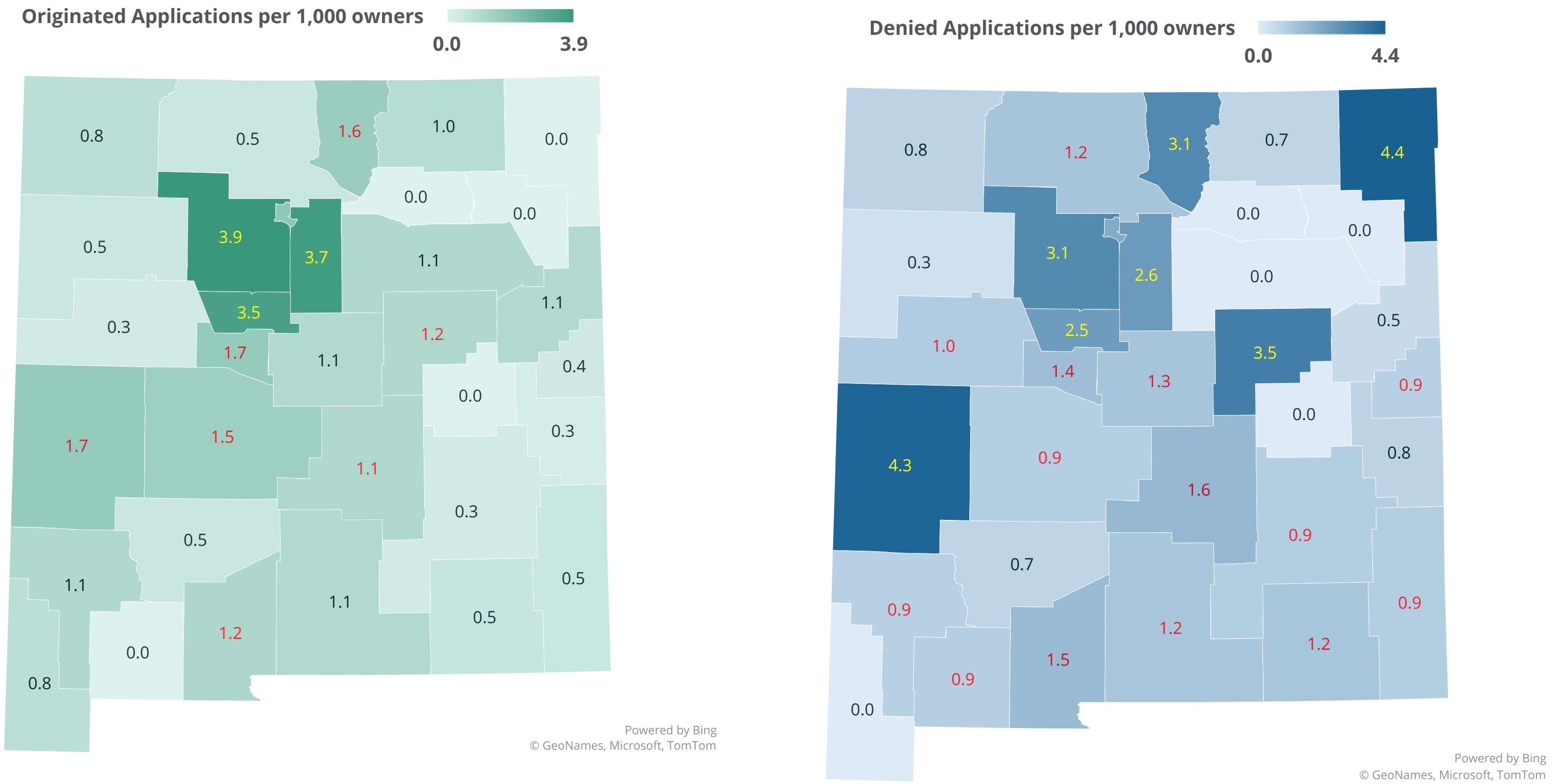
Figure I-38. Home Improvement Loan Originations by County, 2015-2020

Source:

HMDA and Root Policy Research.

	2015	2016	2017	2018	2019	2020
New Mexico	**2,327**	**2,237**	**2,033**	**1,388**	**1,447**	**1,167**
Bernalillo	861	886	764	677	750	596
Catron	3	2	4	-	-	2
Chaves	61	47	64	17	20	5
Cibola	43	42	15	8	1	2
Colfax	27	28	21	7	3	4
Curry	47	31	40	10	10	4
De Baca	2	2	2	1	-	
Doña Ana	270	158	156	63	86	58
Eddy	41	37	50	18	18	8
Grant	21	20	17	6	11	9
Guadalupe	1	6	2	-	1	1
Harding	-	-	-	-	-	-
Hidalgo	3	2	4	-	-	1
Lea	81	83	60	7	10	8
Lincoln	25	24	19	10	13	7
Los Alamos	26	16	12	11	11	11
Luna	31	23	30	5	2	
McKinley	26	35	22	11	9	7
Mora	-	1	3	-	-	-
Otero	49	38	36	22	18	16
Quay	-	-	4	-	1	2
Rio Arriba	40	41	39	9	11	5
Roosevelt	6	10	10	4	3	1
Sandoval	226	236	213	182	182	158
San Juan	91	99	104	39	34	25
San Miguel	16	15	10	6	10	9
Santa Fe	179	199	181	190	173	163
Sierra	12	8	21	9	4	2
Socorro	8	10	7	3	3	5
Taos	28	38	30	13	19	15
Torrance	15	12	12	7	6	5
Union	12	11	9	-	-	-
Valencia	76	77	72	53	38	38

Figure I-39.
Originated and Denied Home Improvement Loan Applications per 1,000 Owner Households, 2020



Source: HMDA and Root Policy Research.

Figure I-40.
Home Improvement Median Loan Amount and Applicant Income, 2020

	Originated Loans		Denied Applications	
	Median Loan Amount	Median Applicant Income	Median Loan Amount	Median Applicant Income
New Mexico	$55,000	$96,000	$45,000	$70,000
Bernalillo	$45,000	$97,000	$35,000	$67,000
Catron	$125,000	$111,000	$105,000	$58,000
Chaves	$35,000	$51,000	$45,000	$55,000
Cibola	$65,000	$101,000	$55,000	$71,000
Colfax	$75,000	$138,500	$45,000	-
Curry	$115,000	$134,500	$45,000	$58,500
De Baca	-	-	-	-
Doña Ana	$75,000	$89,000	$50,000	$80,000
Eddy	$80,000	$80,000	$55,000	$97,000
Grant	$55,000	$45,000	$45,000	$40,000
Guadalupe	$35,000	$63,000	$75,000	$82,000
Harding	-	-	-	-
Hidalgo	$95,000	$19,000	-	-
Lea	$50,000	$87,000	$50,000	$71,500
Lincoln	$65,000	$78,000	$105,000	$108,000
Los Alamos	$55,000	$157,000	$55,000	$126,000
Luna	-	-	$35,000	$37,500
McKinley	$65,000	$89,000	$55,000	$189,000
Mora	-	-	-	-
Otero	$125,000	$98,000	$45,000	$62,000
Quay	$65,000	$116,000	$35,000	$18,000
Rio Arriba	$55,000	$66,000	$160,000	$63,000
Roosevelt	$75,000	$80,000	$135,000	$152,000
Sandoval	$50,000	$98,000	$45,000	$67,000
San Juan	$95,000	$93,000	$45,000	$82,000
San Miguel	$55,000	$77,000	-	-
Santa Fe	$105,000	$101,000	$60,000	$76,000
Sierra	$35,000	$80,000	$105,000	$81,000
Socorro	$65,000	$95,000	$15,000	$78,000
Taos	$75,000	$98,000	$75,000	$79,000
Torrance	$105,000	$149,000	$40,000	$38,000
Union	-	-	$45,000	$9,000
Valencia	$55,000	$83,000	$35,000	$61,000

Source: HMDA and Root Policy Research.

RESEARCH BRIEF II.

AFFORDABILITY, WEALTH BUILDING, AND ECONOMIC MOBILITY

RESEARCH BRIEF II.
Affordability, Wealth Building, and Economic Mobility

The purpose of this section is to provide:

1) A brief overview of how homeownership impacts wealth and economic mobility;

2) Context for homeownership and access to ownership by New Mexicans;

3) The needs of current owners, including those living in manufactured or mobile homes.

Primary Findings

Primary findings from analysis in this section include:

- The homeownership rate in New Mexico is 68%—four percentage points higher than the national rate (64%). This rate has remained relatively stable since 1990, when it was 67%.

- The onset of the COVID-19 pandemic united a set of factors that created a very tight housing market at both the national and state level, including low interest rates, millennials entering their prime home-buying years, older generations growing old in their homes, rising construction costs, and rising demand for second and vacation homes.

- Between 2019 and January 2022, home values in the U.S. increased by 33%. **New Mexico and Albuquerque outpaced national home value growth at 36% and 40% respectively.**

- Over the last decade, in most of New Mexico's counties, gross rent has increased more than income growth, and the apartment vacancy remains historically low at 3.2%. **Very low rental vacancies put upward pressure on rents, constraining the ability of renters to save for ownership.**

- New Mexico does a better job than the U.S. overall in Native and Hispanic ownership—even given relatively lower incomes. In fact, **half of low income households in New Mexico are owners**.

    - Efforts to decrease disparities in homeownership in the state will be dependent on the availability to supply lower cost homes. The majority of renters earn less than 80% of AMI while the supply of homes affordable is concentrated at higher incomes.

- Analysis of data from mortgage originations shows that although small rural communities appear more affordable based on price trends, data on mortgage volume makes it is clear that—**outside the Albuquerque metro—many counties do not have the supply to allow renters to transition into homeownership.**

- With rising home prices, **saving for a down payment becomes a top barrier to homeownership**.

    - In order to avoid mortgage insurance, households need to save an amount ranging from at least $20,000 in the counties with lower median prices up to more than $50,000 in more urban places, and around $80,000 or more in Santa Fe and Los Alamos.

- In addition to down payment barriers, other barriers in access to financing exist:

    - Debt to income ratio is the top denial reason for lower income households.
    - Among higher income households a high share of applications denied are due to credit history and incomplete application, these households can benefit from credit counseling and assistance during the application process.

- Being able to refinance into a lower rate—thereby lowering housing costs—is one of the significant advantages of homeownership; reducing rents is typically not possible except in very unusual and depressed markets. In New Mexico, origination rates for refinance applications varied by race and ethnicity.

    - Native American, Hispanic, Black/African American, and Asian households have lower refinance origination rates compared to non-Hispanic White and mixed ethnicity applications.
    - Credit history was the most common denial reason for all minority groups expect for Asian applicants, whose top denial reason was debt to income ratio.

- **In New Mexico, homeownership of mobile homes contributes significantly to its overall high homeownership rate.** According to Census data, which reports occupancy in mobile homes, mobile homes provide a large share of housing stock in many counties and are the second largest housing type after single family detached homes in every county except for Bernalillo, Curry, and Los Alamos.

    - One quarter of mobile homes in the state were built before 1980. Maintenance and repair needs for these dwellings can increase the cost of ownership and if the repairs are forgone, they can decrease the quality of life and rate of appreciation of the home.

- Many of New Mexico's homes are relatively old: 44% were built before 1980. A proxy for improvement needs is found in home improvement loans. Home improvement loans originated with private financial institutions are very modest, much lower than assumed needs—suggesting that New Mexicans are reluctant to take out loans to improve their properties.
    - The home improvement loan amounts are fairly large. The median amount of originated loans in the state overall was $55,000; the median amount of loans denied was similar, $45,000.

Value of Ownership

Homeownership is considered one of the most common methods of wealth building, particularly for low and moderate income households. The paydown of a mortgage principal can act as savings that allows a family to build wealth, to support retirement and/or passed down to the next generation. Homeownership can also provide economic stability, as it can provide protection against inflation and involuntary displacement.

An overview of research on homeownership[1] has found that owning a home can help reduce financial risk in retirement. Home equity plays an important role in retirement savings and is one of the largest components of net worth. Although homeowners often don't access the equity directly, they take advantage of the rent-free use of their property.

Home equity is the principal source of savings for most American households. This is especially true for BIPOC households and households in the lower segments of the income distribution. Ownership serves to protect households from the financial risk of rising rents. Numerous studies show that homeowners have more wealth and accumulate wealth faster than non-homeowners. Financially, the returns to purchasing a home are strong, typically matching the stock market on an after-tax basis.

In the long term, homeownership is associated with strong wealth accumulation, particularly for those borrowers who have the ability to maintain homeownership during economic fluctuations.

This wealth accumulation has implications for economic mobility. Research shows that children with mothers who owned a home are more likely to own a home and have higher educational attainment than their peers whose mothers did not own a home.[2] Furthermore, homeownership is associated with lower material hardship. During the Great Recession, homeowners were less likely to experience inability to pay bills, unmet medical

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[1] Goodman, L. S., & Mayer, C. (2018). Homeownership and the American dream. Journal of Economic Perspectives, 32(1), 31-58.

[2] Aarland, K., & Reid, C. K. (2019). Homeownership and residential stability: does tenure really make a difference?. International Journal of Housing Policy, 19(2), 165-191.

or dental needs, and food insufficiency—even when comparing families with the same incomes, income instability, liquid assets, age, race, and education.[3]

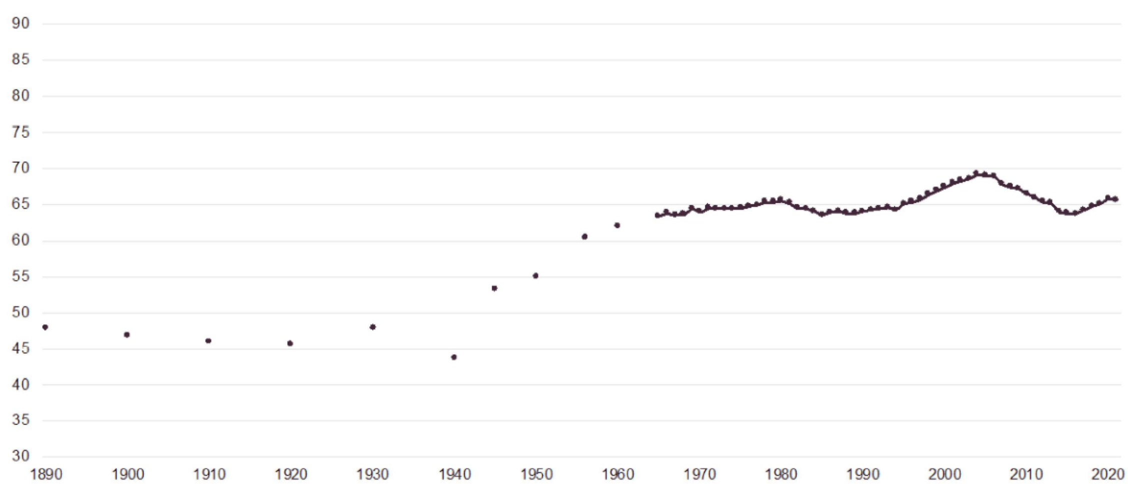
Homeownership Trends

This section compares New Mexico's ownership rates with those in the U.S. and also examines historical trends in ownership.

Ownership trends in the U.S. In the U.S. the homeownership rate is 64%, and this share has remained remarkedly stable over the past 50 years. Yet homeownership inequities among BIPOC populations, residents with disabilities, and single parent families are stubbornly persistent and, recently, have been widening.[4]

Looking at the homeownership rate from a historical perspective can shed some light on what it takes to meaningfully increase homeownership. Recent research[5] shows that the homeownership rate hovered between 40% and 50% from 1890 to 1930, and started a period of transition in the 1930s—when homeownership was destabilized by the Great Depression—to 1970, when it reached 65%. **Since 1970, there has not been a sustainable increase in the nation's homeownership rate.** The rise in homeownership in the early 2000s was rapidly reserved by foreclosures during the Great Recession.

Figure II-1.
U.S. Homeownership Rate



Source: Layton, Don. "The Homeownership Rate and Housing Finance Policy, Part1: Learning from the Rate's History." Joint Center for Housing Studies of Harvard University (2021.)From: https://dqydj.com/historical-homeownership-rate-united-states/

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[3] Zhang, S., & Lerman, R. I. (2019). Does Homeownership Protect Individuals From Economic Hardship During Housing Busts?. Housing Policy Debate, 29(4), 522-541.

[4] https://www.urban.org/policy-centers/housing-finance-policy-center/projects/reducing-racial-homeownership-gap

[5] Layton, Don. (2021). The Homeownership Rate and Housing Finance Policy, Part1: Learning from the Rate's History. Joint Center for Housing Studies of Harvard University.

In addition to economic growth, the increase in homeownership rates between 1940 and 1970 was driven by major government interventions such as the GI Bill, which expanded homeownership among the middle class (which hit a century low point of 43.6% in 1940) and fueled suburban housing construction, as well as major changes in the housing finance system that made mortgage terms much more affordable.

The lack of similarly aggressive public programs—as well as the discriminatory nature of past homeownership programs—have collectively limited homeownership today. As experienced in the mid-2000s, loosening lending criteria to incentivize a private sector response to broadening homeownership was not a productive solution, especially for BIPOC households.

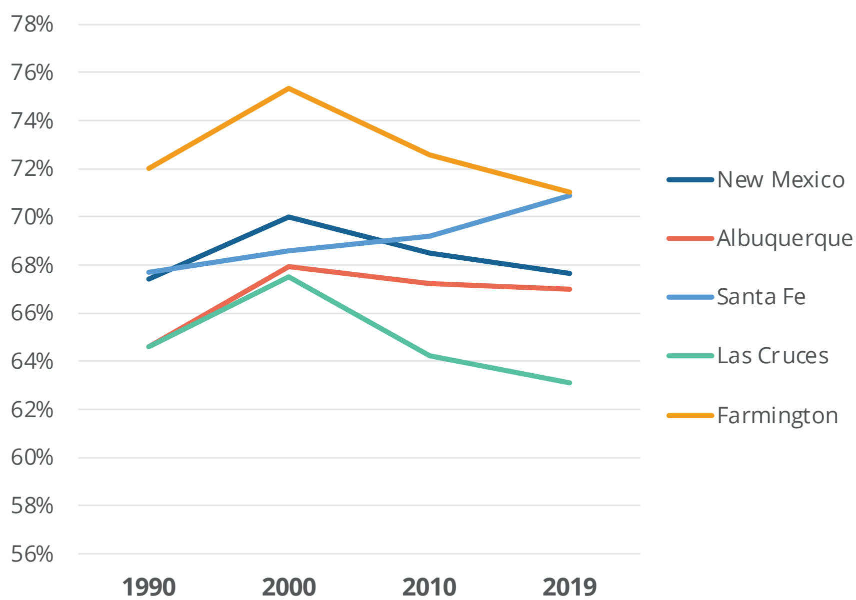
Ownership trends in New Mexico. The homeownership rate in New Mexico is 68%—four percentage points higher than the national rate. This rate has remained relatively stable since 1990, when it was 67%.

Figure II-2 shows the homeownership rate for the state and for the four largest metropolitan areas. Farmington and Las Cruces experienced a sharper decrease in homeownership rates after 2000 and currently have lower homeownership rates than they did in 1990. In contrast, Albuquerque experienced less of a decline and currently has a slightly higher homeownership rate than it did in 1990, rising from 65% to 67%. Santa Fe has experienced a similar increase, rising from 68% to 71%.

Figure II-2. Homeownership Rate

Note:
Data for Albuquerque, Farmington, Las Cruces, and Santa Fe represent the MSAs.

Source:
2019 ACS, Decennial Census (various years), and Root Policy Research.



Affordability Trends

This section explores home price and rental affordability trends in the state.

Drivers of homeownership affordability. The onset of the COVID-19 pandemic united a set of factors that created a very tight housing market at both the national and state level. These included:

- **Low interest rates.** Lower rates give buyers more purchasing power by effectively decreasing the cost of financing a home purchase. This can be good for higher income households, but the higher prices that accompany lower interest rates require a higher down payment, which becomes a barrier for many lower- and middle-income households. Figure I-28 in Section I provides strong evidence the impact of very low rates on home prices.

- **Millennials entering their prime home-buying years.** Millennial demand is intensifying as this age cohort reaches family formation years. These new buyers are entering a market with very low inventory, and the pandemic incentivized many of them to enter homeownership earlier than previously planned.

- **Older generations growing old in their homes.** Older adults are healthier than previous generations, are living longer, and are remaining in their homes. This compromises the ability of younger generations to purchase existing housing, which can be less expensive than new construction.

- **Rising construction costs.** Construction costs have consistently increased, particularly since the recovery from the 2007 financial crisis. Labor shortages in New Mexico and the U.S. overall are a driving factor, though commodity prices have also increased. Shortages in raw materials, such as lumber, and supply chain disruptions have caused sharp increases in building costs over the past two years.

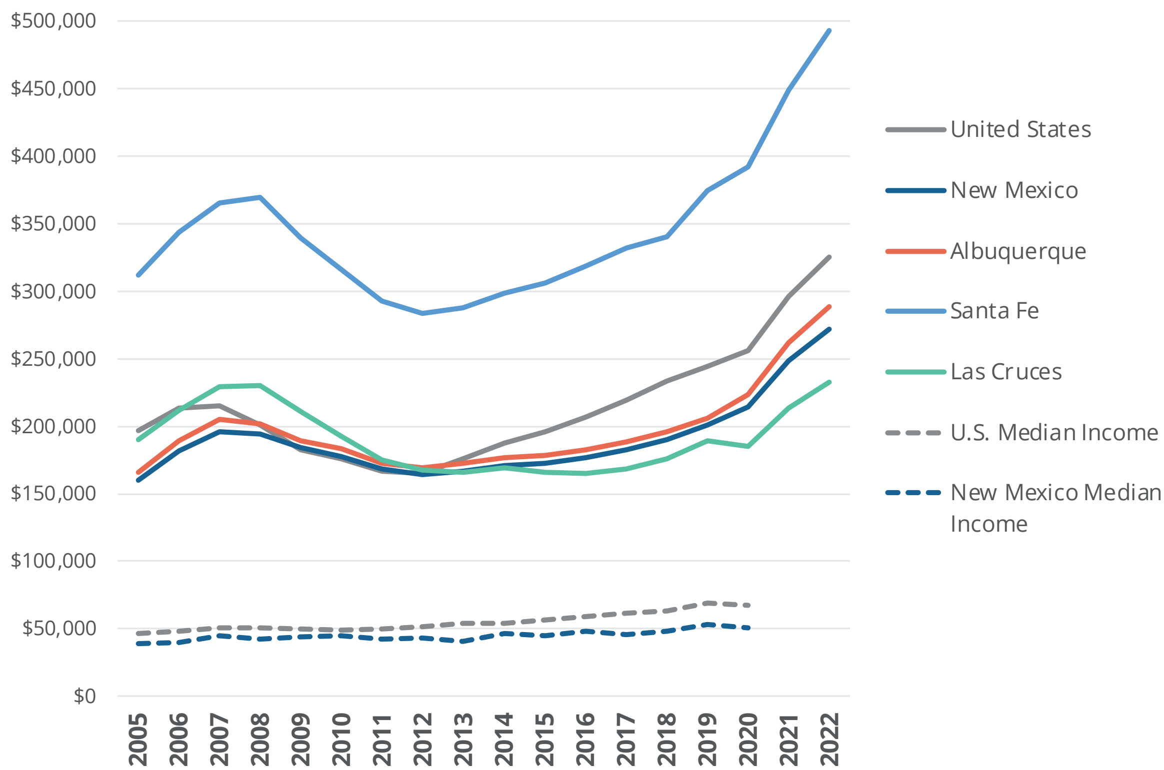
- **Rising demand for second and vacation homes.** As higher income residents took advantage of remote work and low interest rates, demand for second homes intensified, particularly in seasonal towns where these homes are often located. Nationwide, demand for second homes was up 87% from pre-pandemic levels in January.[6]

Figure II-3 shows the typical home value according to Zillow's Home Value Index (ZHVI) for the U.S. compared to New Mexico, and the submarkets of Albuquerque, Santa Fe, and Las Cruces. Between 2019 and January 2022, home values in the U.S. increased by 33%. In New

[6] https://www.redfin.com/news/vacation-homes-january-2022/

Mexico and Albuquerque, the increase was slightly higher at 36% and 40%, respectively. In Santa Fe and Las Cruces the increase was 32% and 23%, respectively.

Figure II-3.
Typical Home Value and Median Income



Note: Data for 2022 represents the typical home value for the month of January only.

Source: Zillow Home Value Index, Federal Reserve Bank of St. Louis, and Root Policy Research.

In terms of affordability, income growth and lower interest rates have not been sufficient counterparts to the rapid rise in home prices. Figure II-4 shows the affordable home price[7] for households earning 80% of AMI in the four metro areas of New Mexico compared to the typical home value in each metro. In 2021, the biggest gap between what households at 80% AMI can afford and home values was in Santa Fe ($215,000), followed by Las Cruces ($53,000), and Albuquerque ($45,000).

While Farmington remained affordable in 2021, this will not be the case if current price and income trends persist, and the gaps between what households can afford and home values will accelerate in all metro areas.

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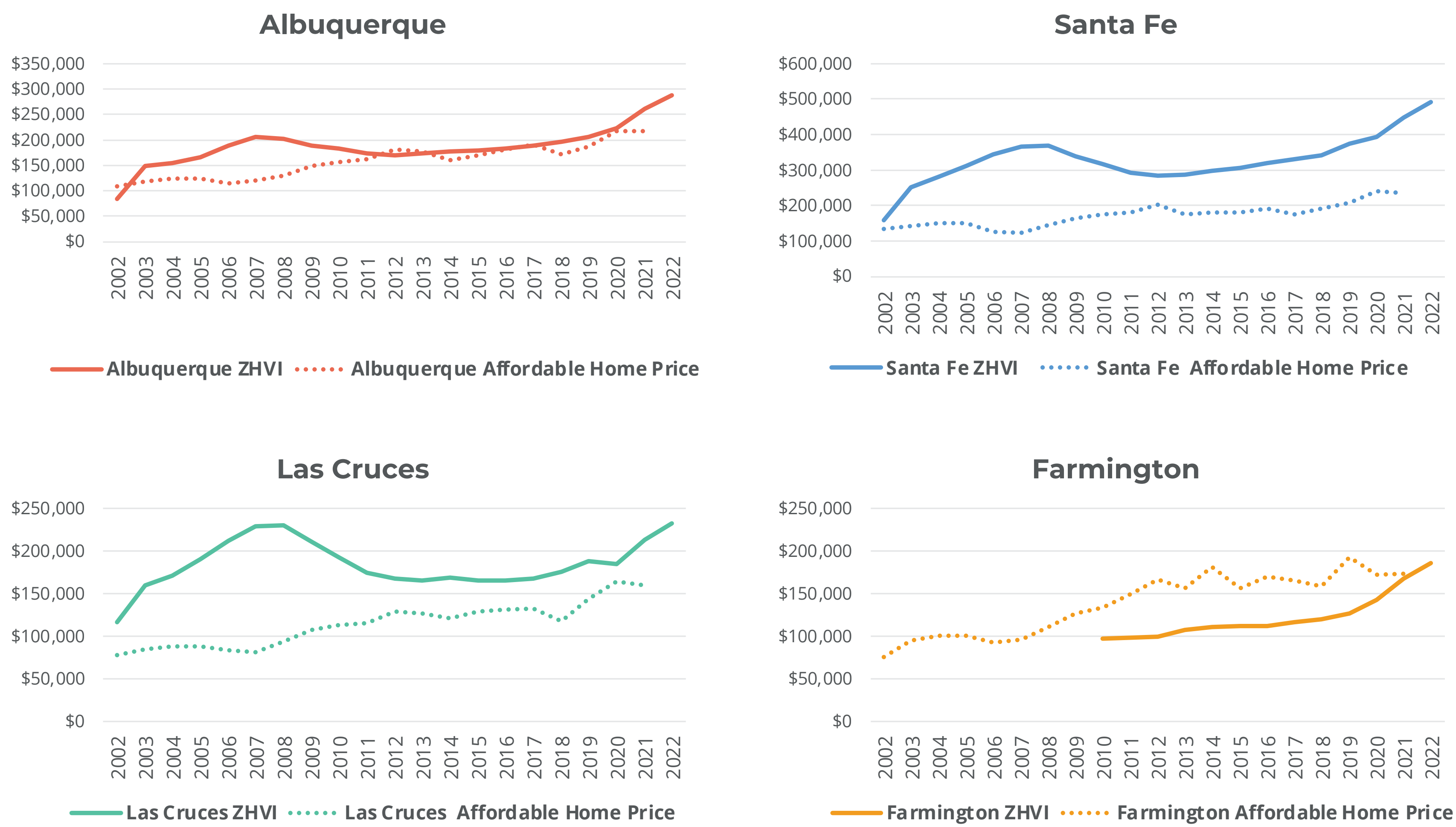
[7] Calculations are at 30% of income going to housing costs and assume a 30-year mortgage at the annual average mortgage rate with a 3.5% down payment, 35% of monthly payment is used for property taxes, utilities, and insurance.

Figure II-4.
Zillow Home Value V. Affordable Home Price for Households at 80% AMI



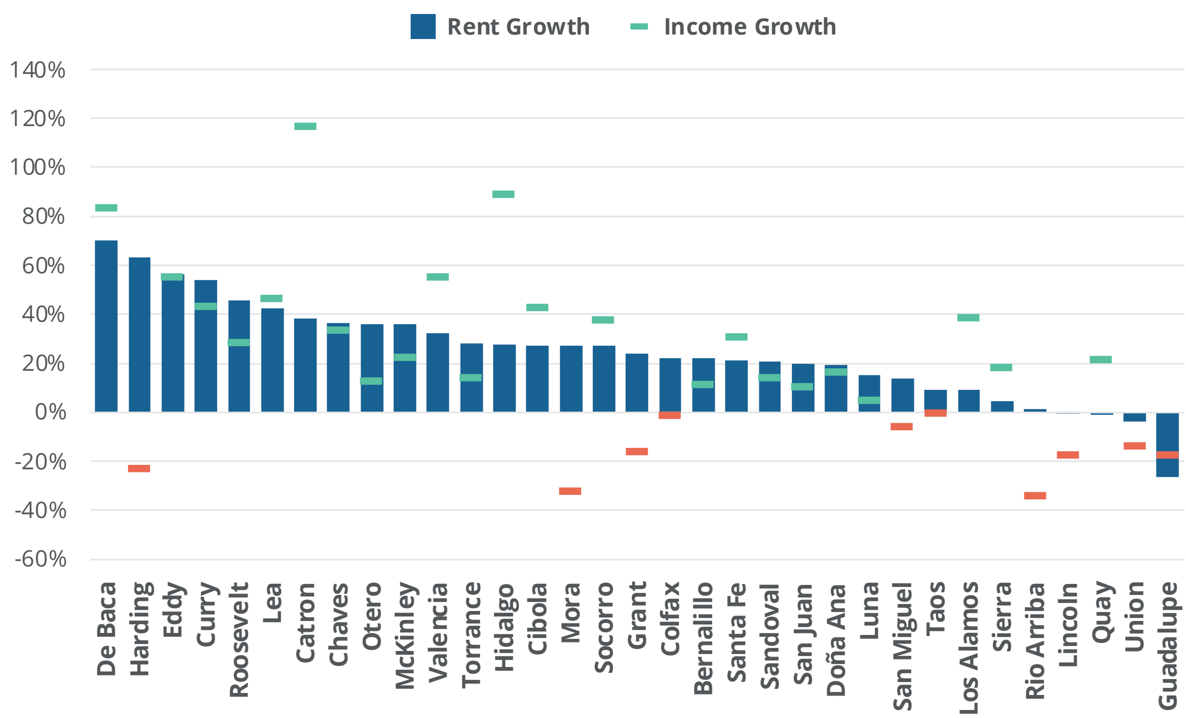
Note: Assumes a 30-year mortgage at the annual average mortgage rate with a 3.5% down payment, 35% of monthly payment is used for property taxes, utilities, and insurance.

Source: Root Policy Research, HUD AMI, Zillow ZHVI, and Freddie Mac annual average fixed mortgage rates.

Rental affordability—and the ability of renters to save for ownership. According to Freddie Mac's 2022 Multifamily Outlook[8] renter incomes in many urban areas are increasing faster than rents. This is the case in Albuquerque, which experienced a much higher increase in income than rents compared to peer cities like Denver (where renter income declined), Phoenix, Las Vegas, and Austin.

This could be a sign that high income renters in Albuquerque are not entering homeownership, or that low income renters are leaving the area. According to ACS estimates, in the City of Albuquerque the number of renter households earning less than $25,000 per year decreased by around 7,500 between 2010 and 2019, while the number of renter households earning over $75,000 increased by around 7,600—a nearly equal offset.

Figure II-5.
Rent vs. Renter Income Growth from 2019 to October 2021



Source: RealPage, Freddie Mac.

Figure II-6 compares median gross rent growth between 2010 and 2019 to growth in AMI at the county level for New Mexico. Over the decade, in most of the counties gross rent has increased more than AMI. Exceptions are Lea, San Juan, Los Alamos, Sierra, Rio Arriba, Quay, and Union Counties.

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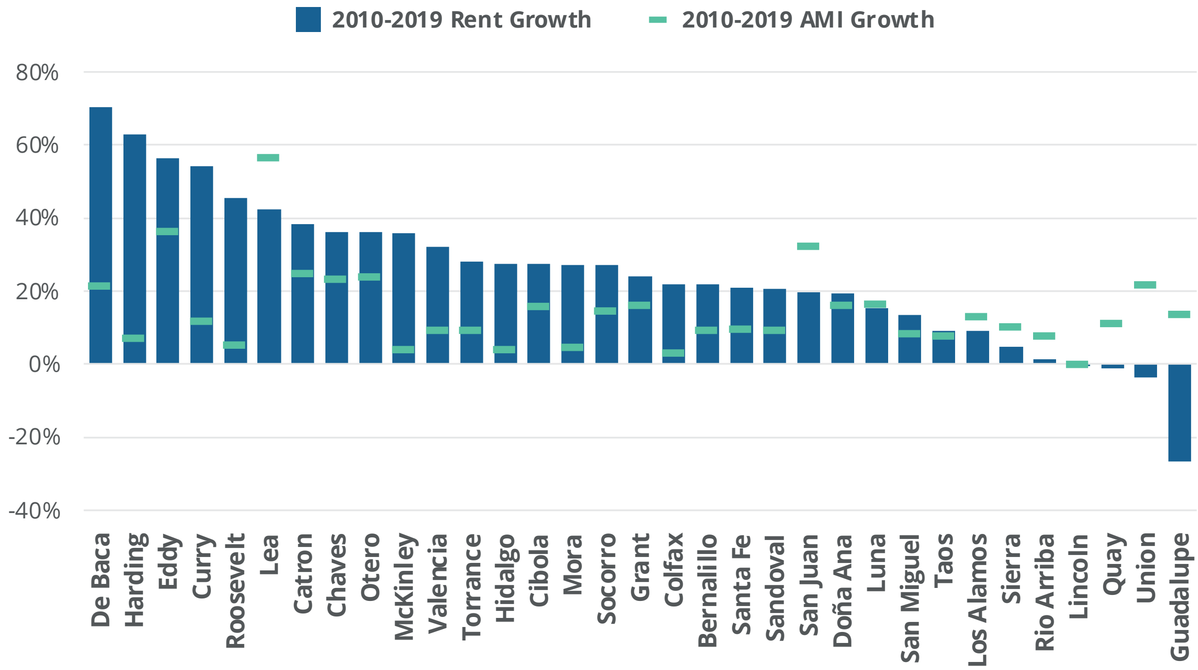
[8] https://mf.freddiemac.com/research/outlook/2022-0107_2022_multifamily_outlook.html

Figure II-6.
Rent and AMI Growth by County, 2010-2019



Source: 2010 and 2019 ACS, HUD, and Root Policy Research.

The latest New Mexico Apartment Survey (March 2021) recorded a statewide apartment vacancy rate of 3.2%, the lowest since the survey started being conducted. Very low vacancies put upward pressure on rents, constraining the ability of renters to save for ownership.

Figure II-7 shows apartment vacancy rates, average rents, the maximum affordable rent for a household earning an income equal to 50% the 2-person household AMI, and the share of all renters at or below that income level. In all counties except Colfax, Los Alamos, Sandoval, and Taos; the average rent is higher than the maximum affordable rent at 50% AMI. Vacancies are extremely low—below 3%— in Chaves, Doña Ana, Guadalupe, Lincoln, Los Alamos, Otero, Roosevelt, Sandoval, Taos, and Valencia counties.

Figure II-7. Apartment Vacancy Rates, Average Rents, and Income, 2021

Note:

Percent of all renters below 50% AMI is estimated from 2019 ACS data. Bernalillo County is not included in the vacancy survey.

Source:

2021 MFA Apartment Survey, HUD, 2019 ACS, and Root Policy Research.

	Vacancy Rate	Average Rent	Max. Affordable Rent for 50% AMI (2-person)	Percent of Renters Below 50% AMI (2-person)
Chaves	2.1%	$633	$546	39%
Colfax	4.8%	$522	$546	52%
Curry	6.3%	$553	$546	34%
Doña Ana	1.5%	$691	$546	51%
Eddy	5.4%	$760	$730	29%
Grant	3.6%	$553	$551	55%
Guadalupe	2.6%	$651	$546	80%
Lea	4.9%	$792	$616	31%
Lincoln	2.9%	$653	$598	51%
Los Alamos	2.6%	$960	$1,279	15%
Luna	5.0%	$596	$546	58%
McKinley	3.8%	$663	$546	44%
Otero	1.6%	$559	$546	38%
Quay	6.8%	$627	$546	55%
Roosevelt	2.8%	$582	$555	43%
San Juan	3.0%	$711	$598	36%
San Miguel	3.8%	$562	$546	62%
Sandoval	2.1%	$558	$675	31%
Sierra	4.5%	$654	$546	63%
Socorro	4.6%	$627	$546	51%
Taos	2.0%	$526	$546	53%
Valencia	1.8%	$695	$675	41%

Inequities in Homeownership

Despite the state's high homeownership rate, disparities in the rate persist. In New Mexico, this is driven by income more than race or ethnicity. New Mexico does a better job than the U.S. overall in Native and Hispanic ownership—even given relatively lower incomes (Figure II-8).

Figure II-8.
Homeownership Rate and Median Income, New Mexico and U.S., 2019

Race/Ethnicity	Homeownership Rate		Median Income	
	New Mexico	United States	New Mexico	United States
American Indian or Alaska Native	62%	54%	$35,349	$43,825
Asian	55%	60%	$65,144	$88,204
Black or African American	40%	42%	$40,528	$41,935
Hispanic/Latino	66%	47%	$42,421	$51,811
Native Hawaiian or Other Pacific Islander	48%	41%	$49,767	$63,613
Non-Hispanic White	72%	72%	$59,815	$68,785
Two or more Races	58%	49%	$50,133	$59,184

Source: 2019 ACS 5-year estimates, and Root Policy Research.

As shown in Figure II-9, homeownership rates increase with income. Although homeownership is most common among 120% AMI households, half of low income households in New Mexico are owners.

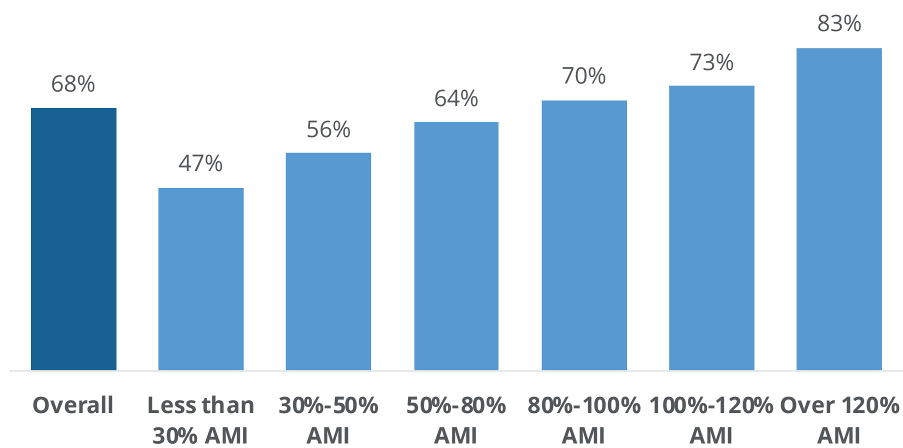
Figure II-9.
Homeownership Rate by AMI

Note:

County AMI 2019 estimates from HUD used.

Source:

2019 ACS 5-year estimates, HUD, and Root Policy Research.



Efforts to decrease disparities in homeownership in the state will be dependent on the availability to supply lower cost homes. Figure II-10 presents the share of renters in New

Mexico by AMI compared to the share of home mortgages originated[9] in 2020 that were affordable to those income levels.[10]The majority of renters earn less than 80% of AMI while the supply of homes affordable is concentrated at higher incomes.

Figure II-10.
Renter and Affordable Home Sales Distribution, by AMI

Note:

Assumes a 30-year mortgage at a rate of 3.25% with a 5% down payment, 35% of monthly payment is used for property taxes, utilities, and insurance.

Source:

Root Policy Research, 2019 ACS 5 year estimates, and HMDA.

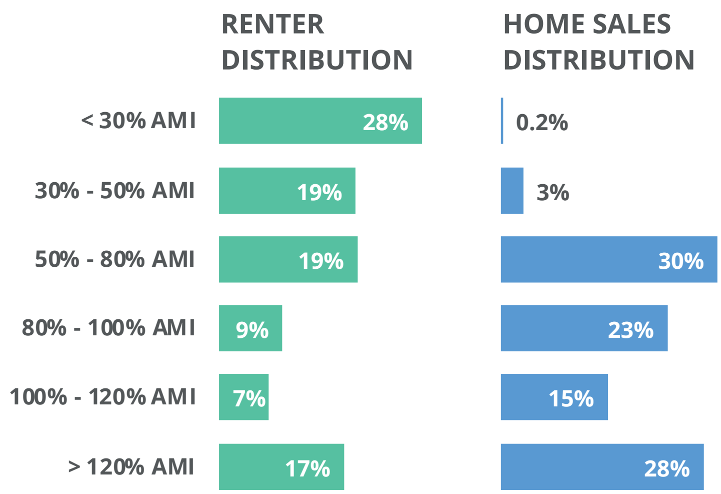


Figure II-11 shows the ratio of the number of homes affordable to households with income between 50% and 100% AMI (proxied by the number of mortgages) to the number of renters in that income bracket.

Although small rural communities appear more affordable based on price trends, mortgage volume makes it is clear that—outside the Albuquerque metro—many counties do not have the supply to allow renters to transition into homeownership.

Figure II-12 maps the same affordability data and compares the number of affordable homes to households with income between 50% and 100% AMI in 2020 to the projected job growth in each county.

If the current trend in mortgage volume continues, several counties—Cibola, Hidalgo, McKinley, Rio Arriba, San Miguel, Santa Fe, and Taos— will find it increasingly difficult to meet the housing needs of their workforce. Furthermore, if the Albuquerque metro employment grows faster than projected— which is likely given the current economic

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[9] According to HMDA data that are collected by the Federal Financial Institutions Examination Council (FFIEC) and contain loan application records with information on income, loan terms, loan purpose, and outcomes of loan applications. HMDA data are reported by lending institutions and are one of the best readily-available sources of mortgage applications and purchase transactions. Analysis includes mortgages for homes sold with a 30-year mortgage for first lien owner occupied purposes.

[10] Affordability estimates assume a household spends 30% of their income on housing and assume a 30-year mortgage with a 5% down payment, 35% of monthly payment is used for property taxes, utilities, insurance. Interest rates used is the median 2020 rate of 3.25%.

development efforts to shift its industry composition— it will also struggle to provide the opportunity to allow its middle income workers to transition into homeownership.

Figure II-11. Ratio of Affordable Home Purchases to Renters with Income between 50% and 100% AMI, by County

Note:

Assumes a 30-year mortgage at a rate of 3.25% with a 5% down payment, 35% of monthly payment is used for property taxes, utilities, and insurance.

Source:

Root Policy Research, 2019 ACS 5 year estimates, and HMDA.

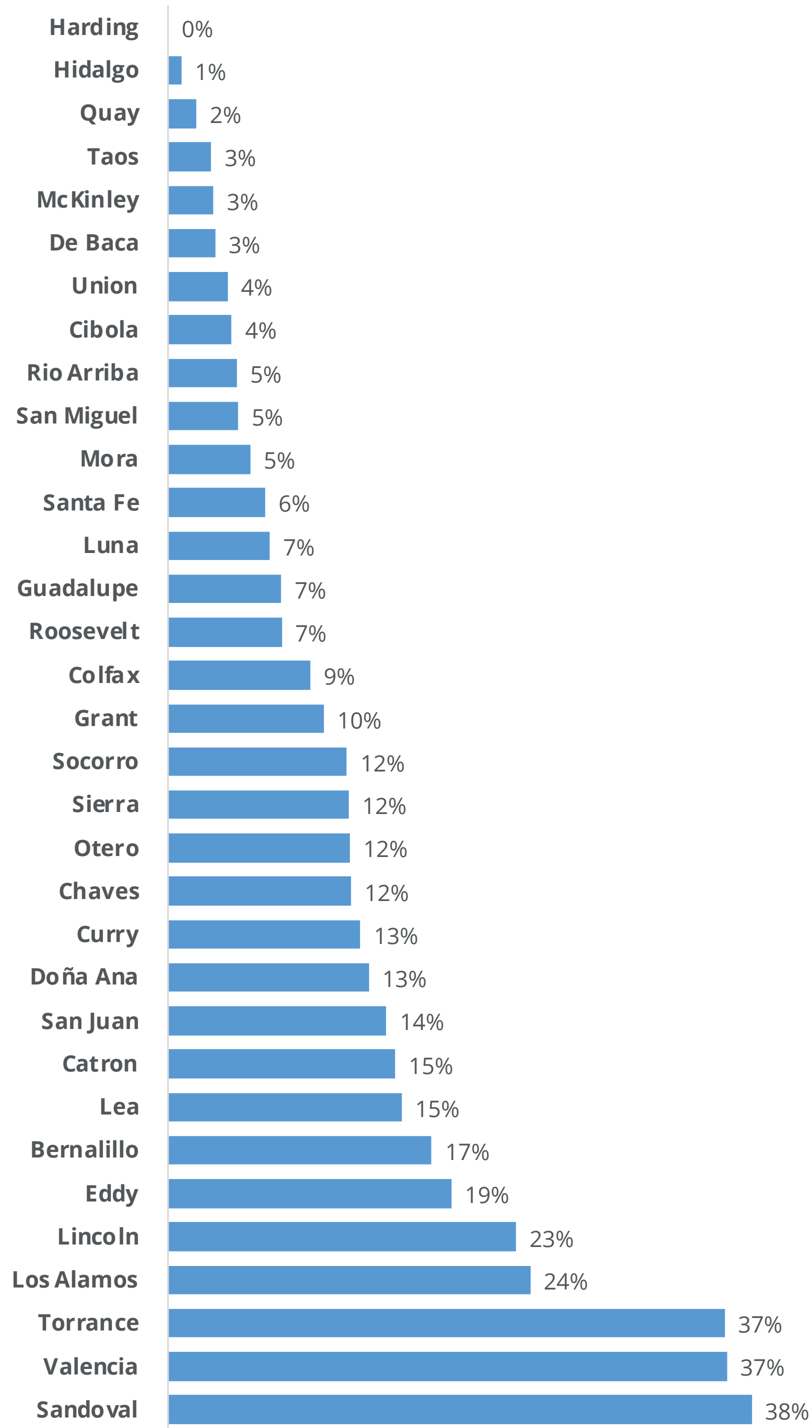
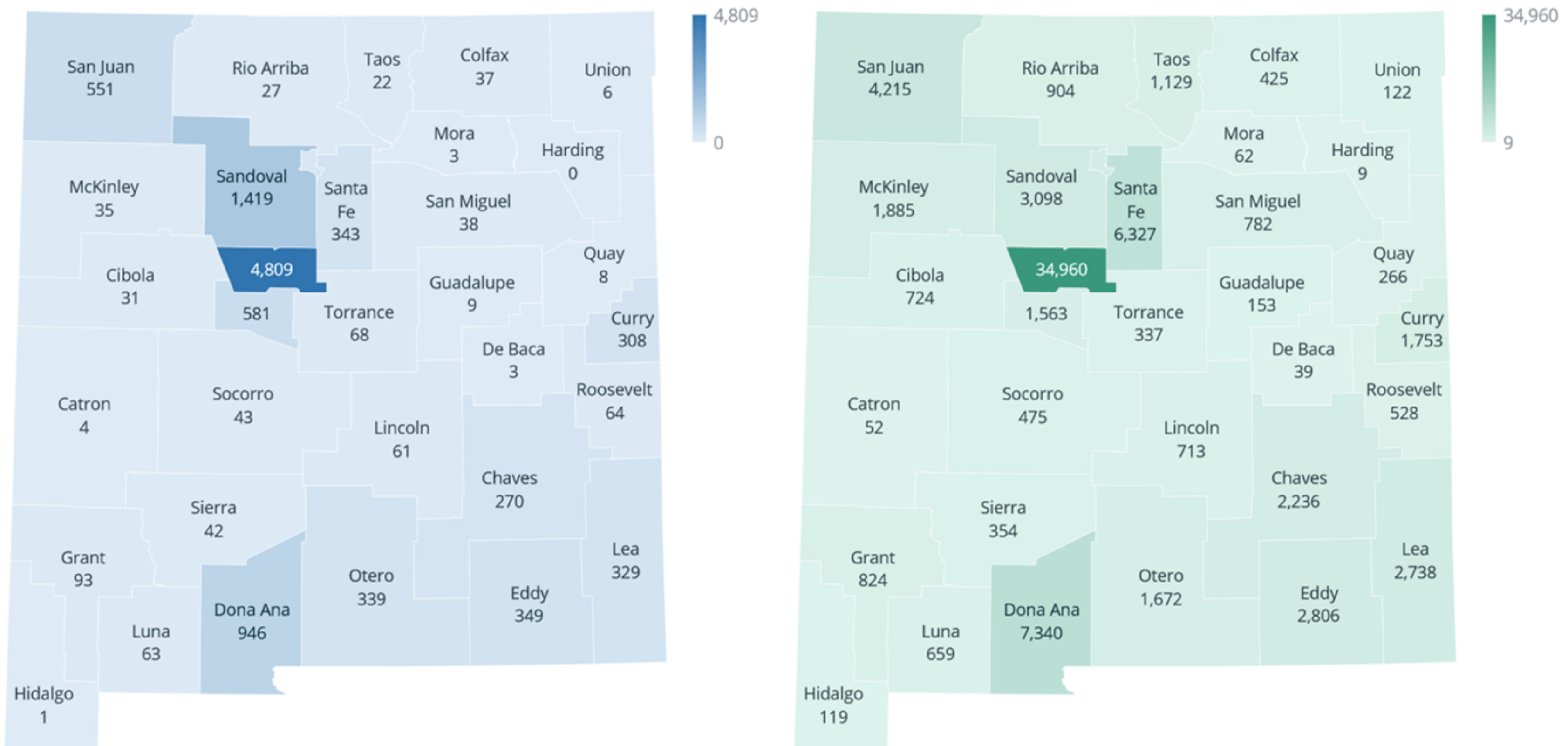


Figure II-12.
Number of Affordable Home Purchases V. Projected Job Growth

Number of Mortgages Affordable at 50%-100% AMI, 2020

Number of Projected Jobs, 2020-2035



Note: Assumes a 30-year mortgage at a rate of 3.25% with a 5% down payment, 35% of monthly payment is used for property taxes, utilities, and insurance.

Source: Root Policy Research, 2019 ACS 5 year estimates, BLS, and HMDA.

What does it take to become a homeowner today? With rising home prices, saving for a down payment becomes a top barrier to homeownership. Figure II-13 compares the median property value of originated mortgages by county in 2018 and 2020 as well as the required down payment at that price point for a down payment of 3.5% (which is the minimum required for an FHA mortgage),10%, and 20%.

In order to avoid mortgage insurance, households need to save an amount ranging from at least $20,000 in the counties with lower median prices up to more than $50,000 in more urban places, and around $80,000 or more in Santa Fe and Los Alamos.

Figure II-13.
Median Property Value of Originated Mortgages and Estimates Down payment Requirements by County, 2018 and 2020

	Median Property Value		3.5% Down payment		10% Down payment		20% Down payment	
	2018	2020	2018	2020	2018	2020	2018	2020
New Mexico	$205,000	$235,000	**$7,175**	**$8,225**	**$20,500**	**$23,500**	$41,000	$47,000
Bernalillo	$205,000	$245,000	$7,175	$8,575	$20,500	$24,500	$41,000	$49,000
Catron	$165,000	$305,000	$5,775	$10,675	$16,500	$30,500	$33,000	$61,000
Chaves	$145,000	$175,000	$5,075	$6,125	$14,500	$17,500	$29,000	$35,000
Cibola	$115,000	$145,000	$4,025	$5,075	$11,500	$14,500	$23,000	$29,000
Colfax	$185,000	$195,000	$6,475	$6,825	$18,500	$19,500	$37,000	$39,000
Curry	$165,000	$185,000	$5,775	$6,475	$16,500	$18,500	$33,000	$37,000
De Baca	$85,000	$95,000	$2,975	$3,325	$8,500	$9,500	$17,000	$19,000
Doña Ana	$185,000	$215,000	$6,475	$7,525	$18,500	$21,500	$37,000	$43,000
Eddy	$215,000	$255,000	$7,525	$8,925	$21,500	$25,500	$43,000	$51,000
Grant	$175,000	$175,000	$6,125	$6,125	$17,500	$17,500	$35,000	$35,000
Guadalupe	$140,000	$125,000	$4,900	$4,375	$14,000	$12,500	$28,000	$25,000
Hidalgo	$95,000	$95,000	$3,325	$3,325	$9,500	$9,500	$19,000	$19,000
Lea	$185,000	$215,000	$6,475	$7,525	$18,500	$21,500	$37,000	$43,000
Lincoln	$190,000	$255,000	$6,650	$8,925	$19,000	$25,500	$38,000	$51,000
Los Alamos	$335,000	$420,000	$11,725	$14,700	$33,500	$42,000	$67,000	$84,000
Luna	$115,000	$145,000	$4,025	$5,075	$11,500	$14,500	$23,000	$29,000
McKinley	$165,000	$185,000	$5,775	$6,475	$16,500	$18,500	$33,000	$37,000
Mora	$135,000	$315,000	$4,725	$11,025	$13,500	$31,500	$27,000	$63,000
Otero	$165,000	$185,000	$5,775	$6,475	$16,500	$18,500	$33,000	$37,000
Quay	$85,000	$105,000	$2,975	$3,675	$8,500	$10,500	$17,000	$21,000
Rio Arriba	$185,000	$245,000	$6,475	$8,575	$18,500	$24,500	$37,000	$49,000
Roosevelt	$145,000	$165,000	$5,075	$5,775	$14,500	$16,500	$29,000	$33,000
Sandoval	$215,000	$255,000	$7,525	$8,925	$21,500	$25,500	$43,000	$51,000
San Juan	$185,000	$195,000	$6,475	$6,825	$18,500	$19,500	$37,000	$39,000
San Miguel	$155,000	$195,000	$5,425	$6,825	$15,500	$19,500	$31,000	$39,000
Santa Fe	$335,000	$385,000	$11,725	$13,475	$33,500	$38,500	$67,000	$77,000
Sierra	$145,000	$135,000	$5,075	$4,725	$14,500	$13,500	$29,000	$27,000
Socorro	$145,000	$145,000	$5,075	$5,075	$14,500	$14,500	$29,000	$29,000
Taos	$265,000	$325,000	$9,275	$11,375	$26,500	$32,500	$53,000	$65,000
Torrance	$125,000	$155,000	$4,375	$5,425	$12,500	$15,500	$25,000	$31,000
Union	$115,000	$110,000	$4,025	$3,850	$11,500	$11,000	$23,000	$22,000
Valencia	$165,000	$205,000	$5,775	$7,175	$16,500	$20,500	$33,000	$41,000

Source: HMDA and Root Policy Research.

Lending barriers. In addition to down payment barriers, other barriers in access to financing exist. Figures II-14 to II-16 show the volume of mortgage applications and the distribution of application outcomes by income and race/ethnicity. As expected, lower income households are more likely to have their applications denied. However, there is no meaningful difference in origination rates for households with income over $50,000.

Figure II-14.
Mortgage Application Outcomes by Income, 2020

Income	Total Applications	Percent Distribution of Application Outcome				
		Loan Originated	Application Denied	Applied but Not Accepted	Withdrawn by Applicant	File Closed for Incompleteness
Less than $25,000	620	50%	25%	2%	19%	5%
$25,000 to $34,999	1,891	65%	13%	1%	18%	2%
$35,000 to $49,999	5,278	71%	8%	2%	16%	2%
$50,000 to $74,999	8,540	74%	7%	2%	16%	2%
$75,000 to $99,999	5,368	74%	6%	2%	16%	2%
$100,000 to $149,999	5,617	75%	5%	2%	17%	2%
Total	**27,314**	**72%**	**7%**	**2%**	**16%**	**2%**

Note: Include mortgage applications for first lien 30-year mortgages for principal residence.

Source: HMDA and Root Policy Research.

Mortgage application outcomes vary more by race and ethnicity. As shown, 76% of applications from non-Hispanic White households were originated in 2020, compared to 71% of applications from Hispanic households, 70% from Black/African American households, 69% of applications from Asian households, and 68% from Native American households. Yet compared to other states, gaps in mortgage loan originations in New Mexico are much lower.

Figure II-15.
Mortgage Application Outcomes by Race/Ethnicity, 2020

Income	Total Applications	Percent Distribution of Application Outcome				
		Loan Originated	Application Denied	Applied but Not Accepted	Withdrawn by Applicant	File Closed for Incompleteness
Asian	588	69%	4%	3%	22%	2%
Black/African American	510	70%	7%	3%	20%	2%
Native American	611	68%	7%	5%	18%	2%
Multiple Race	572	72%	3%	1%	22%	3%
Hispanic	10,439	71%	8%	2%	17%	2%
Multiple Ethnicity	2,092	75%	5%	1%	17%	2%
White, Non-Hispanic	13,089	76%	5%	2%	16%	2%

Note: Include mortgage applications for first lien 30-year mortgages for principal residence.

Source: HMDA and Root Policy Research.

These disparities are not driven by income. They persist even after looking only at households with income over $75,000. Native American households are the most likely to have their application approved but declined by the applicant, and Asian and households of multiple races are the most likely to withdraw their application. Hispanic households, followed by Black/African American, and Native American households have the highest probability of denial.

Figure II-16.
Mortgage Application Outcomes by Race/Ethnicity, Income Over $75,000, 2020

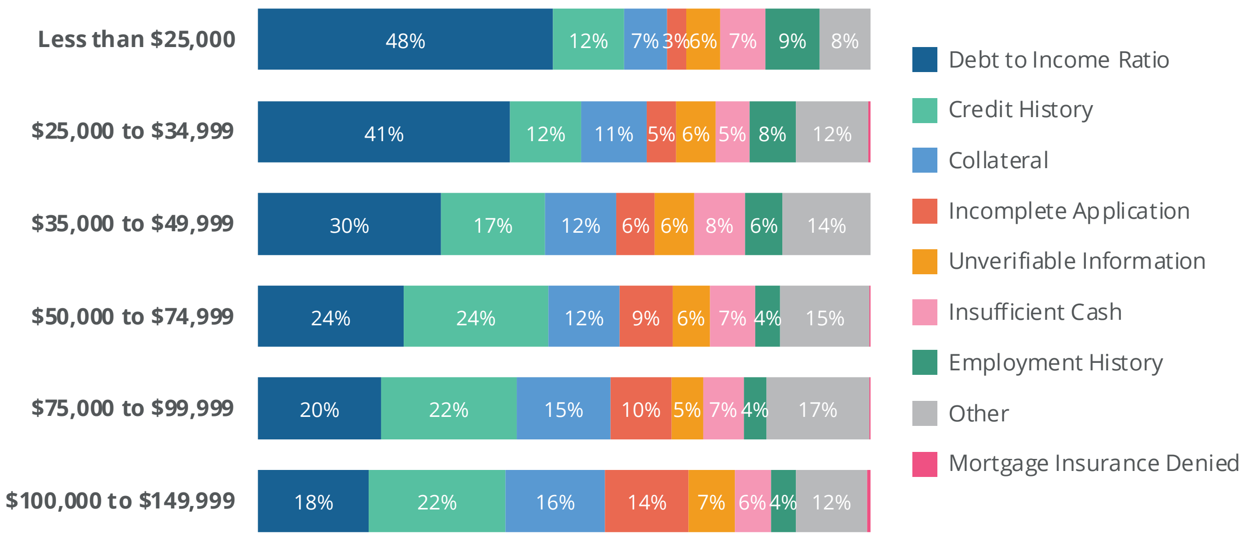
Income	Total Applications	Percent Distribution of Application Outcome: Loan Originated	Application Denied	Applied but Not Accepted	Withdrawn by Applicant	File Closed for Incompleteness
Asian	318	69%	4%	3%	22%	2%
Black/African American	240	70%	7%	3%	20%	2%
Native American	224	68%	7%	5%	18%	2%
Multiple Race	373	72%	3%	1%	22%	3%
Hispanic	3,391	71%	8%	2%	17%	2%
Multiple Ethnicity	1,385	75%	5%	1%	17%	2%
White, Non-Hispanic	6,816	76%	5%	2%	16%	2%

Note: Include mortgage applications for first lien 30-year mortgages for principal residence.

Source: HMDA and Root Policy Research.

Figures II-17 and II-18 show the distribution of denial reasons by income and race and ethnicity.

Figure II-17.
Mortgage Denial Reasons by Income, 2020

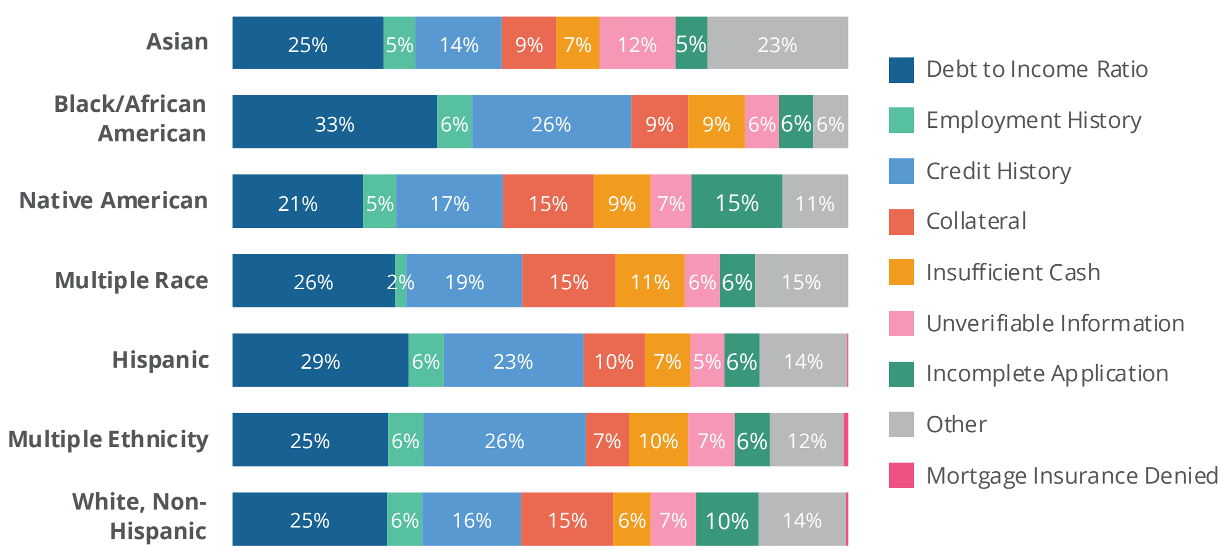


Note: Include denied mortgage applications for first lien 30-year mortgages for principal residence.

Source: HMDA and Root Policy Research.

Debt to income ratio is the top denial reason for lower income households. Given the higher share of applications denied due to credit history and incomplete application, households with higher income can benefit from credit counseling and assistance during the application process.

Figure II-18.
Mortgage Denial Reasons by Race/Ethnicity, 2020



Note: Include denied mortgage applications for first lien 30-year mortgages for principal residence.

Source: HMDA and Root Policy Research.

Credit history and debt to income ratio are a bigger barrier for Hispanic and Black/African American households. Native American and non-Hispanic White households are more likely than households of other race/ethnicity to have their application denied due to insufficient value or type of collateral.

Refinancing. The drop in interest rates over the past couple of years led to a surge in mortgage refinance activity. Being able to refinance into a lower rate is one of the significant advantages of homeownership; reducing rents is typically not possible except in very unusual and depressed markets. Giving households the opportunity to lower their debt payments during times of economic stress can significantly decrease the costs of recessions and provide the economic stimulus households need to remain stably housed.[11]

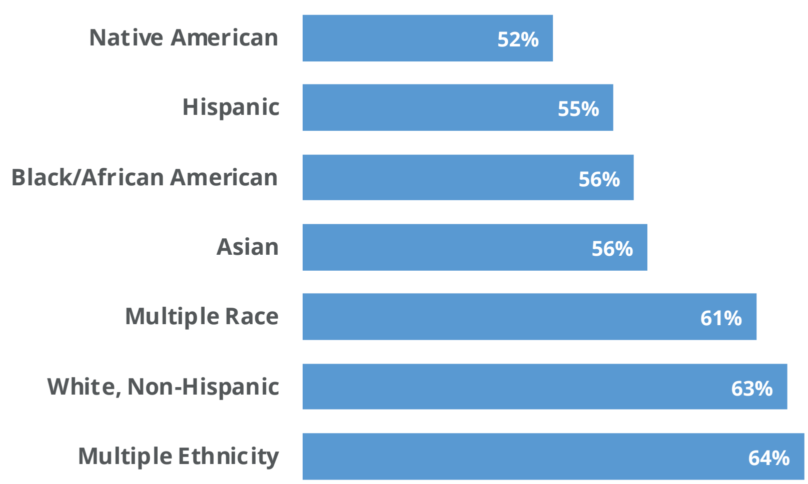
Some of the barriers to refinancing include the need to document employment and the cost of out-of-pocket closing costs, which can have a negative disproportionate impact on households that would benefit the most.

In New Mexico, origination rates for refinance applications varied by race and ethnicity. As shown in Figure II-19, Native American, Hispanic, Black/African American, and Asian households have lower origination rates compared to non-Hispanic White and mixed ethnicity applications. Credit history was the most common denial reason for all minority groups expect for Asian applicants, whose top denial reason was debt to income ratio.

Figure II-19. Origination Rates for Refinancing Mortgage Applications by Race/Ethnicity, 2020

Note:
Excludes applications for cash out refinance.

Source:
HMDA and Root Policy Research.



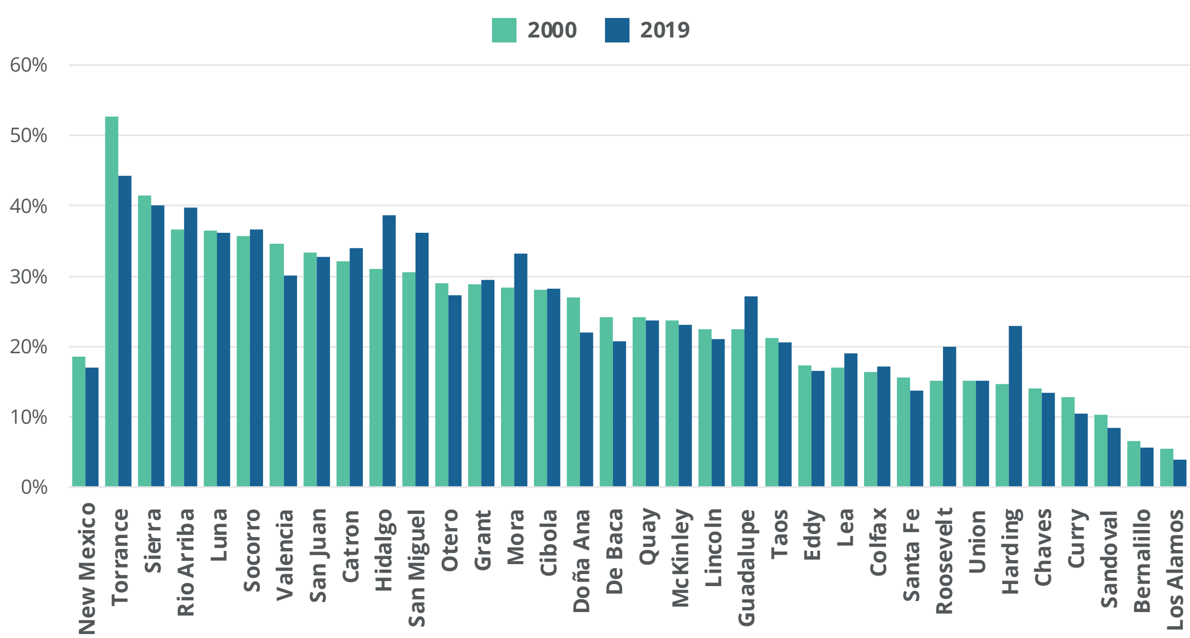
[11] DeFusco, A. A., & Mondragon, J. (2020). No job, no money, no refi: Frictions to refinancing in a recession. The Journal of Finance, 75(5), 2327-2376.

Ownership of Mobile Homes

According to Census data, which reports occupancy in mobile homes, mobile homes provide a large share of housing stock in many counties and are the second largest housing type after single family detached homes in every county except for Bernalillo, Curry, and Los Alamos.

Figure II-20 shows the share of mobile homes as a percentage of total housing units by county and how this share has changed since 2000. In several counties—including Hidalgo, San Miguel, More, Guadalupe, Roosevelt, and Harding— the share of mobile homes as increased significantly since 2000 and in many counties—Torrance, Sierra, Rio Arriba, Luna, Socorro, San Juan, Catron, Hidalgo, San Miguel, and Mora— mobile homes represent over a third of the total housing stock.

Figure II-20.
Mobile Homes as a Share of Total Housing Units by County, 2000 and 2019



Source: 2019 ACS, 2000 Decennial Census, and Root Policy Research.

Figure II-21 shows the share of mobile homes that were built before 1980. Maintenance and repair needs for these dwellings can increase the cost of ownership and if the repairs are forgone, they can decrease the quality of life and rate of appreciation of the home. In the state, an estimated one quarter of mobile homes were built before 1980. This share is even higher at around one third in Harding, Mora, Cibola, Otero, Quay, Lincoln, and Sierra counties.

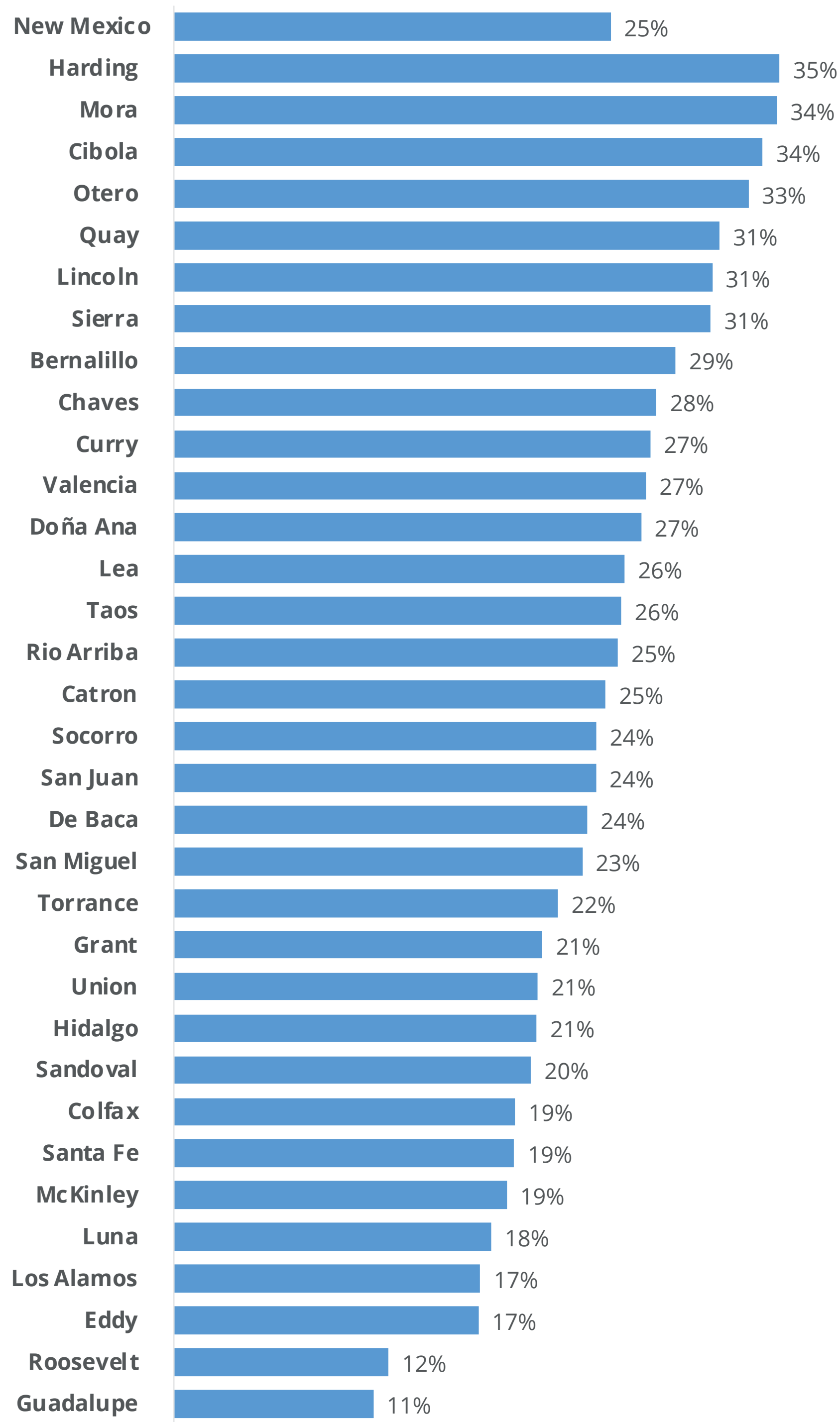
Figure II-21. Share of Mobile Homes Built Before 1980

Note:

Data represent an estimate of occupied mobile homes build Before 1980.

Source:

2019 5-year ACS, and Root Policy Research.



In New Mexico, homeownership of mobile homes contributes significantly to its overall high homeownership rate (Figure II-22). This is especially the case in Hidalgo, Mora, San Miguel, Sierra, and Torrance counties.

Figure II-22.
Mobile Homes' Contribution to the Homeownership Rate

Source:
2019 5-year ACS, and Root Policy Research.

	Overall	Excluding Mobile Homeowners
New Mexico	63%	56%
Bernalillo	63%	59%
Catron	88%	65%
Chaves	69%	59%
Cibola	69%	48%
Colfax	71%	53%
Curry	57%	50%
De Baca	63%	50%
Doña Ana	63%	49%
Eddy	69%	56%
Grant	68%	50%
Guadalupe	63%	49%
Harding	65%	52%
Hidalgo	71%	41%
Lea	67%	55%
Lincoln	81%	58%
Los Alamos	74%	71%
Luna	61%	38%
McKinley	71%	50%
Mora	86%	51%
Otero	64%	47%
Quay	61%	49%
Rio Arriba	77%	48%
Roosevelt	58%	47%
San Juan	71%	47%
San Miguel	70%	40%
Sandoval	79%	73%
Santa Fe	71%	60%
Sierra	74%	43%
Socorro	73%	50%
Taos	76%	58%
Torrance	83%	48%
Union	65%	57%
Valencia	81%	59%

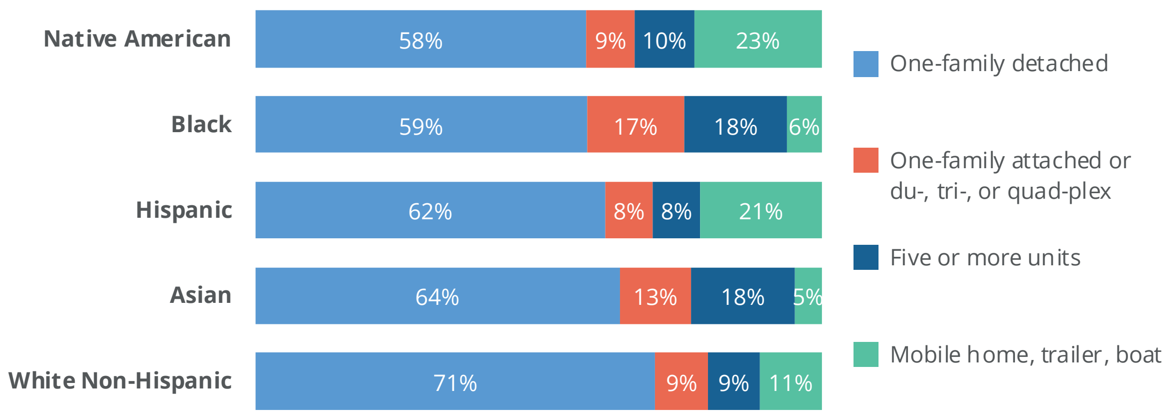
Figure II-23 illustrates housing type by race and ethnicity. The largest variance in housing type by race and ethnicity is found in mobile homes and multifamily units:

- 18% of Black and Asian New Mexicans live in multifamily units compared to 9% of White, Non-Hispanic households and 8% of Hispanic households;
- Black and Asian households are also more likely to live in attached homes;

- Overall, 31% of Asian households and 35% of Black households live in a building with five or more units, an attached single-family home, or a du-, tri-, or quad-plex; and
- 23% of Native American households and 21% of Hispanic households live in mobile homes compared to 11% of White, non-Hispanic households.

Non-Hispanic White households live in single-family detached homes at higher rates than other race and ethnic groups: 71% live in single-family detached homes compared to 64% of Asian households, 62% of Hispanic households, 59% of Black households, and 58% of Native American households.

Figure II-23.
Housing Type Occupied by Race and Ethnicity, 2019



Notes: Households' races and ethnicities are determined based on whether one or more people in the household identify in either of the above races or ethnic groups. This means that mixed-race or mixed-ethnicity households are counted in more than one race/ethnic groups.

Source: 2019 ACS 5-year IPUMS and Root Policy Research.

Needs of Existing Owners

Many of New Mexico's homes are relatively old: 44% were built before 1980. Although older homes are often popular for their unique design and charm, they can also be more expensive to heat and cool, have higher maintenance costs, and have a higher likelihood of lead exposure which can lead to adverse health effects.[12]

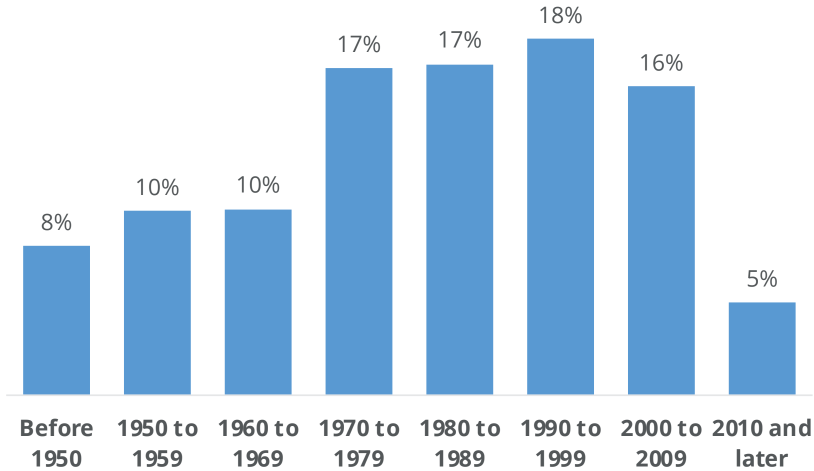
These units are also less likely to be accessible to residents with disabilities. The Fair Housing Act of 1991 introduced accessibility rules for new housing developments. Since the passage of the Act, newly developed affordable housing is required to make 5% of units accessible and newly developed market rate housing is required to make 2% accessible.

[12] Dignam, Timothy, et al. "Control of lead sources in the United States, 1970-2017: public health progress and current challenges to eliminating lead exposure." *Journal of public health management and practice: JPHMP* 25 (2019): S13.

Figure II-24. Age of Housing Stock, 2019

Source:

2019 ACS 5-year IPUMS and Root Policy Research.



Home maintenance and accessibility modifications. According to the resident survey conducted to support this study, of the 650 homeowner respondents, almost one in five homeowners (18%) indicated their home is in fair (16%) or poor (2%) condition. The most common needed repairs were:

- New windows to improve energy efficiency (62%);
- Weatherization (e.g., insulation, weather stripping, caulking) (62%);
- Interior walls or ceilings (e.g., fix cracks, holes, water damage) (50%); and
- Roof (48%).

Over 90% of respondents indicated the primary reason why the needed repairs have not been made is because they cannot afford them.

Around one third of homeowner respondents to the survey indicated they or a member of their households has a disability. Of those with a disability 22 percent indicated their home does not meet the needs of the member with a disability. The most common improvements or modifications needed to better meet the family's needs were:

- Grab bars in bathroom or bench in shower (39%);
- Ramps (37%); and
- Wider doorways (28%).

Home improvement. An analysis of the home improvement needs of homeowners is found in Research Brief I, beginning on page 45. That analysis concluded that New Mexico homeowners appear reluctant to take on debt to improve their properties, despite known condition needs throughout the state.

Supporting figures: Projected unit demand by tenure

Figure II-25. Projected Units Needed by 2025, by County, AMI and Tenure

Note:

Holding 2019 AMI and tenure distributions constant.

Source:

The University of New Mexico Geospatial and Population Studies, and Root Policy Research.

County	Total	Percent of AMI					
		0-30%	30-50%	50-80%	80-100%	100-120%	120%+
Total	**25,476**	**4,210**	**3,431**	**4,360**	**2,449**	**2,114**	**8,912**
Bernalillo	10,153	1,812	1,428	1,728	937	851	3,396
Sandoval	5,417	695	557	957	558	526	2,125
Doña Ana	4,263	762	665	677	377	282	1,499
Santa Fe	2,261	355	317	404	240	168	778
San Juan	1,082	211	163	194	107	94	311
Curry	550	81	68	105	55	43	198
Lea	508	84	55	83	57	51	179
Chaves	454	73	70	76	45	34	157
Valencia	328	61	52	62	33	29	90
Roosevelt	219	34	25	36	19	17	88
Eddy	114	18	16	18	11	10	41
Cibola	78	15	9	13	6	6	29
McKinley	49	10	5	7	4	3	20
Rental Units	**9,043**	**2,303**	**1,959**	**1,581**	**1,323**	**1,204**	**674**
Bernalillo	4,333	1,130	951	768	615	569	299
Sandoval	1,047	272	237	205	136	129	68
Doña Ana	1,818	450	414	286	279	248	142
Santa Fe	678	173	146	110	106	90	53
San Juan	382	87	83	70	62	51	30
Curry	220	51	37	37	36	34	26
Lea	173	48	23	32	25	26	20
Chaves	145	31	26	27	25	21	14
Valencia	70	19	12	13	11	10	5
Roosevelt	94	24	16	18	14	14	8
Eddy	36	8	7	7	6	5	4
Cibola	30	7	5	5	5	5	3
McKinley	17	4	3	2	2	3	3
Ownership Units	**16,433**	**1,907**	**1,472**	**2,779**	**1,126**	**910**	**8,238**
Bernalillo	5,821	682	477	960	322	282	3,097
Sandoval	4,370	423	320	752	422	397	2,056
Doña Ana	2,444	313	251	391	98	34	1,358
Santa Fe	1,584	182	171	294	134	78	725
San Juan	700	124	81	125	45	43	281
Curry	330	29	32	68	19	9	173
Lea	335	36	31	51	32	25	160
Chaves	309	41	44	49	20	13	143
Valencia	257	42	40	49	22	19	85
Roosevelt	124	10	9	18	5	4	80
Eddy	78	10	9	11	6	5	37
Cibola	48	8	4	8	2	1	25
McKinley	32	6	3	5	2	0	18

Figure II-26. Projected Units Needed by 2030, by County, AMI and Tenure

Note:

Holding 2019 AMI and tenure distributions constant.

Source:

The University of New Mexico Geospatial and Population Studies, and Root Policy Research.

		Percent of AMI					
County	Total	0-30%	30-50%	50-80%	80-100%	100-120%	120%+
Total	**51,182**	**8,438**	**6,886**	**8,784**	**4,936**	**4,266**	**17,872**
Bernalillo	19,382	3,459	2,727	3,299	1,789	1,625	6,483
Sandoval	11,353	1,456	1,166	2,006	1,169	1,102	4,453
Doña Ana	8,194	1,465	1,278	1,301	724	542	2,882
Santa Fe	4,667	733	654	833	495	347	1,606
San Juan	2,182	426	330	392	216	190	628
Valencia	1,468	275	233	277	147	132	404
Curry	1,117	164	139	213	112	87	403
Lea	1,069	176	115	174	119	107	378
Chaves	943	151	146	157	93	70	326
Roosevelt	384	60	43	64	33	30	154
Eddy	236	38	33	37	23	20	85
Cibola	131	25	16	22	11	10	48
McKinley	55	11	6	8	4	3	23
Rental Units	**17,867**	**4,552**	**3,859**	**3,128**	**2,615**	**2,380**	**1,333**
Bernalillo	8,271	2,156	1,815	1,466	1,174	1,087	571
Sandoval	2,194	570	496	430	286	270	143
Doña Ana	3,495	864	795	550	536	477	272
Santa Fe	1,399	357	300	226	219	186	109
San Juan	771	175	167	141	125	103	61
Valencia	316	86	52	58	51	46	23
Curry	447	105	75	74	73	68	52
Lea	365	100	49	67	52	55	41
Chaves	301	65	54	56	52	43	30
Roosevelt	166	43	28	32	25	24	14
Eddy	74	17	14	14	11	10	7
Cibola	50	11	9	9	8	8	6
McKinley	19	4	3	3	3	3	3
Ownership Units	**33,315**	**3,885**	**3,027**	**5,656**	**2,321**	**1,886**	**16,540**
Bernalillo	11,111	1,303	911	1,832	615	538	5,912
Sandoval	9,158	886	670	1,575	884	832	4,310
Doña Ana	4,699	601	483	751	188	65	2,610
Santa Fe	3,269	375	353	607	276	160	1,496
San Juan	1,411	251	163	251	91	87	568
Valencia	1,152	189	181	219	97	85	381
Curry	670	59	64	139	39	19	350
Lea	705	76	66	107	67	52	336
Chaves	643	86	91	101	41	28	296
Roosevelt	218	17	15	31	8	6	140
Eddy	162	21	18	23	12	10	77
Cibola	81	14	7	13	3	2	42
McKinley	36	7	3	5	2	0	20

Figure II-27. Projected Units Needed by 2035, by County, AMI and Tenure

Note:

Holding 2019 AMI and tenure distributions constant.

Source:

The University of New Mexico Geospatial and Population Studies, and Root Policy Research.

		Percent of AMI					
County	Total	0-30%	30-50%	50-80%	80-100%	100-120%	120%+
Total	**73,774**	**12,078**	**9,861**	**12,661**	**7,132**	**6,156**	**25,886**
Bernalillo	27,399	4,890	3,854	4,663	2,529	2,297	9,165
Sandoval	17,504	2,245	1,799	3,093	1,803	1,699	6,866
Doña Ana	11,700	2,092	1,825	1,858	1,034	774	4,116
Santa Fe	7,362	1,156	1,031	1,315	781	547	2,533
San Juan	3,129	611	473	562	310	273	901
Curry	1,730	253	215	330	173	135	624
Lea	1,609	266	173	262	179	161	568
Chaves	1,389	222	214	232	137	104	480
Valencia	1,053	197	167	199	105	94	290
Roosevelt	483	75	54	80	42	38	194
Eddy	259	41	36	41	25	22	93
Cibola	156	30	19	26	13	11	57
Rental Units	**25,637**	**6,530**	**5,548**	**4,489**	**3,749**	**3,409**	**1,912**
Bernalillo	11,692	3,048	2,566	2,073	1,660	1,537	807
Sandoval	3,384	878	765	663	440	416	220
Doña Ana	4,991	1,234	1,135	786	766	681	389
Santa Fe	2,206	564	474	357	345	294	173
San Juan	1,105	251	239	202	179	148	87
Curry	693	162	116	115	113	106	81
Lea	549	151	74	101	79	83	62
Chaves	443	96	80	83	77	63	44
Valencia	227	61	38	42	36	33	16
Roosevelt	209	54	35	41	31	30	18
Eddy	81	18	16	15	13	11	8
Cibola	59	13	10	11	10	9	7
Ownership Units	**48,137**	**5,548**	**4,313**	**8,172**	**3,383**	**2,747**	**23,974**
Bernalillo	15,707	1,841	1,288	2,590	869	760	8,358
Sandoval	14,121	1,367	1,033	2,429	1,363	1,283	6,646
Doña Ana	6,710	858	690	1,073	269	93	3,727
Santa Fe	5,156	592	557	958	436	253	2,360
San Juan	2,023	360	234	361	130	125	814
Curry	1,037	91	99	215	60	30	542
Lea	1,061	115	100	161	101	78	506
Chaves	946	126	135	149	60	41	436
Valencia	827	136	130	157	69	61	273
Roosevelt	275	22	19	39	10	8	176
Eddy	178	23	20	26	13	11	85
Cibola	97	17	8	16	3	2	51

RESEARCH BRIEF III.

HOMELESSNESS, SPECIAL NEEDS, AND HUMAN SERVICES NEEDS

RESEARCH BRIEF III. Homelessness, Special Needs, and Human Service Needs

This brief discusses the needs of New Mexicans who have unique housing needs including:

- New Mexicans experiencing or at-risk of homelessness ("precariously housed");
- Residents with disabilities,
- Tribal communities,
- Residents of colonias,
- Seniors,
- Families with children,
- Agricultural or farmworkers,
- Military households and families; and
- Youth aging out of foster care.

Primary Findings

- According to the most recent count (referred to as the Point in Time count, or PIT) of homeless residents in shelters and sleeping in areas not meant for human habitation, as of January 2022, there were 1,311 persons experiencing homelessness in Albuquerque and 1,283 in the balance of the state. Of those, most were occupying emergency shelters: 197 were unsheltered in Albuquerque and 391 were unsheltered in other areas of the state (referred to as Balance of State).

  PIT count estimates are considered a snapshot of homelessness in a community and typically represent an undercount of the homeless population. According to a recent analysis conducted by the New Mexico Coalition to End Homelessness, **the total number of people experiencing homelessness in New Mexico each year,** when persons who living in non-permanent and precarious housing conditions, **is between 15,000 and 20,000 individuals.**

- According to data from the U.S. Department of Housing and Urban development (HUD), **Native American and Black/African American residents are overrepresented among homeless individuals**, while Hispanic residents are underrepresented. In particular, Native American residents account for 25% and 27% of residents experiencing homelessness in Albuquerque and the Balance of State respectively, but account for only 7% and 18% of residents living in poverty.

- The Corporation for Supportive Housing (CSH) Racial Disparities and Disproportionality Index also shows that Black/African American and Native American residents have an overrepresentation in homelessness. According to the CSH index:
  - Black/African Americans are particularly overrepresented among homeless veterans, unaccompanied transition aged youth, justice involved transition aged youth, and prison systems.
  - Native Americans are particularly overrepresented in homeless with substance use challenges.
  - Hispanic residents are particularly overrepresented among justice involved transition aged youth.
- Access to supportive services, as well as affordable housing, is vital for exiting homelessness. Several organizations have estimated gaps in permanent supportive housing in the state:
  - The New Mexico Coalition to End Homelessness estimates that **over 6,500 people** per year experience homelessness but do not receive adequate assistance to help them exit homelessness and **are in need of rapid rehousing and permanent supportive housing units.**[1]
  - The Corporation for Supportive Housing (CSH) estimates a slightly higher number—around 8,400 supportive housing units needed in the state.
  - For Albuquerque alone, the Urban Institute report estimates that 2,200 households are in need of permanent supportive housing and 800 units of rapid rehousing.
- The majority (63%) of New Mexico's housing stock, or 587,948 homes, were built before 1991, when federal accessibility requirements were put in place. Academic researchers[2] estimated that there is a 60% probability that a newly built single family home will house at least one disabled resident, and 91% will welcome a disabled visitor. According to the resident survey conducted for the Housing Strategy, 25% of residents who indicated they or someone in their household has a disability indicated the place where they live does not meet the needs of their household member with a disability. Applying the survey estimate of residents who need accessibility improvements to the number of New Mexico households who have a member with a

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[1] Rapid rehousing and permanent supportive housing are evidence-based interventions that have proven effective in helping people exit homelessness. Rapid rehousing provides rental assistance to help homeless households move into apartments; supportive services are provided to help the family obtain the resources they need. Rapid rehousing works best for households who will be able to obtain employment and support themselves within two years.. Permanent supportive housing (PSH) involves providing a household rental assistance and more intense supportive services (e.g., mental health care, substance abuse treatment) in scattered site or site-based communities typically owned by PSH providers.

[2] Smith, Stanley K., Stefan Rayer, and Eleanor A. Smith. "Aging and disability: Implications for the housing industry and housing policy in the United States." Journal of the American Planning Association 74.3 (2008): 289-306.

disability translates to around 43,000 units that do not meet the needs of people with disabilities.

- **Residents living on Tribal lands and in colonias are more likely than other New Mexicans to be living in housing in poor condition.** These areas also have a significant number of vacant and underutilized housing units.

    - On Tribal lands, more than 5,700 housing units are overcrowded, 18,800 were built before 1970, 2,600 lack complete kitchen facilities, and almost 3,500 lack complete plumbing. An estimated 16,400 housing units on Tribal lands are vacant. According to the resident survey, 26% of Native American respondents deem their home to be in fair/poor condition, this translates to around 14,670 housing units occupied by Native Americans that are in need of repairs.

    - In census tracts with colonias, there are an estimated 1,800 overcrowded housing units, over 17,000 units built before 1970, 400 units lacking complete kitchen facilities, and over 800 lacking complete plumbing facilities. Around 6,700 units using bottled, tank, or LP gas as a heating source. Around 20,000 housing units in census tracts with colonias are vacant.

- According to an analysis of seniors' needs for affordable rentals, there is a **shortage of 4,590 rental units priced below $500 for senior renter households**. According to the resident survey, 28% of households with an older adult share housing with friends or family members due to lack of housing that meets their needs, and 12% indicated they would benefit from having someone routinely help take care of their home.

- According to Census data, **around 28% of households with children—an estimated 78,000 households—are cost burdened.** According to the resident survey, families with children experience high rates of housing instability. The survey found that 32% of households with children experienced displacement in the past five years.

- Public schools are required to identify children and youth who do not have a permanent residence ("McKinney Vento counts"). For the academic year 2019-2020, the data indicate **around 9,000 children and youth experience homelessness in the state.**

- New Mexico has nearly 12,000 jobs in the agriculture, forestry, fishing, and hunting industries. Although wages have increased, the average wage of workers with these jobs ($35,000 per year) is 30% lower than average annual wages in the state. Workers in these industries earning average wages would need rentals that cost no more than $875 per month.

- New Mexico is home to over 12,000 active duty military members. A comparison of the Basic Allowance for Housing (BAH) provided by the federal government and gross rents by county found that BAH rates are reasonable when compared to rents in each area. A larger barrier for military personal might be the lack of available housing, given the historically low vacancy rates in the state.

- The Comprehensive Needs Assessment of Young People Experiencing Housing Instability and Homelessness in Bernalillo County identified foster care as a contributor to unstable housing: 34% of youth surveyed who were classified as unstably housed or homeless had been in foster care at some point in their lives.

Persons Experiencing Homelessness

This section consolidates relevant research and data on homelessness in New Mexico. The analysis presents an overview of the most recent Point-In-Time (PIT) estimates and incorporates other available data to present a complete picture of homelessness in the state.

According to the 2022 Point-In-Time (PIT)[3] report produced by the New Mexico Coalition to End Homelessness[4] (NMCEH):

- There were 1,311 persons experiencing homelessness in Albuquerque and 1,283 in the balance of the state. Of those, most were occupying emergency shelters: 197 were unsheltered in Albuquerque and 391 were unsheltered in the Balance of State.

- Mental illness affects a minority of persons experiencing homelessness—although adults experiencing homelessness are more likely to struggle with mental illness than residents overall. In Albuquerque, 46% of the surveyed adults experiencing unsheltered homelessness, 25% of adults in emergency shelter, and just 9% of adults in transitional housing self-reported having a serious mental illness. In the Balance of State, 43% of the surveyed adults experiencing unsheltered homelessness, 30% of adults in emergency shelter, and 14% of adults in transitional housing self-reported having a serious mental illness. The prevalence of serious mental illness among the general population over 18 is 5%, according to the Substance Abuse of Mental Health Services Administration[5].

- Persons experiencing unsheltered homelessness are also disproportionately likely to have a substance use disorder. In Albuquerque 44% of surveyed adults experiencing unsheltered homelessness self-reported having a substance use disorder, the incidence was lower among adults in emergency shelter and transitional housing at

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[3] The Point-In-Time (PIT) count is a nationwide count of individuals and families experiencing homelessness within a community on a given night, as outlined and defined by the U.S. Housing and Urban Development Department (HUD).

[4] 2022 Point-In-Time-Count, Joint Albuquerque and Balance of State Report https://www.nmceh.org/_files/ugd/6737c5_4ecb9ab7114a45dcb25f648c6e0b0a30.pdf

[5] https://www.samhsa.gov/data/report/2019-2020-nsduh-state-specific-tables

13% and 5% respectively. Similarly, in the Balance of State 40% of adults experiencing unsheltered homelessness, 16% of adults in emergency shelter, and 7% of adults in transitional housing self-reported having a substance use disorder. The prevalence of substance use disorder among the general adult population is 17%, according to the Substance Abuse of Mental Health Services Administration.

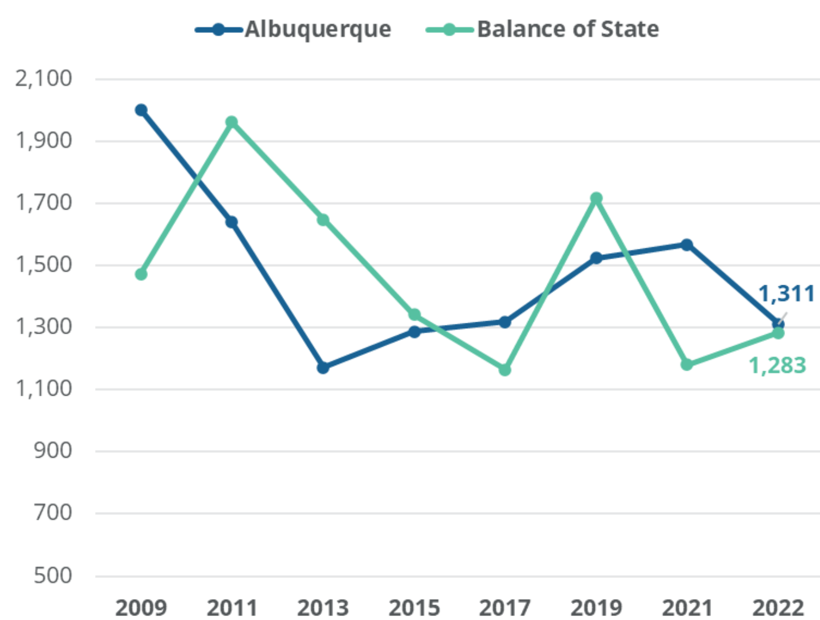
The following figures show trends in PIT counts for the Albuquerque and Balance of State Continuum of Care (CoC).

Since 2011, homelessness in the Balance of State has been declining, except for a dramatic increase in 2019. Albuquerque has shown a different trend since 2013, with a consistently steady increase in homelessness up to 2021 and a significant decrease in 2022.

Figure III-1. Total Persons Experiencing Homelessness, Point-in-Time (PIT) Counts, 2009 - 2022

Source:

2022 Point-In-Time-Count https://www.nmceh.org/_files/ugd/6737c5_4ecb9ab7114a45dcb25f648c6e0b0a30.pdf



The trend in the Balance of State points to a reduction in the homeless population between 2019 and 2021 and a slight uptick 2022. It should be noted that there were community and HUD enforced restrictions in place for the 2021 and 2022 count and there were severe snowstorms in the southern part of the State during the 2022 count; therefore, the numbers reflected may be drastically lower than in previous years or show an inaccurate trending in data.[6]

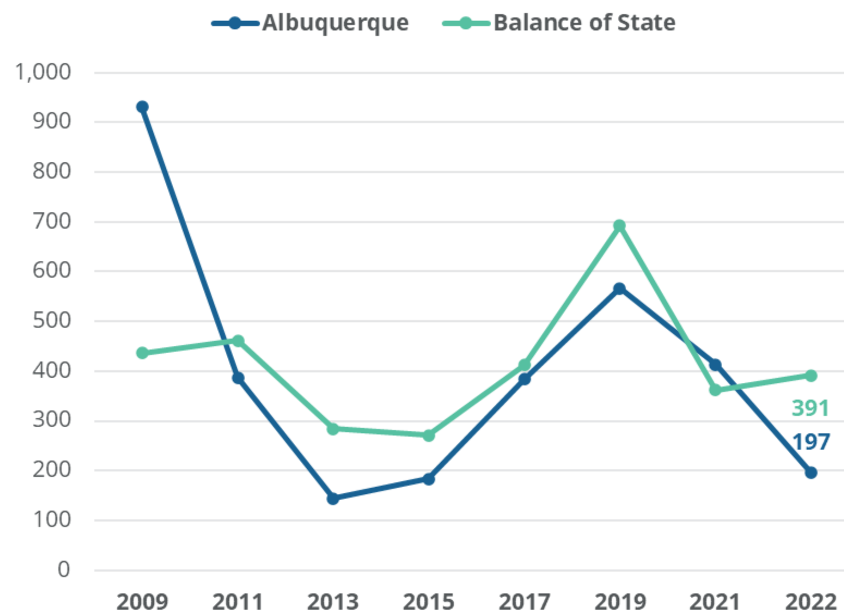
[6] Due to the restrictions placed on the count by the COVID-19 pandemic from local and Federal regulations, outreach teams could logistically only cover smaller geographic areas for shorter amounts of time. Coupled with ongoing removal of encampments during the pandemic, this created areas of constantly shifting populations which would hamper effective engagement on a limited scale. In addition, only 14 out of 33 total counties in New Mexico were accounted for in 2021.

According to the 2021 PIT report, another reason for the drop in unsheltered individuals was the creation of "Wellness Motels," which was an effort to support safe housing of people experiencing homelessness during the pandemic. Those hotels were effective in adding extra beds and allowed for more people to be sheltered on the night of the count, contributing to lower numbers of unsheltered individuals (Figure III-2). The number of unsheltered individuals in 2022 continued the downward trend in Albuquerque but slightly increased in the Balance of State.

Figure III-2. People Living in Unsheltered Living Conditions, PIT Counts, 2009-2022

Source:

2022 Point-In-Time-Count https://www.nmceh.org/_files/ugd/6737c5_4ecb9ab7114a45dcb25f648c6e0b0a30.pdf



Figures III-3 shows the increase of persons in Emergency Shelters in Albuquerque and aligns with Albuquerque's increased number of shelter beds and the inclusion of Wellness Motels during the COVID-19 pandemic. The number stayed flat in Albuquerque in 2022 and increased in the Balance of State.

Figure III-3. People Residing in Emergency Shelters, PIT Counts, 2009-2022

Source:

2022 Point-In-Time-Count https://www.nmceh.org/_files/ugd/6737c5_4ecb9ab7114a45dcb25f648c6e0b0a30.pdf

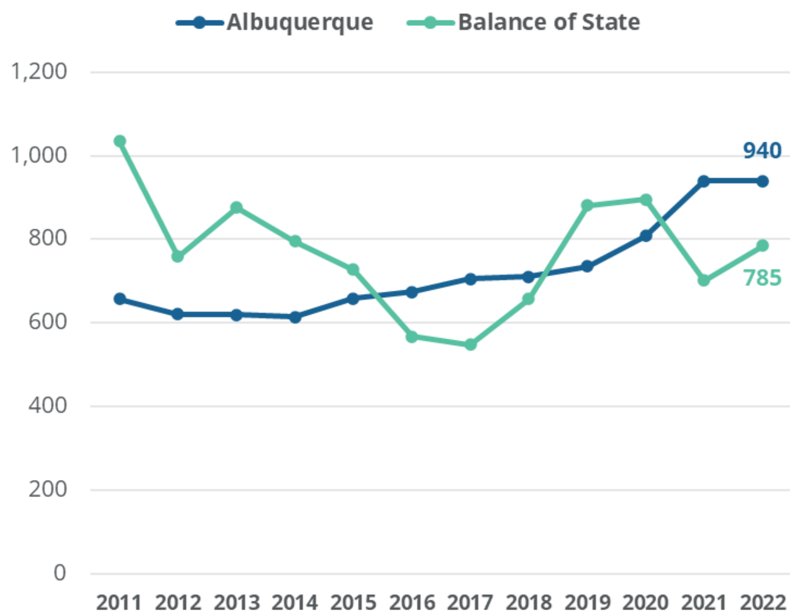


Figure III-4 shows a decrease in the number of individuals in transitional housing. Declines in the number of people residing in transitional housing is due to HUD encouraging transitional housing programs to switch to rapid rehousing models. Many programs in New Mexico elected to make that switch.

Figure III-4. People Residing in Transitional Housing, PIT Counts, 2009-2022

Source:

2022 Point-In-Time-Count https://www.nmceh.org/_files/ugd/6737c5_4ecb9ab7114a45dcb25f648c6e0b0a30.pdf

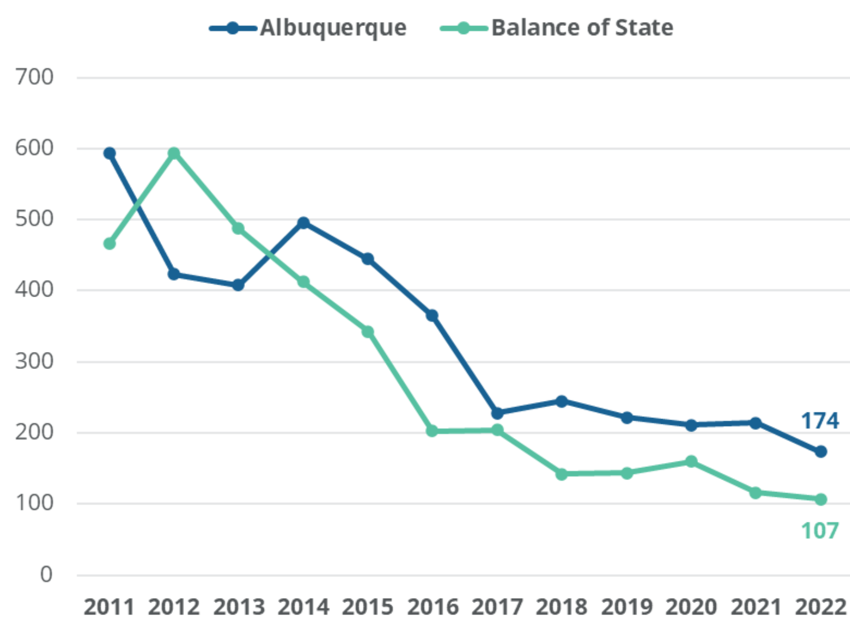


Figure III-5 shows the county distribution of the number of unsheltered persons and persons residing in emergency shelters and transitional housing as of the 2021 count, as well as the number of unsheltered persons in 2022.[7] According to the 2021 report, these data should not be interpreted to indicate that there are more people experiencing unsheltered homelessness in one county than another, due to significant shifts in count methodology due to COVID-19 restrictions and county-level community engagement. In addition, not every shelter in the Balance of State participates in this count; therefore, the numbers should not be taken as definitive of all shelters.

Figure III-5. Housing Situation of Residents captured in 2021 and 2022 PIT counts, by County

Source:

2022 Point-In-Time-Count https://www.nmceh.org/_files/ugd/6737c5_4ecb9ab7114a45dcb25f648c6e0b0a30.pdf

2022 Point-In-Time-Count

https://nmceh.org/pages/reports/2021%20Joint/PIT%20CoC%202021%20Report.pdf

	Unsheltered (2021)	Unsheltered (2022)	Emergency Shelter (2021)	Transitional Housing (2021)
Chaves	-	-	10	-
Cibola	-	-	11	-
Colfax	25	-	-	-
Curry	-	2	2	-
Doña Ana	72	154	8	83
Eddy	16	-	5	13
Grant	-	30	3	-
Lea	-	-	4	-
Lincoln	-	-	8	-
Luna	-	9	10	-
McKinley	-	43	151	-
Otero	117	22	15	-
Roi Arriba	1	11	50	-
San Juan	21	21	33	9
San Miguel	1	-	6	6
Sandoval	5	-	26	-
Santa Fe	79	58	231	35
Socorro	7	-	-	-
Taos	5	6	34	19
Union	2	-	-	-
Valencia	8	10	6	-

Given all the data limitations, PIT count estimates are considered a snapshot of homelessness in a community and typically represent an undercount of the homeless population.

According to a recent analysis conducted by the New Mexico Coalition to End Homelessness, the more accurate number of people experiencing homelessness in New

[7] The 2022 report provides the number of projects, not persons for emergency shelter and transitional housing.

Mexico each year is between 15,000 and 20,000 individuals.[8] Using data from the Homeless Management Information System (HMIS), the report also estimates that in 2018:

- There were 2,585 people under the age of 18 who were homeless; 584 of them were separated from their parents or guardians while the other 2,001 people were accompanied by a parent or guardian who was also homeless;
- 981 people aged 18 to 24 were homeless in 2018. 221 of them were part of a family, 100 of them were the head of their household, and 760 were unaccompanied;
- 9,021 people aged 25 and up were homeless in 2018; 1,126 of them were in families and 7,647 were unaccompanied, and for the remaining 248, no household type was reported.

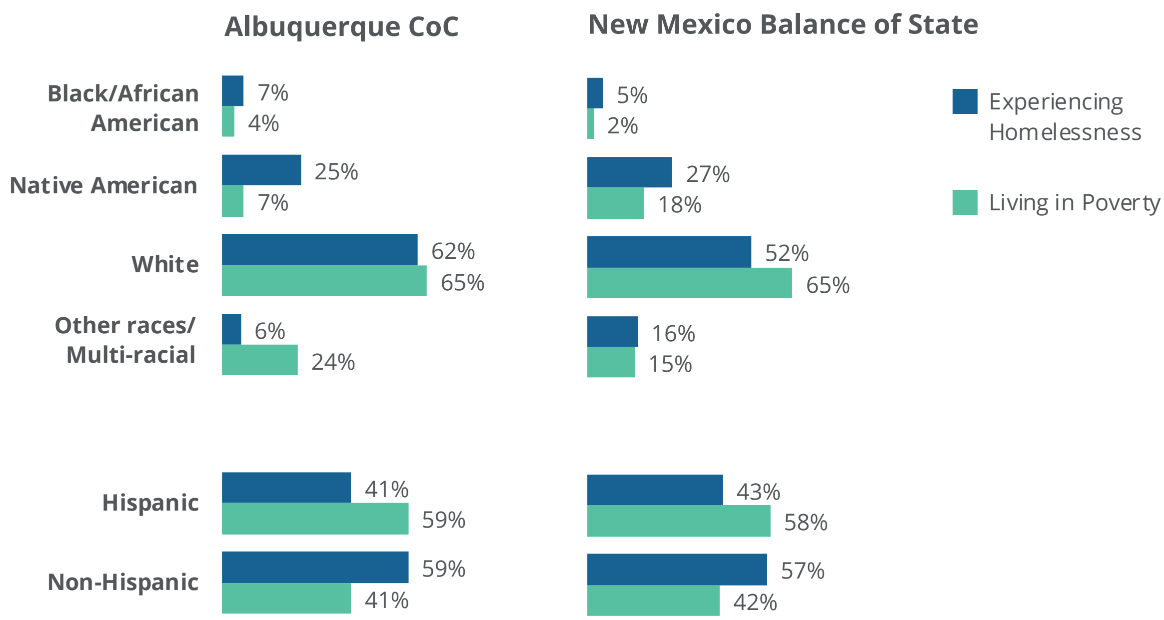
Racial disparities in homelessness. In New Mexico, the risk of homelessness is unequal among racial groups even after adjusting for poverty. According to HUD data, Native American and Black/African American residents are overrepresented among homeless individuals, while Hispanic residents are underrepresented.

In particular, Native American residents account for 25% and 27% of residents experiencing homelessness in Albuquerque and the Balance of State respectively, compared to 7% and 18% of residents living in poverty[9] as shown in the figure below.

[8] https://nmceh.org/docs/White%20Paper%20Homeless%20NMCEH%20010820.pdf

[9] American Indian and Alaska Native alone represent 9% of the total population in the state and 4% of the total population in Albuquerque.

Figure III-6.
Residents Experiencing Homelessness v. Living in Poverty



Source: CofC Racial Equity Analysis Tool (Version 2.1) developed by HUD, 2020 https://www.hudexchange.info/resource/5787/coc-analysis-tool-race-and-ethnicity/.

The Corporation for Supportive Housing (CSH) developed a Racial Disparities and Disproportionality Index (“RDDI”)[10] that uses public systems and measures[11] to tell whether a racial and/or ethnic group’s representation in a particular public system is proportionate to their representation in the overall population. CSH’s index compares each group to the aggregation of all other groups and can be viewed as the “likelihood of one group experiencing an event, compared to the likelihood of another group experiencing that same event.”

The index Is normed to 1, with:

- An index of 1 indicates equal representation,
- An index below 1 indicates underrepresentation, and
- An index above 1 indicates overrepresentation in a particular system.

[10] https://www.csh.org/wp-content/uploads/2020/04/RDDI_OverviewHowTo.pdf

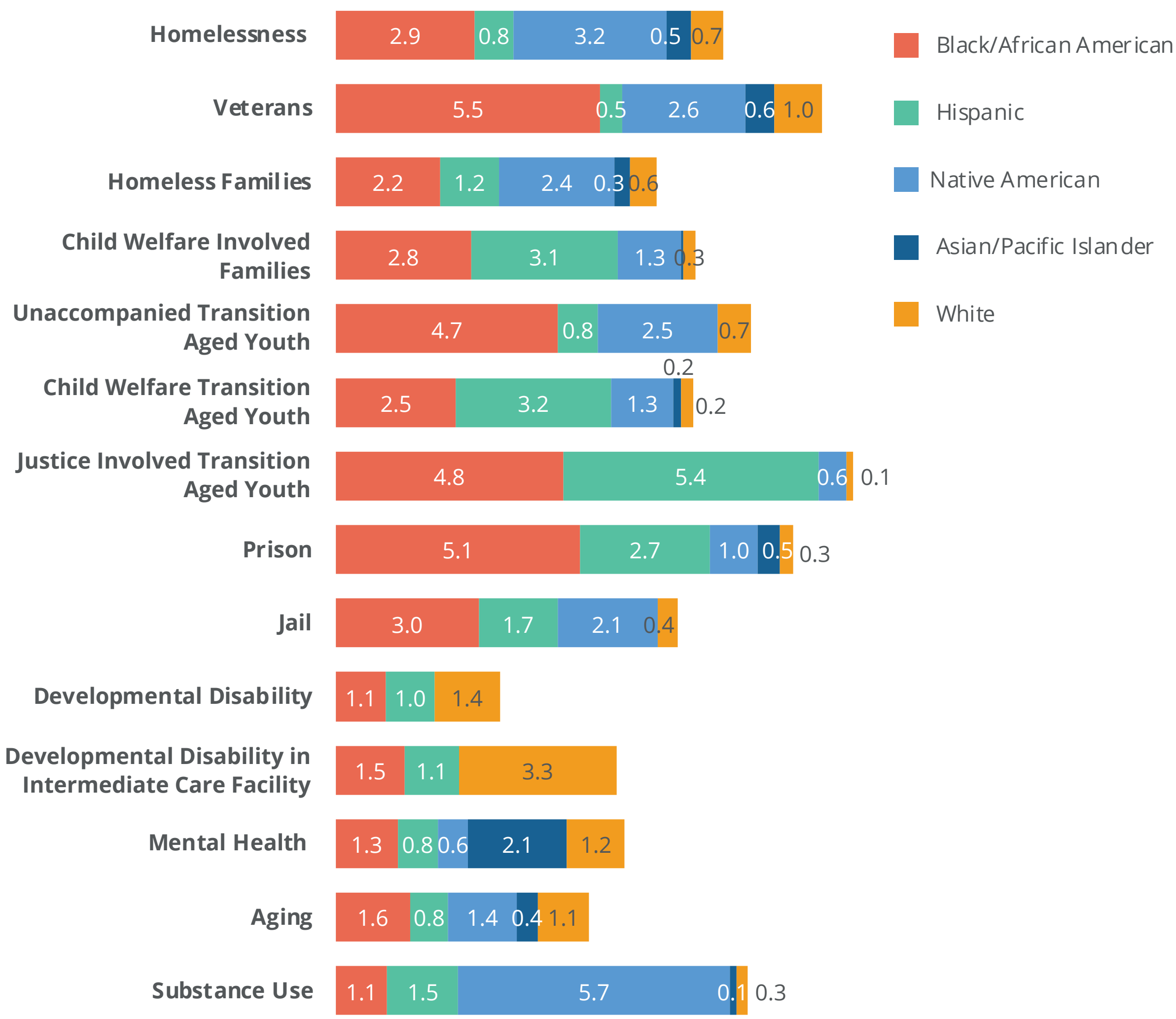
[11] https://www.csh.org/wp-content/uploads/2019/05/DATAREFERENCES_web.pdf

Figure III-7 presents all CSH disparity indices for New Mexico. The index shows Black/African American and Native American residents have an overrepresentation in several systems, including homelessness.

- Black/African Americans are particularly overrepresented among homeless veterans, unaccompanied transition aged youth, justice involved transition aged youth, and prison systems.
- Native Americans are particularly overrepresented in substance use, and homelessness systems.
- Hispanic residents are particularly overrepresented among justice involved transition aged youth.

The differences among youth suggest that interventions to reduce disparities at younger ages may improve the long term trajectory of disparities.

Figure III-7.
Disparities among Homeless Residents in New Mexico



Note: Data labels are included only for index values above 1.

Source: Corporation for Supportive Housing; https://www.csh.org/supportive-housing-101/data/

Precariously Housed Residents

As shown at the beginning of this section, the PIT counts two types of living situations: those residing in an unsheltered situation and those residing in a sheltered situation. Residents who are doubled up with family or friends, couch surfing, in unstable living conditions, or residing in substandard living conditions are not included in PIT counts. These residents are at a higher risk of homelessness and the supply of adequate affordable housing is crucial to keep them housed and increase housing stability.

The resident survey conducted for the Housing Strategy gathered responses from around 80 precariously housed residents. Thirty five percent of them live in Bernalillo County and another 22% in Luna County.

The characteristics of precariously housed residents include:

- **Disability.** Around 60% of respondents indicated they or someone in their household experienced some form of disability.

- **Living situation.** Around 75% indicated they currently live with family, friends or others not as part of a lease but due to a lack of housing that meets their needs. The majority of people in these living situations indicate that the primary reason they are doubled up is that they "cannot afford the monthly rent of the places that are available to rent anywhere."

- **Displacement.** Almost 40% have been displaced in the past 5 years. Aside from personal/relationship reasons, several indicated they were displaced because they were behind on rent, and rent increased more than they could afford. Over 40% of those displaced had to change job or lost their job due to the move, and 30% had their children change school due to the move.

- **Pandemic impact.** More than 70% of precariously housed residents said the COVID pandemic affected their housing situation. Around 30% indicated they had to move in with friends, 20% indicated they skipped payments on some bills, and 15% indicated they had to take on debt to pay for housing costs and picked up more work or an extra job to afford housing costs.

- **Housing solutions.** Precariously housed residents were asked "what do you feel you need to improve your housing security/stability?" The top three responses included:

    - Help me pay rent each month (37%);
    - Help me with a down payment (32%);
    - Find a home I can afford to buy/increase inventory of affordable for sale homes (25%).

The resident survey did not collect enough responses from homeless individuals and individuals in shelters and transitional housing to present results without compromising their privacy. However, their answers and comments were analyzed, and several housing needs and topics rose to the top. Several individuals indicated they lost their housing due to the COVID pandemic. Long waiting lists for housing subsidies are keeping them homeless, and the lack of places to rent that accept vouchers as well as minimum income requirements are significant barriers to finding housing.

Supportive Housing solutions. According to a recent analysis conducted by the New Mexico Coalition to End Homelessness[12] (NMCEH), about 6,548 New Mexicans experience homelessness annually but do not receive adequate assistance to help them exit homelessness. Specifically,

- Analysis of data from the New Mexico Homeless Management Information System (HMIS) showed that in 201, a total of 897 people exited quickly with little help from the services system.
- A total of 1,894 were able to exit homelessness with longer term help, and
- 3,777 people remained homeless after seeking assistance.
- Thus, while the current system is helping many people exit homelessness, a significant share of people experiencing homelessness are not receiving enough help or the right help to enable them to effectively exit homelessness.

The study highlights that there are two interventions that have been studied extensively and are considered evidence based best practices for helping people exit from homelessness: rapid rehousing, and permanent supportive housing.

- **Rapid rehousing** involves providing rental assistance to help people experiencing homelessness move into an apartment, and then provide rental assistance that decreases over time as the household income increases until the assistance is no longer needed. Rapid rehousing is provided in scattered site apartments where the tenant can stay in the apartment after the assistance ends.

  The success of rapid rehousing is dependent on housing availability. Increasingly, communities across New Mexico have a shortage of quality affordable rental housing, which has challenged the effectiveness of rapid rehousing programs. Some creative techniques to manage the shortage of affordable housing include setting up compatible roommates in two bedroom units, leasing single family dwellings for several roommates, and renting rooms in owner occupied houses. Renting rooms in owner occupied housing can be particularly useful for housing homeless youth, a practice referred to as host homes.

- **Permanent supportive housing (PSH)** involves providing rental assistance and support services for as long as they are needed. Clients of PSH are expected to pay 30% of their income for rent, with the program paying the difference. Intensive supportive services are offered to assist clients in obtaining health care, mental health care, substance abuse treatment, job training, and other assistance as needed. PSH

[12] https://nmceh.org/docs/White%20Paper%20Homeless%20NMCEH%20010820.pdf

may be provided in scattered site privately owned apartments or in site based apartments owned by the PSH program.

In a study of the Albuquerque Heading Home Initiative, PSH was found to be associated with a reduction in the use of emergency room services, medical outpatient services, hospital inpatient services, emergency shelters, and jails. This resulted in a savings of approximately 30% ($12,832) per participant in the first year of the study period. In addition, participants reported an improvement in quality of life, a reduction in alcohol use, and an increase in contact with family members.

The Corporation for Supportive Housing (CSH)'s "Supportive Housing Needs Assessment" is a compilation of point in time, or census, counts of people involved in multiple public systems that have needs consistent with supportive housing. [13] The report data represent a snapshot of supportive housing need as it appears currently. In order to avoid duplication, it does not show need over time in each individual system or project broader trends.

Figure III-8 shows the estimates produced for New Mexico. According to the analysis, around 8,400 supportive housing units are needed in the state. In addition to needs related to homelessness and persons involved in the justice system, the analysis demonstrates substantial needs for persons with disabilities.

[13] https://www.csh.org/wp-content/uploads/2019/05/TOTAL_web.pdf

Figure III-8. Supportive Housing Need in New Mexico

Note:

For methodology details visit https://www.csh.org/wp-content/uploads/2019/05/TOTAL_web.pdf

Source:

Corporation for Supportive Housing; https://www.csh.org/supportive-housing-101/data/

Public System	Housing Units
Total	**8,427**
Chronic Homeless	1,155
Non Chronic Homeless	118
Homeless Families	39
Child Welfare Families	252
Unaccompanied Transition Aged Youth	126
Child Welfare Transition Aged Youth	25
Justice Involved Transition Aged Youth	64
Prison	672
Jail	1,153
Developmental Disability Waitlist	2,172
Developmental Disability in Intermediate Care Facility	300
Developmental Disability Residential	691
Mental Health Institutional	563
Mental Health Residential	15
Aging	885
Substance Use	197

Stakeholder perspectives on PSH. According to the stakeholder engagement completed to support this plan, there is a dire need for PSH throughout the state, as well as the need for more supportive services and staff/capacity to provide these services.

The shortage of behavioral health services statewide was frequently raised in the context of PSH, and housing persons experiencing homelessness in general. Many stakeholders reiterated that to be successfully implemented, PSH needs to be paired with an appropriate level and type of services, and that service provision carry adequate funding.

The challenges are twofold:

1) There is a shortage of service providers in general; and

2) The service providers that do exist are oversubscribed and do not have the expertise or capacity to address serious behavioral health issues.

Almost all stakeholders spoke to the need for more capacity to best serve populations who need PSH and the wraparound services. These same stakeholders noted how challenging it is to put and keep behavioral support services—especially services for high needs populations—in place.

Many stakeholders pointed to the lack of a comprehensive, functioning mental health system as a major barrier to supporting a successful PSH housing system. Some stakeholders attributed the current shortage on the significant reduction in funding for behavioral health services in 2013, which reduced provider capacity statewide.

Most said that the gaps in services are largest in rural areas. Other stakeholders said the need was becoming acute in high cost, urban areas, as property owners respond to the higher prices they can command from other types of tenants.

Stakeholders consistently mentioned the shortage of developers who specialize in PSH, and the need to build capacity.

Other estimates. An Urban Institute report produced for the City of Albuquerque[14] estimated that around 2,200 households need permanent supportive housing.[15] In addition, the report estimates there is a gap of nearly 800 units of rapid rehousing for people experiencing homelessness.

The annual PIT count in Santa Fe for January 2020 showed that there were 407 homeless people in Santa Fe on a single night in January. This is an increase over previous years and continues an upward trend that started in 2018. At the same time, 428 formerly homeless people were living in supportive housing designated for people exiting homelessness. Of these, 340 were living in permanent supportive housing for people with disabilities and 88 were living in transitional housing or rapid rehousing for people without disabilities.

The most recent Affordable Housing Plan from the Town of Taos[16] indicates Taos County had a small homeless population through 2015. However, these numbers doubled in January 2017 and doubled again in January 2019, reaching 100.

The report also highlights that while in rural towns there are fewer homeless individuals on the street, compared to larger cities, many are living in unsafe situations and conditions because they have nowhere else to go. In Taos, this situation is exacerbated by the high cost of housing.

[14] https://www.urban.org/sites/default/files/publication/102261/albuquerque-affordable-housing-and-homelessness-needs-assessment_2.pdf

[15] The estimate was produced using the number of individuals who were experiencing chronic homelessness from the 2019 point-in-time count, coordinated entry assessment data, and local estimates of individuals not previously known to the homeless system.

[16] https://www.taosgov.com/DocumentCenter/View/2637/Town-of-Taos-Affordable-Housing-Plan--FINAL-DRAFT

The report estimates that an additional 50 beds are needed for emergency shelter[17] and that there is a great need for affordable rental housing which individuals exiting homelessness can move into permanently—State of Homelessness in Taos Collaborative estimates the need for this type of housing to be 70 units.

Accessibility Challenges of Persons with Disabilities

The Fair Housing Act of 1991 introduced accessibility rules for new housing developments. Newly developed affordable housing is required to make 5% of units accessible. Newly developed market rate housing is required to make 2% accessible. There are two types of accessible units.

- **Type A is fully accessible.** This includes access to site and common areas; access to units; wheelchair accessible kitchens; bathrooms, doors, closets; and accessible appliances in a range of unit types.

- **Type B is adaptable.** This includes access to site and common areas; access to units on the ground floor if there is no elevator or to all units if there is an elevator; use of at least one bathroom in the type B units.

More details on these requirements can be found on the Americans with Disabilities Act website.

Accessible housing stock. According to 2019 5-year ACS data, the majority (63%) of New Mexico's housing stock, or 587,948 homes, were built before accessibility requirements were put in place by the Fair Housing Act in 1991. This means that many homes in the state will not be accessible to individuals with disabilities. Counties with the highest proportions of their housing stock built before 1991 were Harding County (91%), Union County (88%), De Baca County (86%), and Quay County (85%). On the other end of the spectrum, over half of the homes in Sandoval County were built after the Fair Housing Act and are therefore more likely to have accessible housing.

Figure III-9 provides an estimate of the number of accessible homes in each county. The Fair Housing Act requires that multifamily market rate housing built after 1991 have accessibility features; housing with federal funds has a 5% requirement. For this analysis, the estimated number of accessible homes in Figure III-9 is calculated as 2% of all du-/tri-/fourplexes and multifamily units/apartments built after 1990. Because some developments may have been retrofitted and because some single family homes may also be accessible, these figures are likely underestimates. However, research from the Furman Institute estimate that less than one percent of homes nationwide are wheelchair accessible and nearly 4% are "livable" for individuals with mobility difficulties (meaning the

[17] This is a combined estimate based upon consistent overflow at the Taos Men's, Community Against Violence and Heart House shelters.

home has a stepless entry, entry-level or elevator accessible bathroom and bedrooms, no steps between rooms, and accessible bathrooms with grab bars).[18]

Figure III-9 also indicates the number of people with an ambulatory difficulty in each county. Note that this does not include individuals with other disabilities (for instance, hearing, vision, or cognitive difficulties), nor do they include elderly individuals who may require accessible housing soon. The estimates also assume one disabled member per household. Despite these weaknesses, these estimates provide a ballpark estimate of the upper bound need for accessible units. The gap is calculated by subtracting the estimated number of accessible housing units from the number of people with ambulatory disabilities, we calculate gaps in accessible housing needs (column 3). Columns 4, 5, and 6 also include percentage estimates by county.

This exercise suggest that:

- For the state overall, there is an estimated 164,022 missing accessible housing units for people with ambulatory difficulties, which equates to 7.9 percentage-point gap. This is a much larger estimate than is derived from the resident survey, which suggested that the number of New Mexico households who have a member with a disability translates to around 43,000 units that do not meet the needs of people with disabilities.

- Nearly 21% of Catron County's population have an ambulatory difficulty but only less than 0.01% of their housing stock is estimated accessible housing.

- Los Alamos, Santa Fe, and Lea counties had the lowest percentage-point gaps in accessible housing. This is driven both by the counties' having a greater proportion of newer, multifamily housing units and by the counties' having a low proportion of individuals with ambulatory disabilities.

- Catron, Harding, and Socorro counties have the largest percentage-point gaps in accessible housing. All five counties have populations where more than 16% have an ambulatory disability and have less than 0.2% of estimated accessible housing stock.

- However, in terms of the number of accessible homes missing, Bernalillo, Doña Ana, and Sandoval, counties have the largest gaps, each with over 10,000 missing units.

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[18] Bo'sher, Luke, et al. "Accessibility of America's Housing Stock: Analysis of the 2011 American Housing Survey (AHS)." *Available at SSRN 3055191* (2015).

Figure III-9.
Gaps in Accessible Housing by County, 2019

	Number			Percent		
	People with Ambulatory Disability	Accessible Housing Units	Accesible Housing Gap	Population with Ambulatory Disability	Accessible Housing Units	Percentage Point Gap
Bernalillo	46,366	824	45,542	6.9%	0.31%	6.6%
Catron	726	0	726	20.6%	0.00%	20.6%
Chaves	6,143	25	6,118	9.6%	0.11%	9.5%
Cibola	3,828	11	3,817	15.0%	0.13%	14.9%
Colfax	1,461	8	1,453	12.6%	0.13%	12.5%
Curry	4,257	28	4,229	9.1%	0.15%	8.9%
De Baca	200	1	199	9.9%	0.08%	9.8%
Doña Ana	14,944	142	14,802	7.0%	0.18%	6.8%
Eddy	4,134	21	4,113	7.2%	0.10%	7.1%
Grant	2,862	19	2,843	10.5%	0.16%	10.4%
Guadalupe	365	4	361	10.0%	0.31%	9.7%
Harding	73	-	73	16.7%	0.00%	16.7%
Hidalgo	522	2	520	12.5%	0.10%	12.4%
Lea	4,546	28	4,518	6.7%	0.13%	6.5%
Lincoln	1,881	9	1,872	9.8%	0.12%	9.7%
Los Alamos	639	28	612	3.4%	0.35%	3.1%
Luna	2,717	18	2,699	11.5%	0.20%	11.3%
McKinley	6,303	25	6,278	8.7%	0.12%	8.6%
Mora	728	0	728	16.0%	0.01%	16.0%
Otero	6,307	25	6,282	10.4%	0.11%	10.3%
Quay	1,050	6	1,044	12.7%	0.19%	12.5%
Rio Arriba	3,084	5	3,079	7.9%	0.04%	7.9%
Roosevelt	1,450	6	1,444	7.9%	0.09%	7.8%
Sandoval	10,647	31	10,616	7.5%	0.06%	7.4%
San Juan	9,196	51	9,145	7.3%	0.12%	7.2%
San Miguel	3,750	15	3,735	13.8%	0.13%	13.7%
Santa Fe	9,815	96	9,719	6.6%	0.16%	6.5%
Sierra	1,644	9	1,635	15.3%	0.17%	15.1%
Socorro	2,719	6	2,713	16.2%	0.12%	16.1%
Taos	3,330	12	3,318	10.2%	0.10%	10.1%
Torrance	1,307	2	1,306	8.6%	0.03%	8.6%
Union	421	0	421	12.1%	0.03%	12.1%
Valencia	8,076	14	8,062	10.8%	0.05%	10.8%
New Mexico	**165,491**	**1,469**	**164,022**	**8.0%**	**0.19%**	**7.9%**

Source: 2019 5-year ACS estimates and Root Policy Research.

Economists project that 21% of households will have at least one resident with a physical limitation disability in 2050.[19] The same study also estimates that there is a 60% probability that a newly built single family detached unit will house at least one disabled resident during its expected lifetime, and 91% will welcome a disabled visitor. Given these projections, housing developers may wish to prioritize visitability features. A house is considered visitable when it has at least one zero-step entrance, has doors with 32 inches of clear passage space, and has one bathroom on the main floor one can get into in a wheelchair. These amenities are good for residents and for the local economy: they reduce the likelihood of future retrofitting costs, allow more homes to be accessible to workers with disabilities, and are desirable to homebuyers.[20]

Additionally, accessible homes have been shown to reduce the cost of in-home care, thus reducing the financial burden faced when paying for formal care labor and the time burden faced by informal care providers.[21] Other studies have found that the effect of disability on mental health is worse if living in unaffordable housing, meaning that affordable and accessible housing for individuals with disabilities could also reduce associated mental healthcare costs.[22]

Tribal Housing

According to HUD's "Housing Needs of American Indians and Alaska Natives in Tribal Areas"[23] housing problems of American Indians and Alaska Natives, particularly in reservations and other Tribal areas, are extreme by any standard. Of American Indian and Alaska Native households living in Tribal areas, 23% live in housing with a physical condition problem of some kind compared with 5% of all of all U.S. households. At the national level, the study estimates that between 42,000 and 85,000 homeless Native Americans are living in Tribal areas. Unlike on-the-street homelessness, in Tribal areas homelessness often translates into overcrowding. Of American Indian and Alaska Native

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[19] Smith, Stanley K., Stefan Rayer, and Eleanor A. Smith. "Aging and disability: Implications for the housing industry and housing policy in the United States." *Journal of the American Planning Association* 74.3 (2008): 289-306.

[20] Nasar, J. L., & Elmer, J. R. (2016). Homeowner and homebuyer impressions of visitable features. *Disability and health journal*, *9*(1), 108-117.

[21] Smith, Stanley K., Stefan Rayer, and Eleanor A. Smith. "Aging and disability: Implications for the housing industry and housing policy in the United States." *Journal of the American Planning Association* 74.3 (2008): 289-306.

[22] Kavanagh, A. M., Aitken, Z., Baker, E., LaMontagne, A. D., Milner, A., & Bentley, R. (2016). Housing tenure and affordability and mental health following disability acquisition in adulthood. *Social science & medicine*, *151*, 225-232.

[23] https://www.huduser.gov/portal/publications/HNAIHousingNeeds.html *Housing Needs of American Indians and Alaska Natives in Tribal Areas*, presents results of two original and unique data sources produced specifically for this study: (1) a nationally representative survey of housing conditions and needs among American Indian and Alaska Native households in tribal areas and (2) a survey of 110 Tribally Designated Housing Entities, including 22 site visits. Results of these surveys are complemented in this report by analyses of data from decennial censuses, the American Community Survey, the American Housing Survey, and HUD financial and information systems.

households living in Tribal areas, 16% experience overcrowding compared with 2% of all U.S. households.

HUD's study analyzed variation in the extent of Tribal area housing problems, by region, and between 2006 to 2010 period. Overall, Tribal housing problems are concentrated in three regions: Plains (15%), Arizona/New Mexico (31%), and Alaska (36%). These three regions account for 44% of all American Indian and Alaska Native households in Tribal areas, but they account for 73% of households that had physical housing problems.

The share of *low income* American Indian and Alaska Native households in Tribal areas with these problems also was dominant in these regions: 18% in the Plains, 36% in Arizona/New Mexico, and 44% in Alaska (compared with 8% or less in the North Central, Eastern, and Oklahoma regions). The three regions with the most serious problems were also among those where low-income households dominated the total population in the area: 65% in the Plains, 62% in Arizona/New Mexico, and 59% in Alaska.

In New Mexico, according to 2020 ACS data, census tracts with a majority of Native American population, housing, or land area associated with an American Indian Area[24] have higher rates of overcrowding, units lacking complete kitchen facilities or plumbing, and vacant units (Figure III-10).

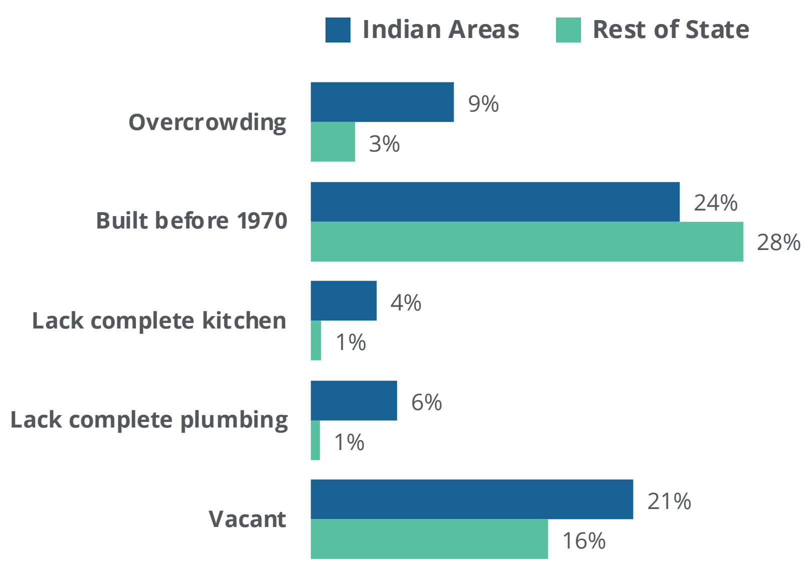
Figure III-10. Housing Needs in Indian Areas v. Rest of State

Note:

Indian Areas include census tracts with a majority of AI/AN population, housing, or land area associated with a tribal area. Areas include a total of 78,038 housing units.

Source:

2020 5-year ACS, and Root Policy Research.



As shown in Figure III-11, more than 5,700 housing units in Indian areas are overcrowded, over 18,800 were built before 1970, over 2,600 lack complete kitchen facilities, almost 3,500

[24] "Indian Area" is defined as a tribal area plus normally adjacent lands in which tribal members reside and where additional housing needs may be substantial. https://www.huduser.gov/portal/sites/default/files/pdf/HNAIHousingNeeds.pdf, page 76.

lack complete plumbing, and over 16,400 housing units are vacant. There is likely significant overlap among these categories.

Figure III-11.
Housing Needs in Indian Areas

Note:

Indian Areas include census tracts with a majority of AI/AN population, housing, or land area associated with a tribal area. Areas include a total of 78,038 housing units.

Source:

2020 5-year ACS, and Root Policy Research.

	Housing Units
Overcrowding	5,774
Built before 1970	18,851
Lack complete kitchen	2,659
Lack complete plumbing	3,491
Vacant	16,479

The Low Income Housing Tax Credit (LIHTC) program is the most common and heavily subsidized method for creating new affordable rental housing nationally. However, multifamily rental housing, and LIHTC, is rare in Indian areas.

A recent national report on LIHTC in Indian Areas[25] highlights some challenges to LIHTC development that are unique to Indian areas. Key findings of the report include:

- There are over 2,000 LIHTC properties in Indian areas supporting over 80,000 units. However, this is an overestimate of the tribal LIHTC stock because not all properties that fall within the boundaries of Indian areas specifically focus on serving tribal members.
- Debt financing for LIHTC housing is very limited on tribal lands. As such, projects heavily depend on tax credit equity and housing grants.
- LIHTC properties in Indian areas tend to be very small. Only 3.4% of the properties have 100 or more units, compared with 23% nationally.
- Set-asides for tribal LIHTC projects are offered by three states (discussed below), while several others have preferences for projects that serve this population.
- Despite the importance of LIHTC in providing safe, decent, and affordable housing in these areas, there have been many challenges that have impeded LIHTC development. These include, but are not limited to, subpar or incomplete infrastructure, low availability of soft debt financing, and insufficient state set-asides and incentives for LIHTC projects relative to the need.

At the national level, LIHTC projects that serve tribal members in Indian areas are supported by tax credits, especially nine percent tax credits, at a very high rate. When comparing tax credits on Indian reservations to the nation, the use of 9% credits relative to

[25] https://www.ncsha.org/wp-content/uploads/2018/11/LIHTC_in_Indian_Areas.pdf

4% credits is 22% higher on reservations. Given the low income of tribal members and the prevalence of long waitlists for affordable units, there is a significant need for LIHTC housing in these areas.

Although some tribal projects in Indian areas can successfully compete in the general pool for credits, many projects have trouble competing without set asides. Some states incentivize development in areas with access to local services such as doctor's offices and grocery stores. Projects located in rural, tribal areas that are not near these types of amenities are normally unable to compete without the presence of set-asides.

Several states have set asides of preferential point systems that allocate a certain number of tax credits for tribal LIHTC projects in Indian areas.

- California has included a tribal set-aside since 2014 that awards up to $1 million in tax credits to projects that are on Indian reservations and serve tribal members. Before this set-aside, tribal projects were rare in California because the projects were not competitive enough.
- Arizona has a tribal set-aside that is normally able to support multiple projects every year. The total amount is $2 million, with $1 million being used for tribes that have received credits in the past ten years and the other million set aside for tribes that have not received credits in the past ten years.
- Michigan has a tribal set-aside with an amount equal to the lesser of one project or $1.5 million.
- Oregon has a 10% Tribal Lands set-aside.
- North Dakota allows for 30% more tax credits to be awarded for projects on tribal reservations. They also have a set-aside equal to 10% of their housing credit ceiling.
- Minnesota does not have a set-aside for tribal housing but has an explicit preference for tribal and rural housing in the general pool of credit allocation.
- South Dakota has a $673,000 Indian Reservation set aside.
- New Mexico has an "Underserved Populations" set-aside under which 20% of the annual credit ceiling is set aside for USDA Rural Development new construction projects, certain permanent supportive housing projects, and projects that are located within a Tribal Trust Lands boundary.

The reports finds that three primary factors enable success in developing quality LIHTC housing:

- Strong leadership;
- Management stability; and
- LIHTC expertise.

The report concludes that the complexity of the LIHTC program can deter tribes from pursuing housing through this program and hiring outside consultants has been a successful strategy on a substantial portion of LIHTC housing developments each year.

The report also notes that the Community Reinvestment Act (CRA), which stipulates that financial institutions invest in communities where they take bank deposits, serves as a significant driver for LIHTC investment nationally, but has historically been far less effective in Indian areas. Most banks do not have Indian areas as part of their CRA footprint, which means that few institutions are incentivized to reinvest in these areas. This results in lower demand for credits.

Stakeholder perspectives. According to New Mexico stakeholders who live and work on Tribal lands the housing market in native communities can be described as *"non-existent"* and *"zero."* Several stakeholders described that many native communities are impacted by no supply of new housing, low to zero vacancy of existing housing, and severe overcrowding. Some stakeholders also noted that lack of land to develop is a barrier to building new housing.

Several stakeholders noted that the cost of construction, as well as supply chain issues, are also adversely affecting the development of new housing on tribal lands. One stakeholder noted that tribes need "*more money, more time, and more opportunity."* Another stakeholder noted that buying new mobile trailers is one strategy to supply housing but mobile homes have become increasingly expensive.

Housing needs are acute on Tribal lands and stretch across the income continuum. One stakeholder noted that there is a lack of culturally responsive housing and trauma informed services. Another stakeholder advocated for housing with supportive services included, noting that without supportive services on the reservation, tribal members will go to urban areas for housing.

The high costs of extending public infrastructure in support of affordable housing is also a major barrier. Funding to help support infrastructure improvements and extensions is needed.

Overall, the need for housing rehabilitation is extremely high and waiting lists for funding are common. Due to limited availability of resources, funding is competitive among tribes and does not meet demand. Private sector home improvement loans do not typically work well on Tribal lands for a variety of reasons, including land ownership and credit history.

Stakeholders noted that rehabilitation costs on Tribal lands can be very high due to the lack of contractors, travel costs associated with reaching Tribal lands, age of housing, and condition of housing. The cost to rehabilitate a modest (1,100 sq. ft.) single family home may be as high as $100,000. Homes typically need intensive repairs including roof, and electrical, HVAC, as well as updates to bring them up to code. On Pueblos, where historic preservation is a priority, the average cost for rehabilitation can be between $250,000 and $350,000.

Older residents in the reservations cannot do many repairs themselves and also need accessibility modifications; however, these tend to receive lower priority and usually funding is not available after health, safety, and code issues are tackled. Needed accessibility modifications are expensive and include ramps, expanded doorways, and walk-in showers.

Other issues noted by stakeholders is the lack of code enforcement. One stakeholder noted that this should be in the purview of tribal governments and advocated for the training of tribal members to be certified code inspectors. This stakeholder noted that *"these need to be more than just rules that need to be followed."*

Overcrowding was described as a major issue in tribal communities. One stakeholder said they are looking at acquisition of smaller homes, but it doesn't address the overcrowding issue. They noted it's *"hard to get around the cultural piece—everyone lives together."* Another stakeholder added that they need buy-in from families around separating into smaller groups, saying that *"we've looked into this and there is a lot of sensitivity. We need to do a lot of community engagement for our people to see what would be beneficial."* Clusters of smaller homes arranged around a shared open space (cottage clusters) was proposed as a potential idea.

The lack of access to traditional capital (for both mortgage loans and construction loans) was described as a major barrier to homeownership. Another stakeholder emphasized that low income and credit score qualifications are also hindrances. They noted that tribal homeownership programs need to provide deep subsidies to make homeownership viable for the majority of people. One stakeholder noted that *"sometimes we need to get people into a debt consolidation program before we offer them a loan. Sometimes people will income qualify but not credit qualify…they might just have lots of obligations."* Another stakeholder noted that the biggest barrier to homeownership in Indian County is precedent. *"If your parents are homeowners, it's more likely that you'll also be a homeowner."*

One stakeholder noted that most federal and public policy was not designed with tribes in mind, noting *"Inner-city solutions are not going to work on tribal land."* Because tribes have different needs and the federal government has specific obligations to Native communities, programs should be created to serve the specific needs of tribes. This stakeholder also advocated for the public sector to double and triple down its efforts to get resources to Indian Country.

One stakeholder advocated for tribes to be at the table for state- and federal-level housing conversations, noting "*ERAP was created without tribal community input. It puts a toll on tribes when they are not involved in discussions.*" Another stakeholder emphasized that not being at the table exacerbates their capacity issues, noting they weren't able to disperse ERAP funds until June even though they received the funds in February. They noted that *"there is a lot of compliance and reporting for funds we accept but not a lot of capacity."*

On the flip side, another stakeholder noted that they do have the capacity but don't have adequate funding. This stakeholder again emphasized the need for tribal voices at the table for state- and federal-level conversations. *"When they come up with these programs, they don't have Native people in the room. The level of capacity depends on the tribe."*

One stakeholder advocated for a better partnership with MFA, and increased funding, to help them reach parity with their non-Native neighbors: *"We can't operate like affordable housing developers off reservation."*

"We just need major investment…it's not just an issue of capacity, we haven't had historic access to funding."

Stakeholders also advocated to see a commitment from MFA to help solve Native-identified issues. One stakeholder was interested to better understand MFA's financial commitment to tribes, asking: *"How much of MFA's budget is allocated to tribal interests, how many FTEs are dedicated to Native needs?"*

Colonias

Colonias typically are rural communities within the US-Mexico border region that lack adequate water, sewer, or decent housing, or a combination of all three. They typically form in response to a need for affordable housing.

New Mexico has two distinct types of colonias: entire small towns designated as colonias and subdivision-level colonias. The subdivision-level colonias vary in terms of typology; some are trailer home communities while others follow a homestead colonia development pattern under which property owners were allowed to subdivide their land into four parcels without triggering laws and regulations that control subdivision. After two years, property owners could split their land again, and this process could continue indefinitely, ultimately subdividing large areas into small plots without any requirements for utilities, proper roads, etc. The state's subdivision law has been amended to be applicable to land divisions into two or more parcels; closing the loophole utilized by colonia developers.[26]

Furthermore, State funding has been established through the Colonias Infrastructure Project Act of 2010 to assist colonia development. In New Mexico, about 150 colonias have been identified as eligible for one or more of the different colonias funding sources (e.g., HUD, USDA, etc). Most are unincorporated long-standing communities.

Data on the housing conditions within colonias are very limited and are best gathered through targeted resident surveys conducted by trusted stakeholders. Figure III-12 shows housing needs in census tracts that include colonias according to 2020 ACS estimates. Areas with colonias have significantly higher share of unoccupied housing units compared to areas that do not include colonias (29% v. 15%), these areas also have higher shares of homes using bottled, tank, or LP gas (14% v. 6%) and wood (9% v. 7%) as a heating source.

As shown in the figure, in census tracts with colonias estimates indicate around 1,800 overcrowded housing units, over 17,000 units built before 1970, 400 units lacking complete kitchen facilities, and over 800 lacking complete plumbing facilities. Around 6,700 units using bottled, tank, or LP gas as a heating source and 4,300 using wood as a heating source. Around 20,000 housing units in census tracts with colonias are vacant. There is likely duplication among these categories.

Figure III-12. Housing Needs in Areas with Colonias

Note:

Includes census tracts with Colonia designated blocks groups calculated by UNM BBER. Areas include a total of 69,955 housing units.

Source:

2020 5-year ACS, BBER, and Root Policy Research.

	Housing Units
Overcrowding	1,798
Built before 1970	17,388
Lack complete kitchen	414
Lack complete plumbing	818
Heating fuel- bottled, tank, or LP gas	6,773
Heating fuel- wood	4,321
Vacant	20,090

[26] https://www.hudexchange.info/programs/cdbg-colonias/colonias-history/

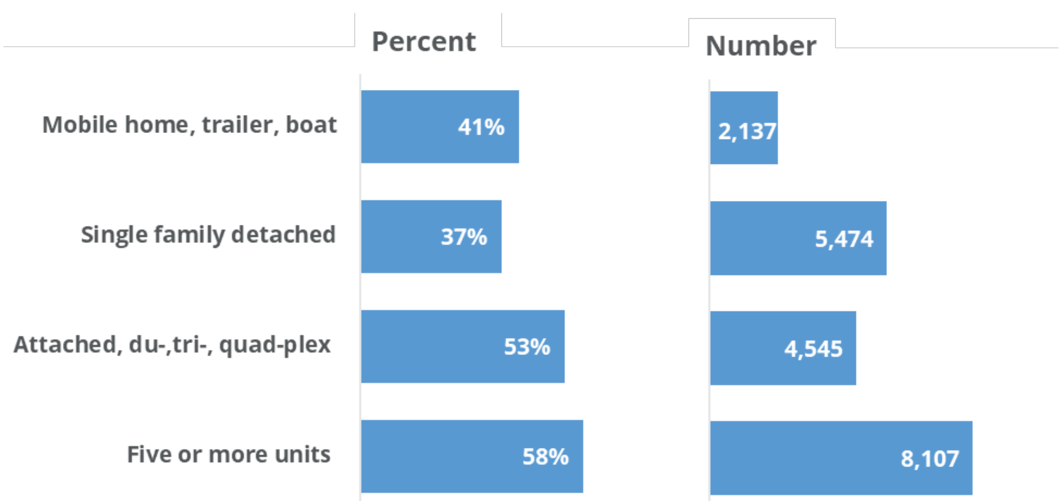
Senior Households

According to MFA's most recent Housing Needs Assessment senior-headed households in New Mexico are predominately homeowners, but many are also low-income. The senior homeownership rate of 83% is much higher than the rate for all New Mexico households. This combination of high homeownership rates and low incomes means that many seniors may not have the financial ability to move as they age and will either need age-in-place services or affordable rentals. Both options are sparse in many areas of the state. The counties with the largest need for senior housing/Age in place services are: Cibola, Colfax, Mora, Curry, Roosevelt, Quay, Guadalupe, Union, DeBaca, Harding, Lea, Otero Lincoln, Doña Ana, Grant, Luna, Socorro, Sierra, and Hidalgo.

Among renter households with at least one person over the age of 65, 33% live in multifamily housing (13,944), 20% (8,533 households) live in a one-family attached home or a du-, tri-, or quad-plex, 35% (14,863 households) live in single family detached homes, and 12% (5,158 households) live in mobile homes.

Figure III-13 shows the percent and number of seniors renter households who are cost burdened by housing type. Senior renter households living in multifamily housing are more likely to be cost burdened than those living in single family housing or mobile homes.

Figure III-13.
Percent and Number of Cost Burdened Senior Renter Households by Housing Type, 2019

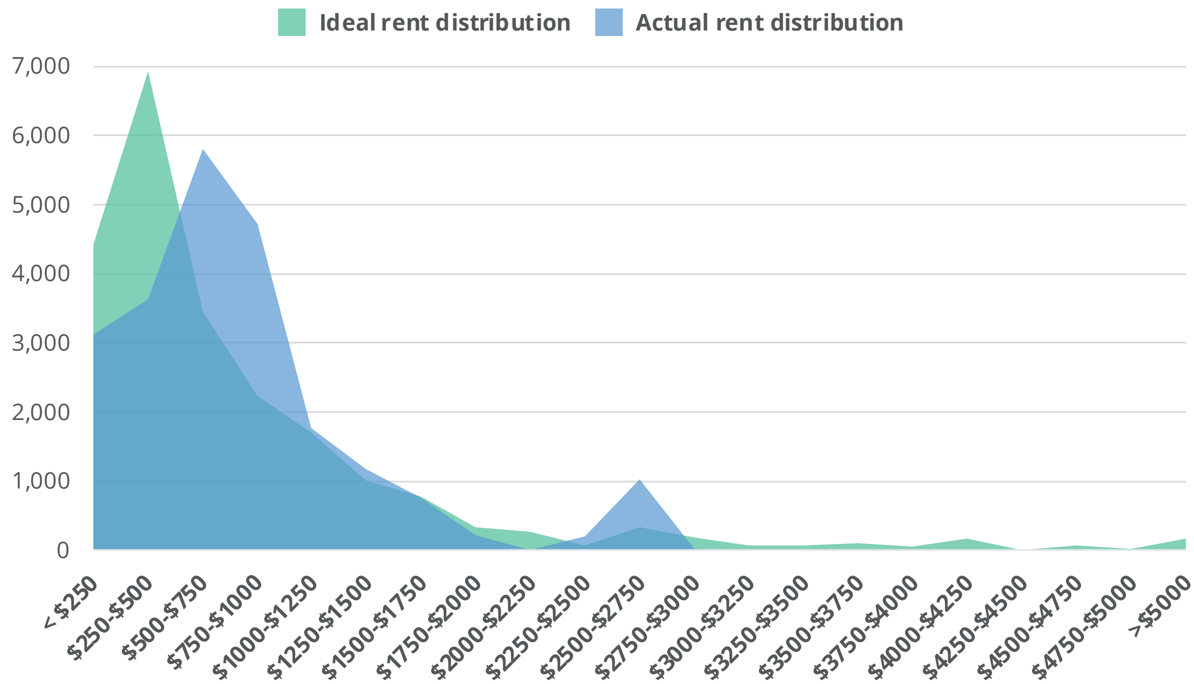


Note: Includes renters with at least one person over age 65 in the household.

Source: 2019 ACS 5-year IPUMS and Root Policy Research.

Figure III-14 shows the actual distribution of multifamily rental housing for senior renter households according to gross rent costs compared to rent without cost burden for seniors renting multifamily units. Ideal rents are calculated as 30% of monthly household income.

Figure III-14.
Actual Rents v. Ideal Rents for Seniors Renting Multifamily Units, 2019



Notes: Ideal rents are calculated as 30% of monthly household income.

Source: 2019 ACS 5-year IPUMS and Root Policy Research.

The largest gaps are at the lowest end of the rent spectrum. There is a shortage of 4,590 units priced below $500 for senior renter households. In order to avoid being cost burdened, 1,299 senior renter households should be paying less than $250 and 3,291 should pay between $250 and $500.

According to population projections by the University of New Mexico, the share of residents over the age of 65 is projected to increase from 18% in 2020 to 21% of total residents by 2035. According to a 2021 AARP survey, 77% of adults over age 55 want to remain in their homes for as they age, and 92 percent said they wanted to remain in their communities and this number has remained relatively consistent for more than a decade and was not impacted by the pandemic.[27]

In order to age in place, seniors must be able to either afford to remain in their current homes, making any necessary aging-related modifications, or be able to choose from affordable residential options in their current communities. For low-income households and even some middle-income households, paying to age in place can be challenge. For example, middle-income households that do not qualify for Medicaid home and

[27] https://livablecommunities.aarpinternational.org/

community-based care services or subsidized housing support services may not be able to afford to pay for in-home care, or home modifications.[28] According to the resident survey, 62% of households with an adult over age 65, do not plan to move in the next five years. Among those who plan to move, the majority plans to move because they want to find a more affordable housing option or because they rent and would like to own.

Children and Families

According to the resident survey families with children experience high rates of housing instability. The survey found that 32% of households with children experienced displacement in the past five years, and this rate was higher (38%) among single parents. Furthermore, 57% of those displaced indicated their children had to change school as a result of the move.

According to Census microdata:

- Around 28% of households with children—an estimated 78,000 households—are cost burdened. This rate is much higher among single parent households, at 54%—representing around 28,000 households.
- In terms of housing condition, 40% of households with children—an estimated 111,300 households—live in a home built before 1980, which poses lead exposure and early childhood development concerns.
- Around 8% of households with children—around 23,000— live in overcrowded housing conditions, and 1%—around 3,200—of households with children occupy housing in substandard condition lacking complete kitchen or pluming facilities.

Children and youth experiencing homelessness. According to the 2022 PIT, the total estimated number of households experiencing homelessness in Albuquerque was 860; of those 156 had at least one child and 6 were households with only children. Among the households with children, 117 were in emergency shelters, 33 in transitional housing, and 6 unsheltered. Among the households with only children, 2 were in emergency shelters, and 4 in transitional housing. In the Balance of State, the total estimated number of households experiencing homelessness was 1,010; of those 98 had at least one child and 6 were households with only children. Among the households with children, 83 were in emergency shelters, 13 in transitional housing, and 2 unsheltered. Among the households with only children, 2 were in emergency shelters, and 4 in transitional housing.

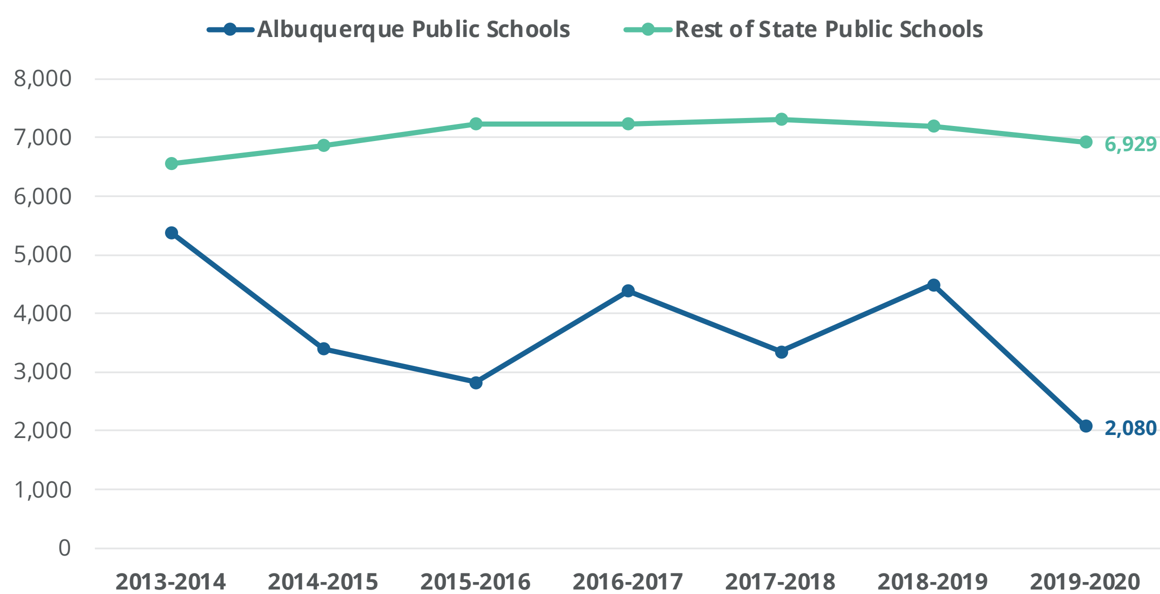
[28] US Department of Housing Urban Development. "Aging in place: Facilitating choice and independence." Evidence matters: Transforming knowledge into housing and community development policy (2013). Available at: https://www.huduser.gov/portal/periodicals/em/fall13/highlight1.html

Although the PIT provides a snapshot of homelessness on a single night, it excludes residents who are precariously housed, couch surfing, or were simply not identified on the night of the PIT. As such, it is considered an underrepresentation of homelessness in a community.

School districts, through the McKinney Vento Act provide an additional data point for measuring homelessness, with a focus on children and youth experiencing homelessness. Under the McKinney Vento Act, the term "homeless children and youths" is defined as individuals who lack a fixed, regular, and adequate nighttime residence.[29]

Figure III-15 shows trends in McKinney Vento counts for Albuquerque public schools and the rest of the state public schools. The most recent data available for the academic year 2019-2020 indicate a total of 9,009 children and youth experiencing homelessness, a decrease of 23% from the 11,960 reported in the previous academic year.

Figure III-15.
Trends Among Children and Youth Experiencing Homelessness



Note: Dates follow the academic calendar.

Source: U.S. Department of Education, and Root Policy Research.

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[29] This includes children and youths who are sharing the housing of other persons due to loss of housing, economic hardship, or a similar reason; are living in motels, hotels, trailer parks, or camping grounds due to the lack of alternative adequate accommodations; are living in emergency or transitional shelters; or are abandoned in hospitals; children and youths who have a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings; children and youths who are living in cars, parks, public spaces, abandoned buildings, substandard housing, bus or train stations, or similar settings; and migratory children who qualify as homeless under the previous definitions.

As shown in the figure, the decrease is driven by the drop in Albuquerque public schools, while the number in the rest of the state has remained around 7,000 for the past years. Counts for Albuquerque public schools may have also been impacted by school closures during the pandemic.

The latest New Mexico Consolidated Plan using data from the New Mexico Coalition Against Domestic Violence indicated that in 2017 (the most recent year with analyzed data), there were 19,234 domestic violence incidents reported to statewide law enforcement agencies, a 3% decrease from the previous year. Of the reported incidents, 71% of the domestic violence victims were female. Black/African American survivors (5%) and Native American survivors (13%) were disproportionality represented among victims compared to their proportion of the population in the State (2.5% and 10.9%, respectively). There were 28 domestic violence service providers that submitted data to the Central Repository for the 2017 Incidence and Nature of Domestic Violence In New Mexico XVII data analysis report. These service providers served 10,413 new clients during 2017.

Agricultural workers/Farmworkers

Figure III-16 shows state trends in agriculture, forestry, fishing, and hunting employment according in New Mexico to ACS estimates. Employment in the industry has remained stable in the past few years after trending downward since 2012. The state has nearly 12,000 jobs among the agriculture, forestry, fishing, and hunting industries.

Figure III-16. Agriculture, Forestry, Fishing and Hunting Employment in New Mexico

Note:

For the full-time, year-round civilian employed population 16 years and over.

Source:

ACS 5-year estimates, and Root Policy Research.

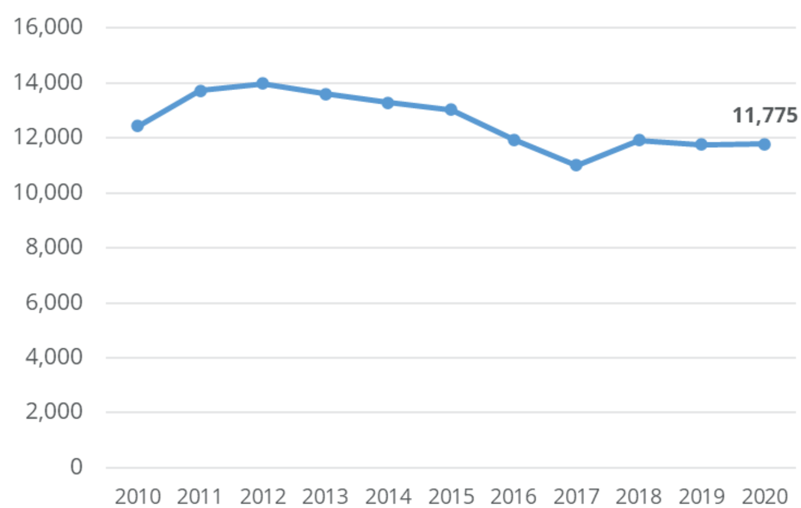

Figure III-17 shows average levels of employment by month between 2010 and 2021, demonstrating the seasonality of agricultural employment in the state. Peak employment occurs in July. The lowest level of agricultural employment occurs in July February.

Figure II-17. Average Number of Workers by Month, 2010-2021

Note:

Private, NAICS 11 Agriculture, forestry, fishing and hunting,

Source:

Quarterly Census of Employment and Wages - Bureau of Labor Statistics, and Root Policy Research.

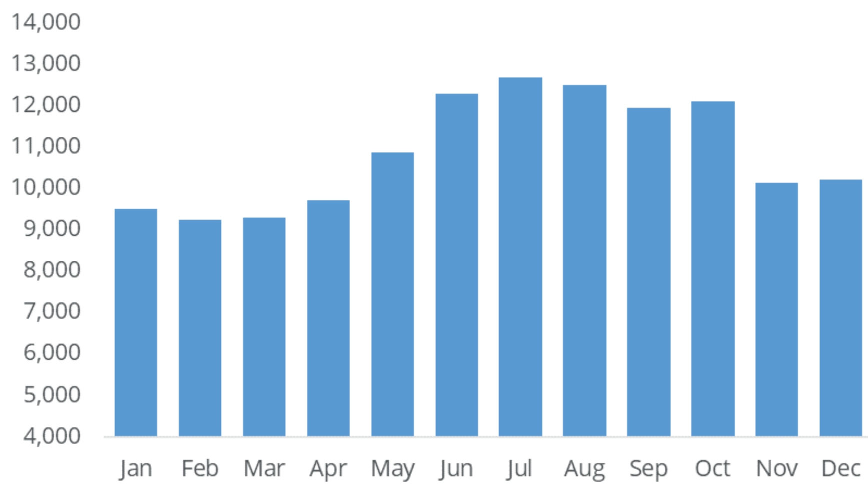

Figure III-18 shows the average annual wages for workers in the agriculture, forestry, fishing, and hunting industry compared to the average for all workers. Although wages have increased, the average wages of agriculture, forestry, fishing, and hunting workers are around 30% lower than average annual wages in the state.

Figure III-18. Average Annual Wages per Employee, 2010 - 2020

Note:

Private, NAICS 11 Agriculture, forestry, fishing, and hunting.

Source:

Quarterly Census of Employment and Wages - Bureau of Labor Statistics, and Root Policy Research.

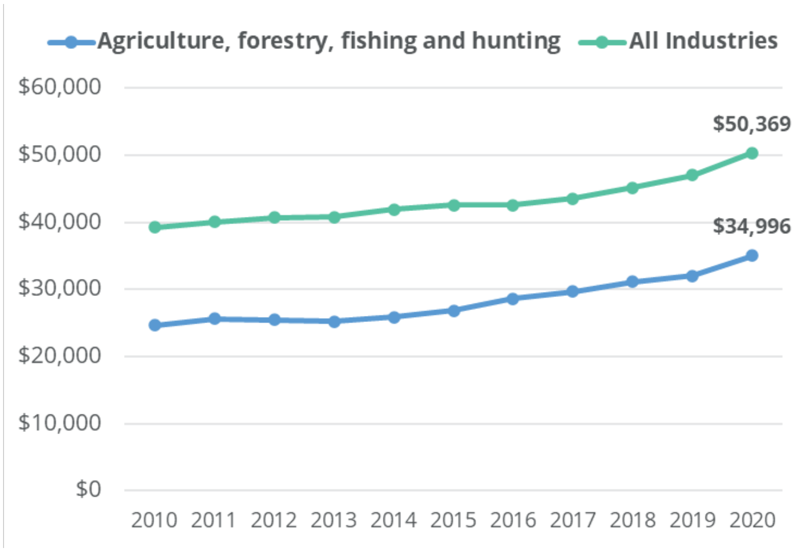

Figure III-19 shows the number of estimated agricultural workers by county according to ACS estimates. It compares those numbers to the estimates by the USDA 2017 Agricultural Census. USDA estimates are larger, driven by Doña Ana, San Juan, Rio Arriba, McKinley, Luna, and Socorro counties. ACS estimates for Bernalillo County are significantly larger than USDA estimates.

The figure also compares the estimated employment to the number of USDA assisted rental homes in 2021 and the number of private sector units needed to support the workforce, calculated as the difference between worker households—assuming 3 workers per households—and the number of assisted rental homes.

The majority of these units are assisted via Section 521 contacts and Section 515 loans. Section 521 contacts cover the difference between 30% of a tenant's income and the monthly rental rate in some properties financed by the Section 515 Rural Rental or Section 514/516 Farm Labor Housing programs. Section 515 loans are mortgages made by USDA to provide affordable rental housing in rural places for very low, low, and moderate income families, elderly persons, and persons with disabilities. Borrowers may use the funds to purchase buildings or land, to construct or renovate buildings, and to provide necessary facilities such as water and waste disposal systems.

Counties that do not currently have USDA assisted rental homes include Bernalillo, Catron, Curry, De Baca, Harding, Hidalgo, Mora, Santa Fe, and Union. Combined, those counties have agricultural employment ranging from 3,421 (ACS) jobs to 3,747 (USDA) jobs. Rural counties such as Catron, De Baca, Harding, Hidalgo, Mora, and Union would benefit from more USDA resources and are likely to meet their population eligibility requirements which vary depending on the specific program but then to vary between less than 5,000 to less than 50,000.[30][31]

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[30] https://www.rd.usda.gov/sites/default/files/508F_RD_EDA_JointPlanningResourceGuide.pdf

[31] For Section 515 each year Rural Development State Directors use needs criteria to establish a list of targeted communities for which applicants may request loan funds. RD issues an annual Notice of Funding Availability (NOFA) for these communities, and applications are then rated competitively in order to select recipients. https://ruralhome.org/wp-content/uploads/storage/documents/rd515rental.pdf

Figure III-19.
Agricultural Worker Estimates USDA Assisted Rental Homes and Private Sector Units Needed, by County

	2020 ACS	2017 USDA Farm Labor	USDA Assisted Rental Homes 2021	Private Sector Units Needed (ACS)	Private Sector Units Needed (USDA)
New Mexico	11,775	20,355	4,349	0	2,436
Bernalillo	1,535	452	0	512	151
Catron	47	185	0	16	62
Chaves	1,302	1,430	28	406	449
Cibola	167	199	128	0	0
Colfax	182	232	109	0	0
Curry	1,019	1,324	0	340	441
De Baca	95	218	0	32	73
Doña Ana	1,034	3,824	803	0	472
Eddy	475	766	92	66	163
Grant	185	308	93	0	10
Guadalupe	49	234	42	0	36
Harding	17	184	0	6	61
Hidalgo	125	211	0	42	70
Lea	357	637	100	19	112
Lincoln	290	244	119	0	0
Los Alamos	0	2	53	0	0
Luna	350	826	498	0	0
McKinley	66	634	513	0	0
Mora	21	353	0	7	118
Otero	261	276	77	10	15
Quay	82	301	85	0	15
Rio Arriba	280	927	97	0	212
Roosevelt	735	1,114	188	57	183
Sandoval	525	489	111	64	52
San Juan	497	1,433	270	0	208
San Miguel	157	514	250	0	0
Santa Fe	319	520	0	106	173
Sierra	192	316	94	0	11
Socorro	127	557	108	0	78
Taos	121	444	74	0	74
Torrance	422	301	28	113	72
Union	243	300	0	81	100
Valencia	498	600	389	0	0

Note: Number of units needed are calculating assuming a 3 worker household.

Source: 2020 5-year ACS, USDA 2017 Agricultural Census, and National Housing Preservation Database.

Military Households and Families

Figure III-20 shows the number of active duty members in New Mexico according to the Department of Defense. The number of active duty members increased sharply between 2016 and 2017 and has continued to grow at a moderate pace since. The majority (96%) of active duty members in New Mexico belong to the Air Force.

Figure III-20. New Mexico Active Duty Members

Note:

Data are as of December of each year.

Source:

U.S. Department of Defense.

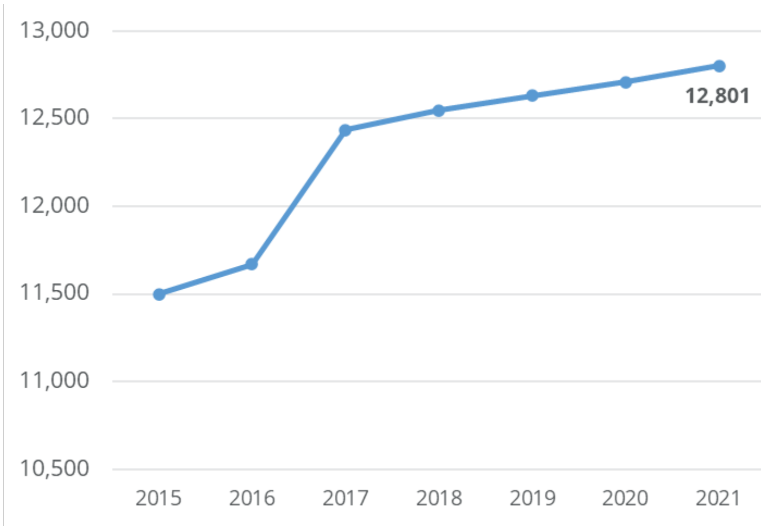

Figure III-21 shows the number of people in the military labor force and military quarters by county according to ACS estimates. These are concentrated in Bernalillo, Curry, and Otero counties, homes to Kirkland Air Force Base (AFB), Cannon AFB, and Holloman AFB respectively. As shown in the figure, except for Otero County, most people in the military labor force do not reside in military quarters.

Figure III-21. People in Military Labor Force, in Military Quarters, and Private Sector Units Needed, by County

Note:

People in military labor force consists of members of the U.S. Armed Forces (people on active duty with the United States Army, Air Force, Navy, Marine Corps, or Coast Guard).

Private sector units needed are calculated as the difference between military households (assuming 2 workers per household) and the number of households in military quarters.

Source:

2020 5-year ACS, 2020 Decennial Census, and Root Policy Research.

	People in Military Labor Force	People in Military Quarters	Private Sector Units Needed
New Mexico	11,034	2,831	4,102
Bernalillo	3,284	693	1,296
Chaves	54	0	27
Cibola	20	0	10
Colfax	12	0	6
Curry	2,705	496	1,105
Doña Ana	658	77	291
Eddy	107	0	54
Grant	19	0	10
Harding	5	0	3
Hidalgo	52	0	26
Lea	16	0	8
Lincoln	8	0	4
Los Alamos	35	0	18
Luna	41	0	21
McKinley	114	0	57
Otero	2,974	1,565	705
Rio Arriba	20	0	10
Roosevelt	309	0	155
Sandoval	307	0	154
Santa Fe	177	0	89
Taos	5	0	3
Valencia	112	0	56

Military agencies mostly rely on the private sector for housing and provide a Basic Allowance for Housing (BAH) to troops and staff to cover costs. Furthermore, since 2010 private developers provide and manage much of the on-base housing due to the 1996 Military Housing Privatization Initiative (MHPI).[32] Figure III-21 also shows the estimated

[32] MHPI was created in Section 2801 of the National Defense Authorization Act for Fiscal Year 1996 as a 5-year pilot program. Because of the complexity of this new approach to military housing construction; the unfamiliarity of DoD contracting personnel with these kinds of negotiations; and new legal, financial, and budget issues, progress in the negotiation of contracts and construction was slower than originally envisioned extend its and DoD extended its

private sector units that are needed to accommodate the military labor force. This number is calculated as the difference between military households—assuming 2 workers per household—and the number of households in military quarters. Again, markets in Bernalillo, Curry, and Otero counties provide the majority of private sector units.

Figure III-22 shows a comparison of BAH rates in each area in the state compared to the median gross rents in such areas. This comparison demonstrates that BAH rates are reasonable when compared to rents in each area. A larger barrier for military personal might be the lack of available housing, given the historically low vacancy rates in the state.

Figure III-22.
Basic Allowance for Housing v. Median Gross Rent, 2020

	Median Gross Rent		BAH Rates		
County/Place	Min	Max	Min	Max	BAH Area
Bernalillo County	$605	$1,363	$1,056	$1,911	Kirtland AFB
Albuquerque	$610	$1,367			
Curry County	$413	$1,333	$702	$1,830	Cannon AFB
Clovis	$405	$1,352			
Otero County	$455	$1,530	$852	$1,725	Holloman AFB
Alamogordo	$454	$1,680			
Santa Fe County	$821	$1,511	$1,227	$2,907	Santa Fe/ Los Alamos
Santa Fe	$817	$1,589			
Los Alamos County	$790	$2,148			
Los Alamos	$790	$2,292			
Doña Ana County	$518	$1,165	$834	$1,578	White Sands Missile Range
White Sands	$1,158	$1,365			
Las Cruces	$498	$1,195			

Note: Minimum gross rents typically refer to studios and maximum gross rents to 4 and 5 bedroom rentals. The minimum BAH rate refers to the E01 grade with no dependents, and the maximum to the O07 grade with dependents.

Source: 2020 5-year ACS, U.S. Department of Defense, and Root Policy Research.

original housing solution target date of 2006 by 4 years, to 2010.
https://www.huduser.gov/portal/sites/default/files/pdf/insight_3.pdf

Youth Aging Out of Foster Care

For New Mexican youth in the foster care system, their 18th birthday means the loss of stable housing, health care, mentorship, and an income safety-net. Homelessness among foster youth is a concern given the instantaneous loss of support.

According to the U.S. Department of Health and Human Services, 16,564 18-year-olds exited the foster care system in 2020.[33] The trauma and financial challenges that follow stand as barriers to stable housing and influence needs and life outcomes. A longitudinal study[34] in the Midwest that followed 602 foster youths who exited at 18 interviewed the same group at 24-years-old found:

- 39% of male former foster youths and 19% of female foster youths had been arrested since leaving when they turned 18; and
- 36.5% of respondents were either homeless or couch-surfed after exiting foster care.

In New Mexico, there remains a clear connection between the foster care system and homelessness. Findings from the Comprehensive Needs Assessment of Young People Experiencing Housing Instability and Homelessness in Bernalillo County[35] show:

- 6% of respondents to New Mexico Youth Count and Housing Survey in Bernalillo County who reported unstable housing and homelessness identified aging out of foster care system was the reason for their housing situation;
- 34% of youth surveyed who were classified as unstably housed or homeless had been in foster care at some point in their lives; and
- Those who were homeless and were previously in foster care system were more likely to have been in the system longer and experienced more home placements than their housed, former foster youth counterparts.

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[33] https://www.acf.hhs.gov/cb/report/afcars-report-28

[34] https://www.chapinhall.org/wp-content/uploads/Midwest-Eval-Outcomes-at-Age-23-and-24.pdf

[35] Pacific Institute for Research and Evaluation (2022). "Comprehensive Needs Assessment of Young People Experiencing Housing Instability and Homelessness in Bernalillo County, New Mexico", https://southwest.pire.org/news/needs-assessment/

RESEARCH BRIEF IV.

CAPACITY AND RESOURCES

RESEARCH BRIEF IV.
Capacity and Resources

This research brief compares funding for housing programs and housing initiatives to needs. It provides a broad overview of the resources available to support affordable housing needs rather than a detailed analysis (e.g., by AMI targets) of all housing programs in the state. The intended outcome of this analysis is to:

1) Assess how well existing funding is able to meet current and projected housing needs, and

2) Identify where funding gaps exist.

Approach

This analysis draws on a “resource mapping” approach which includes: :

- Identifying relevant funding,
- Assigning funding to program categories,
- Aggregating funding among programs;
- Comparing funding to measured needs; and
- Determining where gaps exist.

A number of assumptions were required to complete this analysis, including:

- Funding sources primarily include: federal funds that are passed on to state and local governments to allocate; federal tax credits that are allocated to private developers; federally required “match” funds; state funding; and local funding.
- Private funding and initiatives—for example, from foundations, financial institutions, charitable donors—are not included in this analysis. It is acknowledged that these contributions can be important to leverage public dollars and address funding gaps. Yet these funds and initiatives are difficult to identify, and the length and consistency of investment are hard to predict.
- Funding levels are based on reports of the most recent year’s funding levels, or, where funding varies considerably, a multi-year average.
- HUD, USDA, and Department of Energy housing programs are classified as discretionary programs, meaning that Congress must set annual funding levels through the budget and appropriations process. This analysis assumes that programs which have been in existence for a lengthy period of time will continue.

- Non-recurring funding, including that related to the COVID pandemic, is presented separately.
- Newly authorized recurring funding for the New Mexico Housing Trust Fund is excluded from the gaps analysis, as funding program areas have not yet been determined.

It is important to note that while this analysis strove to be comprehensive, it is challenging to identify all sources of funding and to project their precise allocation among activities, as allocations can change. It is likely that some sources were missed.

Similarly, this analysis provides a high level scan of funding for services that are coupled with housing programs, but does not inventory the full landscape of supportive services available to New Mexico residents.

In sum, **the information in this report should be viewed as an approximation of the resources currently available to address estimated housing needs.**

This brief is organized around the following program areas:

- Homeownership programs—both direct funding to households and initiatives that support private/public partnerships;
- Multifamily rental development and renter assistance—including programs to prevent homelessness;
- Housing condition improvements through rehabilitation and weatherization; and
- Supportive funding for direct services that promote housing stability and nonprofit organization operations, including emergency shelters.

Primary Findings

- Homeownership programs receive about $483 million in funding annually. Mortgage loan financing is by far the single largest program. MFA is the primary provider of favorable mortgage loan financing for low and moderate income households.

  Funding to support the production of new ownership housing is comparatively low at $14.5 million. In the past, resales have accommodated low to moderate income ownership demand, but that is likely to diminish as long as production lags demand.

  Down payment and closing cost assistance programs total around $20 million annually. As the market has changed, the gap between the cost of development in the private market and what low and moderate income would-be-buyers could afford has widened considerably. We estimate that the gap ranges from $110,000 to $195,000 per home, based on recent sales transactions.

  To maintain the homeownership rate among new low and moderate income households in the next five years, annually, an estimated $133 million is needed to support homeownership through down payment assistance and closing costs or affordable homeownership production, paired with mortgage loan financing programs.[1] This compares to about $35 million currently in assistance for down payment and affordable production.

- Rental programs—both rental assistance and multifamily development support—total $320 million in funding annually. Unlike single family production, the bulk of rental funding—nearly three fourths of all funding—supports unit production.

  Based on population projections, in the next five years, the state will need to create about 4,300 units affordable to new renters with incomes below the 50% AMI level—approximately 850 per year. Supporting the development of new rental units at the subsidy amounts typical for LIHTC investments would require $142 million per year. Current LIHTC funding is barely adequate to address units needed for new low income renters, much less meet existing renter needs.

  Until affordable rental production catches up with needs, annual subsidies to reduce renter cost burden will continue. To reduce the cost burden among the 32,000 renters who make up the state's rental gap, $190 million in additional funding is needed for rental assistance.

  Development of new affordable rental units can significantly reduce this needed funding over time.[2] These renters can alternatively be assisted through development of rental units they can afford—leveraging private investment and lowering the annual funding needed for rental assistance. Four percent LIHTC credits could be utilized to address the need for additional affordable rental units if gap financing was available.

- Annually, $482 million in rental assistance would be needed if all renters in New Mexico paid no more than 35% of their income in housing costs—a reduction in their current levels of cost burden. This compares to the $99 million currently available in non-emergency rental assistance, and approximates the amount of rental assistance that was made available under federal pandemic-related programs (e.g., ERAP). As mentioned above, alleviating cost burden can also be addressed by producing affordable units.

- The state's need for improvements to residential housing is significant due to the age of the housing stock. For example, $25 million in annual funding for home rehabilitation and weatherization would meet less than 2.5% of need based on age of housing, or 3.5% of need based on the proportion of New Mexico residents who rated

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[1] Calculation takes the subsidy needed for low and moderate households to become owners x # of new 50-80% and 80-120% AMI households through 2035 who need to become owners to maintain the state's homeownership rate.

[2] Calculation estimates assistance needed for 32,000 very low income renters to manage their rental payments at an average of $5,950 per year, the average subsidy for rental assistance programs.

the condition of their homes as fair or poor in the resident survey conducted to support this strategy. This compares to $13 million available for rehabilitation and weatherization activities annually. If the unit of measurement is the share of households who applied for and were denied home improvement loans, a much higher share of need is met (29%).

Homeownership

Homeownership funding falls into three main categories:

- Direct assistance to renters who desire to become homeowners in the form of **down payment and closing cost assistance**. Assistance for existing homeowners to avoid foreclosure and maintain utilities is classified as non-recurring as those funds are largely pandemic related.
- The **financing of mortgage loans**; and
- Funding to support the **creation of affordable homeownership units**.

Figure IV-1 presents homeownership funding sources. Altogether, an estimated $483 million is available annually to support homeownership programs in New Mexico.

As the figure demonstrates, the vast majority of funding to support homeownership is in the form of mortgage loan financing and support, with MFA being the largest provider of this assistance.

Funding to support unit production is very limited, and the funding sources identified in the figure will fluctuate with the priorities of the receiving Tribal governments and nonprofit organizations.

Figure IV-1.
Sources and Types of Annual Funding for Homeownership

	Down payment/ Closing assistance	Loan Financing	Production
Mortgage Finance Authority (MFA)			
First Down (<140% AMI)	$19,500,000		
First Home (<140% AMI)		$400,000,000	
Home Now (<80% AMI)	$270,000		
Mortgage Revenue Bonds		$34,000,000	
Partners Program		$450,000	
State AHA Tax Credit			$600,000
USDA/Rural Development			
Section 515 Direct Loans		$13,000,000	
Self Help			$350,000
U.S. Department of Housing and Urban Development (HUD)			
Indian Housing Block Grant (activities vary)			$8,325,000
City of Albuquerque			
CDBG	$1,200,000		
City of Santa Fe			
CDBG		$200,000	
Local Trust Fund			$1,500,000
U.S. Treasury			
CDFI Fund			$3,700,000
Total	**$20,970,000**	**$447,650,000**	**$14,475,000**
% of total	4%	93%	3%

Note: Assumes that half of the Indian Housing Block Grant, which Tribal Governments receive from HUD, is used for ownership.

Source: Root Policy Research.

Beneficiaries. Figure IV-2 estimates the number of households benefitting from the above homeownership funding sources. It also compares the number of beneficiaries to several measures of homeownership need, or demand.

Compared to need, current levels of homeownership funding for down payment assistance, closing cost assistance, and loan financing are:

- Assisting 20% to 22% of "homeownership ready" renters annually. This is based on the number of renters (around 11,000) who became homebuyers in 2020 through down payment and closing cost assistance and loan financing;
- Assisting 6% of renters with incomes of $50,000 to $75,000, and 12% to 13% of renters with incomes of $75,000 to $100,000, and
- Assisting 4% of *all* renters with incomes between $50,000 and $100,000 annually.

The largest gap in homeownership funding is in support of affordable production, discussed in more detail below.

Figure IV-2.
Households Benefitting from Annual Funding for Homeownership

	Down payment/ Closing assistance	Loan Financing	Production
Mortgage Finance Authority (MFA)			
First Down (<140% AMI)	2,200		
First Home (<140% AMI)		2,300	
Partners Program (<60% AMI)		5	
Home Now (<80% AMI)	40		
State AHA Tax Credit			12
USDA/Rural Development			
Section 515 Direct Loans		110	
Self Help			1
City of Albuquerque			
CDBG	29		
City of Santa Fe			
CDBG		30	
Local Trust Fund		Varies	
U.S. Treasury			
CDFI Fund			Unknown
Total	**2,240**	**2,474**	**13**
Compared to need:			
% of 50%-100% AMI buyers in 2020	**20%**	**22%**	**0.1%**
% of renters earning $50,000-$100,000	**4%**	**4%**	0%
% of renters earning $50,000-$75,000	6%	6%	0%
% of renters earning $75,000-$100,000	12%	13%	0%

Note: The percentage of 50%-100% AMI buyers is based on mortgage loan originations reported in the Home Mortgage Disclosure Act.

Source: Root Policy Research; HMDA; and 2019 5-year ACS.

Non-recurring Homeowner programs. Several programs exist to assist homeowners facing economic stress. The majority of that funding is dedicated to mortgage assistance and/or loan reinstatement (47% of non-recurring funding), as shown in the figure below. HUD-funded homeownership counseling is also provided directly to certified homeownership counseling organizations. HUD reports from the past several years do not show any direct funding flowing to New Mexico counseling organizations.

Figure IV-3.
Non-recurring Homeowner Programs

	Homebuyer Counseling	Down payment Assistance	Utilities Assistance	Homeowner Rehabilitation	Weatherization	Mortgage Assistance and/or Loan Reinstatement	Other Housing Activities
Mortgage Finance Authority (MFA)							
Homeownership Assistance Fund	$2,800,000		$5,300,000			$40,901,740	
Treasury State & Local Fiscal Recovery Fund (via NMHTF)		$8,000,000		$3,750,000			$500,000
Bipartisan Infrastructure Law (BIL)							$22,000,000
State Capital Outlay (via NMHTF)				$2,000,000	$1,000,000		
Total	**$2,800,000**	**$8,000,000**	**$5,300,000**	**$5,750,000**	**$1,000,000**	**$40,901,740**	**$22,500,000**
% of total	3%	9%	6%	7%	7%	47%	26%

Source: Root Policy Research and MFA.

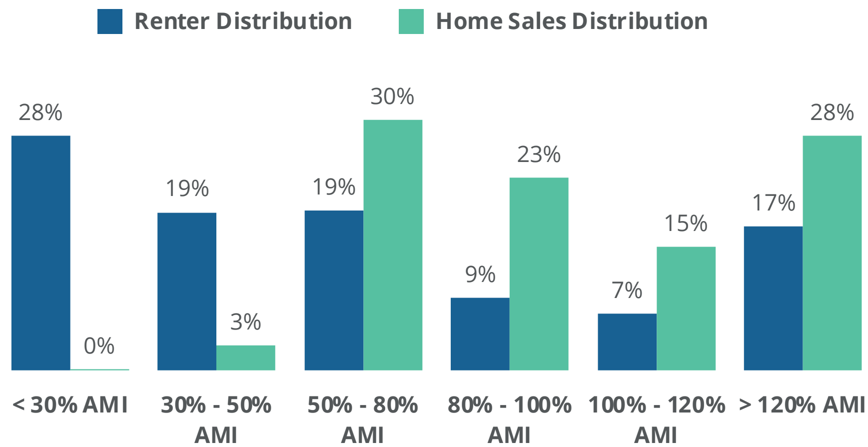
How well funding is meeting needs. As demonstrated by Figure IV-2, current levels of down payment and closing cost assistance and mortgage loan financing assisted approximately 20% of 50-100% AMI renters who became owners in 2020 (a proxy for creditworthy renters), and 4% of all renters earning between $50,000 and $100,000 per year. Statewide, in 2020, mortgages serving 50% to 120% AMI buyers ("low to moderate") totaled 11,000; MFA supported nearly 2,500 of these transactions.

The large share of the state's renters who are extremely low and very low income limits the feasibility of homeownership programs. Nearly half of the state's renters have incomes lower than 50% AMI, too low for ownership without deep subsidies.

Figure IV-4. Renters' Income Distribution compared to Home Sales Distribution, 2019-2020

Source:

Root Policy Research.



Based on the University of New Mexico Geospatial and Population Studies (GPS) population projections, at least 17,340 new homeownership units are needed in the next 5 years to keep up with population growth and maintain the state's existing homeownership rate of 68%.[3],[4] Of these, 4,800 homeownership units, or about 960 units per year, should be affordable for low to moderate income buyers. MFA is adequately supporting loan financing needs based on these projections.

The largest constraint will be maintaining an adequate stock of affordable resales. The availability of affordable resales is likely to drop if the housing market continues to be strong. And newly built homes are too costly to serve moderate income renters who desire to become owners. Low to moderate income buyers can afford homes priced between $180,000 and $265,000. At an average cost of $375,000, the gap between what the market can deliver and what is needed ranges between $110,000 and $195,000 per new buyer.

Supporting the development of the affordable homeownership units needed over 5 years for 50-120% AMI buyers at the subsidy amounts above would cost:

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[3] GPS uses a standard cohort component method based on the demographic balancing equation:

$Pop_t = Pop_{t-1} + Births - Deaths + Net\ Migration$

These five-year interval projections begin with GPS population estimates. From this, the number of expected deaths is subtracted from the population using life tables calculated from the New Mexico Department of Health. Next, the number of expected births for the female population ages 15-44 is calculated using fertility data from the New Mexico Department of Health. Finally, net migration is calculated based on recent historical trends. This was not straightforward for the 2020-2040 estimates, because of large in-migration between 2000 and 2010 and because of large out-migration between 2010 and 2015. Neither of these trends is expected to soon return or continue. Therefore, migration was roughly calculated as half the net migration observed between 2000 and 2010. This process is completed for each county and then controlled to a statewide projection total.

[4] These growth estimates are conservative and should be thought of lower bound estimates. An acceleration in major employers relocating to New Mexico, as some predict for the Albuquerque area, would raise demand and costs.

- $441 million for 50% to 80% AMI owners, after accounting for manufactured, or mobile, homes which offer a comparatively affordable option; and
- $224 million for 80% to 120% AMI owners.[5]
- Or an annual cost of $133 million.

The calculation to derive these estimates is shown below.

Estimated Funding Needs to Maintain or Increase Homeownership, 2020-2035

Source:
Root Policy Research.

	Home Price	Subsidy/Cost
Starter Home Development Cost	$375,000	
Affordable Purchase Price		
50-80% AMI household	$180,000	
80-120% AMI household	$265,000	
Ownership Subsidy		
50-80% AMI household		$195,000
80-120% AMI household		$110,000
Cost to maintain Ownership Rate (through 2020-2035 growth		
50-80% AMI Income household		$541,933,841
after accounting for mobile homes		$440,920,854
80-120% AMI Income household		$223,994,451
Additional Cost to Increase Ownership Rate		
With adequate inventory (DPA only) 10% of 80-120% AMI		$43,202,317
Without adequate inventory 10% of 80-120% AMI		$438,449,000

Multifamily Rental Development and Renter Assistance

A variety of programs exist to support development of affordable rental housing and to help renters afford their monthly rent. Figure IV-5 shows the funding dedicated to:

- **Rental assistance**, including funds targeted to homeless prevention, with the largest being the Housing Choice Voucher, or Section 8 program. This makes up 31% of funding to support rental development and provide assistance to the state's lowest income renters;
- Funding to support the **development of permanent supportive housing,** which serves extremely low income and very low income renters who have experienced or are at risk of homelessness—an estimated 7%;

[5] This does not assume these buyers occupy manufactured homes. The annual subsidy is slightly lower if a portion of these buyers do occupy manufactured homes.

- Funding for **transitional housing** is very small relative to other programs—less than 1%;
- Funding for **rental housing production**, the largest of which is comprised of Low Income Housing Tax Credit (LIHTC) new construction awards and leveraged financing, which benefit renters with incomes of less than 60% AMI—42% of all funding; and
- Funding to **preserve affordable rental units**, including LIHTC acquisition and rehabilitation projects and improvements to public housing authority units—19% of funding. This category excludes direct assistance to renters for repairs and weatherization (those activities are included in a separate section that follows).

The figure excludes dollars that support the direct operations of development businesses or public housing authorities.

Altogether, an estimated $320 million is being utilized annually to support rental programs in New Mexico. This is about two thirds of total homeownership funding. It is important to note that additional funding for affordable rental development is available through 4% Low Income Housing Tax Credits and tax exempt bonds; however, 4% credits can be challenging with high development costs and when additional gap financing is limited, as is the case in New Mexico.

Beneficiaries. Figure IV-6 estimates the number of renters benefitting from the above programs, where data are available. The program with the largest number of beneficiaries is non-emergency rental assistance, benefitting more than 19,000 renters.

It is important to note that rental assistance programs have the lowest per renter cost; however, their effectiveness relies on an adequate inventory of affordable rental units, provided privately and increasingly publicly, which has been rapidly declining. Between 2000 and 2019, the supply of affordable units for the state's lowest income renters declined by 50%. Production and preservation programs support fewer renters annually and require much larger subsidies, yet those programs carry a much greater value in the long-term production of units.

Figure IV-5.
Sources and Types of Annual Funding for Rentership

	Rental Assistance/ Homeless Prevention	Permanent Supportive Housing	Transitional Housing	Production	Preservation
Mortgage Finance Authority (MFA)					
Linkages	$3,500,000				
CDBG–Recovery Housing Program			$900,000		
HOME				$3,000,000	$3,925,000
National Housing Trust Fund				$3,500,000	
ESG	$570,000				
HOPWA	$1,000,000				
Project-based Section 8	$35,400,000				
LIHTC Awards				$57,200,000	$41,360,000
LIHTC Leverage/Private Activity Bonds				$46,000,000	$12,000,000
Tax Credit Assistance Program				$2,000,000	
Primero Fund				$3,500,000	
ACCESS Loans				$430,000	
NM Affordable Housing Tax Credit				$900,000	
U.S. Department of Housing and Urban Development (HUD)					
Indian Housing Block Grant (activities vary)				$8,325,000	
Section 811 (Persons with Disabilities)	$3,000,000				
USDA/Rural Development					
Farm Labor Housing				$1,000,000	
Renter Assistance	$15,000,000				
Public Housing Authorities					
Albuquerque Housing Authority	$26,750,000				$2,000,000
Mesilla Valley Housing Authority	$575,000				$260,000
Santa Fe Housing Authority	$2,230,000				$900,000
Continuum of Care					
Balance of State	$3,500,000	$3,500,000	$400,000		
Albuquerque	$1,500,000	$4,000,000	$230,000		
City of Albuquerque					
CDBG					$1,250,000
HOME	$400,000			$1,500,000	
ESG	$220,000				
General Fund	$5,000,000	$15,000,000		$375,000	
Workforce Housing Trust Fund				$5,000,000	
City of Las Cruces					
HOME	$603,750				
City of Farmington					
CDBG	$55,000				
City of Santa Fe					
CDBG				$600,000	
Housing Trust Fund				$1,500,000	
Total	**$99,103,750**	**$22,000,000**	**$1,530,000**	**$134,830,000**	**$61,695,000**
% of total	31%	7%	0.5%	42%	19%

Note: Public Housing Authority (PHA) preservation dollars include capital improvement funding from HUD's Capital Fund. PHA line items do not include operating subsidies.

Source: Root Policy Research.

Figure IV-6.
Renters Benefitting from Annual Funding

	Non-emergency Rental Assistance/ Homeless Prevention	Permanent Supportive Housing	Transitional Housing	Production	Preservation
Mortgage Finance Authority (MFA)					
Linkages	338				
CDBG–Recovery Housing Program					
HOME				10	10
National Housing Trust Fund				10	
ESG	3,833				
HOPWA	1,684				
Project-based Section 8	5,600				
LIHTC Awards				500	550
LIHTC Leverage/Private Activity Bonds					
Tax Credit Assistance Program					
Primero Fund					
ACCESS Loans					
NM Affordable Housing Tax Credit Allocation Authority					
U.S. Department of Housing and Urban Development (HUD)					
Indian Housing Block Grant (activities vary)					
Section 811 (Persons with Disabilities)					
USDA/Rural Development					
Farm Labor Housing					
Renter Assistance	100				
Public Housing Authorities					
Albuquerque Housing Authority	3,750				
Mesilla Valley Housing Authority	1,650				
Santa Fe Housing Authority	300				
Continuum of Care					
Balance of State	650	850			
Albuquerque	100	600			
City of Albuquerque					
CDBG					
HOME				65	
ESG	10				
General Fund	350	1,000			
Workforce Housing Trust Fund				130	
City of Las Cruces					
HOME	859				
City of Farmington					
CDBG	205				
City of Santa Fe					
CDBG					
Housing Trust Fund					
Total	**19,429**	**2,450**	**-**	**715**	**560**
Compared to need:					
% of persons experiencing homelessness		8%			
% of cost burdened renters	17%				
% of affordable rental units at risk of losing affordability contracts					5%
% of rental gap				2%	

Source: Root Policy Research.

Non-recurring Rental programs. Federally funded, pandemic-related programs to assist renters have totaled about $478 million, with the vast majority (88%) in direct assistance to stabilize renters and prevent homelessness. About $40 million, or 10%, was dedicated to unit production, and $9.9 million, or 2%, for supportive services.

Figure IV-6.
Non-recurring Rental Programs

	Emergency Rental Assistance/Homeless Prevention	Supportive Services	Rental Production
Mortgage Finance Authority (MFA)			
ESG CV 1&2	$12,936,302		
HOME ARP		$9,900,000	$7,640,668
CDBG-CV	$7,386,624		$4,656,025
Housing Trust Fund ARPA			$12,750,000
State Capital Outlay			$6,000,000
Dept of Finance and Administration (DFA)			
ERAP State 1&2	$284,214,380		
ERAP Bernalillo Q1&2	$51,302,591		
ERAP ABQ Q1&2	$31,000,000		
ERAP Dona Ana 1&2	$16,543,026		
ERAP Tribal Governments	**$19,243,419**		
City of Albuquerque			
HOME ARP			$7,412,150
City of Las Cruces			
HOME ARP			$1,778,017
Total	**$428,176,020**	**$9,900,000**	**$40,236,860**
% of total	88%	2%	10%

Source: Root Policy Research and MFA.

How well funding is meeting needs. Several metrics were used to examine how well available funding can meet existing and future needs. For current needs:

- The number of units required to house the number of people experiencing homelessness (assumes 17,500 homeless residents housed as a 2-person household);
- The number of renters who face cost burden;
- The number of renters who cannot afford housing based on the rental gap;
- Renters at risk of displacement if their affordable units lose their affordability contracts; and
- For future needs, the subsidies needed to build affordable rentals for low income renters based on population and income forecasts.

The results of this exercise found funding gaps exist across all of the program areas.

- The number of renters assisted through funding to develop PSH is 8% of those experiencing homelessness. As discussed below, an estimated $72 million is needed to create additional PSH units for those with the most critical needs. An additional $61 million annually is needed for rapid rehousing and PSH to serve all needs.

- Non-emergency rental assistance serves the most renters annually at 19,000. However, this is still much lower than is needed to address the renters who need rental assistance or affordable rental units. The rental gaps analysis conducted for this study found 32,000 too few affordable rental units statewide. If those renters received assistance to manage their rental payments at an average of $5,950 per year (the average subsidy for rental assistance programs), an additional $190 million in rental assistance is needed.

- Based on population projections, in the next five years, the state will need to create about 4,300 units affordable to new renters with incomes below the 50% AMI level—approximately 850 per year. This compares to 2022 production of fewer than 600 units. Supporting the development of new rental units at the subsidy amounts typical for LIHTC investments would require:[6]

    - $400 million for all new renters with incomes of less than 30% AMI and 1/3 of new renters of incomes between 30% and 50% AMI; or
    - $312 million for less than 30% AMI new renters only. This latter estimate is conservative because of the following two assumptions:

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[6] This assumes that 70% of costs are subsidized in developments using 9% LIHTC credits and 30% of costs are subsidized in developments using 4% LIHTC credits.

1) The private market does not shed naturally occurring affordable units for 30%-50% AMI households; and
2) Down payment assistance programs that turn a portion of current renters into owners bolster needed supply and help stabilize rents for 30%-50% AMI households.

This averages $142 million per year.[7] LIHTC awards currently total $57 million, plus $46 million in bond leverage—suggesting that funding is barely adequate to address units needed for new low income renters, much less meet existing demand. As mentioned above, to reduce the cost burden among the 32,000 renters who make up the state's rental gap, $190 million in additional funding is needed for rental assistance. These renters can alternatively be assisted through development of rental units they can afford—leveraging private investment and lowering the annual funding needed for rental assistance. Four percent LIHTC credits could be utilized to address the need for additional affordable rental units if gap financing was available. Developing affordable units to meet one-fourth of the rental gap would require $1.5 billion in gap financing subsidies.

Altogether, to address both existing and future needs, the state would benefit from significant additional funding to create PSH, alleviate renter cost burden, and boost production of affordable rentals.

Gaps in operating costs of rapid rehousing and permanent supportive housing (PSH). The New Mexico Coalition to End Homelessness (NMCEH) estimates that the total capital investment needed to create permanent supportive housing developments for the roughly 300 individuals who need it is $72 million—or $240,000 per unit for 300 individuals. Currently, the Continuum of Care grants are allocating about $7.5 million to PSH development—or a little more than 10% of what is needed. Other funding to support PSH includes the LIHTC, which competes with other types of affordable rental developments, and the National Housing Trust fund, as well as local sources.

NMCEH also recently estimated the cost of *operating* rapid rehousing and PSH to help all of those suffering from homelessness who are not being assisted by current resources. Those cost estimates are shown in Figure IV-8.

[7] These estimates assume an average per unit subsidy of $135,600, based on building costs estimated by local developers and accounting for weighted-average LIHTC subsidies. They do not consider other sources of financing that could help lower costs, as those are variable and annual amounts are uncertain.

Figure IV-8.
Estimated Cost of Operating Rapid Rehousing and Permanent Supportive Housing to Help Residents not Assisted by Current System, 2019

	Best Practice Intervention	Estimated Number not Helped by Current System	Cost per Household	Total Annual Cost
Families with children or couples with head of household without disabilities	Rapid rehousing	472	$8,211	$3,875,429
Families with children, or couples with disabled head of household	Permanent supportive housing	472	$12,534	$5,915,869
Youth ages 18 to 24	Rapid rehousing	756	$13,432	$10,154,418
Unaccompanied youth under age 18	Rapid rehousing	248	$13,432	$3,331,079
Unaccompanied adults without disabilities	Rapid rehousing	2,305	$4,923	$11,347,066
Unaccompanied disabled adults	Permanent supportive housing	2,305	$10,323	$23,794,192
Cost to adminster and evaluate the program at 5%				$2,920,903
Total		**6,558**		**$61,338,956**

Note: Extrapolations made from data above assuming that HMIS is counting about half of the number not being helped by our current system. Also assuming that roughly half of families and individual adults are in households with a disabled head of household.

This exercise does not include recent boosts in funding from the City of Albuquerque to support rapid rehousing and permanent supportive housing.

Source: New Mexico Coalition to End Homelessness, https://nmceh.org/docs/White%20Paper%20Homeless%20NMCEH%20010820.pdf

Cost Burden Reduction: Owners and Renters

A total of 117,613 New Mexico households are cost burdened, and another 100,858 are severely cost burdened.

- Renter cost burden is very concentrated in households with incomes of $25,000 and less. More than three-fourths of cost burden households fall in that income category.

- Owner cost burden is also concentrated in the < $25,000 income category. However, there are significantly more owners than renters who experience cost burden in upper income categories.

To determine the cost to fully address cost burden, we modeled the cost for reducing renter and owner cost burden to 35% of gross household income. This is higher than the industry standard (30%), yet a reasonable goal in high-cost markets.

Annually, $482 million in rental assistance would be needed if all renters in New Mexico paid no more than 35% of their income in housing costs. This compares to the $99 million currently available in non-emergency rental assistance, and approximates the amount of rental assistance that was made available under federal pandemic-related programs (e.g., ERAP).

For owners with incomes of less than 100% AMI, the annual cost is $541 million.

The per renter cost to reduce burden is around $5,950 per renter. Owner burden is around $6,250 per owner.

Figure IV-9.
Annual Cost to Reduce Cost Burden, by Tenure and AMI

	Renter Households		Owner Households	
Income	Number of Renters	Cost	Number of Owners	Cost
0% to 30% of AMI	56,659	$337,000,000	45,342	$299,000,000
30% to 50% of AMI	26,435	$105,000,000	20,086	$117,000,000
50% to 80% of AMI	10,365	$34,500,000	17,205	$94,700,000
80% to 100% of AMI	1,284	$5,680,639	4,244	$30,900,000
Total	94,743	$482,180,639	86,877	$541,600,000

Note: Cost is the difference between a household's 35% of income and actual housing costs using 2019 5-year estimates. AMI used is from HUD's 2019 State level estimate.

Source: IPUMS and Root Policy Research.

Improving Housing Condition

Funding to address residential housing condition needs in New Mexico is concentrated in **rehabilitation and weatherization activities**, as shown in Figure IV-10. Funding for weatherization approximates $7 million annually; and rehabilitation, $6.2 million. For rehabilitation, most funding sources are dedicated to single family rehabilitation, with only MFA's program supporting rental rehabilitation.

Beneficiaries. Figure IV-11 shows the estimated number of households benefitting from rehabilitation and weatherization activities.

How well funding is meeting needs. According to New Mexico stakeholders working in the field, on the low-end basic improvements—flooring, window treatments, modest bath and kitchen repairs—can average $10,000 per unit. Many homes require a larger investment: the median amount of a home improvement loan granted to New Mexico households in 2020 was $55,000. Stakeholders report that a $50,000 cost of repairs is common for older homes in the state.

Approximately 345,000 of the state's housing units were built before 1980. An estimated 40,000 lack complete plumbing or kitchens.

- If, in the next 5 years, 2.5% of homes built before 1980 were to receive funds for modest improvements ($10,000 investment on average), the cost would be $86 million.
- If, in the next 5 years, 2.5% of homes in substandard condition—lacking complete plumbing or kitchens—were improved ($50,000 investment on average), the cost would be $50 million.
- Assuming no overlap in the categories above, annual funding would need to total $27 million to meet just 2.5% of need. This compares to $13 million available for rehabilitation and weatherization activities annually.

As shown in Figure IV-11, single family rehabilitation programs are successful in addressing a relatively large proportion of homeowners who are denied home improvement loans from lenders in the private market. These loans averaged about $50,000—about the same per unit estimate that stakeholders provided for major rehabilitation needs.

All programs have much lower volume than what is needed to address the significant condition issues of residential housing in New Mexico, as measured by the age of units or proportion of residents who reported needing rehabilitation or weatherization in the resident survey. By that measure, these programs are addressing less than 1% of need. If the unit of measurement is the share of households who applied for and were denied home improvement loans, a much higher share of need is met (29%).

It is important to note that the chart excludes non-recurring funding. For example, the City of Albuquerque appropriated $3.3 million for home rehabilitation activities to benefit low and moderate income homeowners in 2021. That funding was through the federal ARPA program, and is one time appropriation.

Figure IV-10.
Annual Funding for Rehabilitation and Weatherization

	Single Family Rehabilitation	Rental Rehabilitation	Weatherization
Mortgage Finance Authority (MFA)			
Department of Energy (WAP/Energy$mart)			$2,529,186
Public Service NM			$600,000
NM Gas			$1,300,000
LIHEAP (Rental)			$2,500,000
HOME	$1,000,000	$3,000,000	
State Homeowner Rehabilitation	$1,000,000		
USDA/Rural Development			
Section 504 Home Repair	$500,000		
City of Las Cruces			
CDBG	$605,000		
City of Santa Fe			
CDBG	$100,000		
Total	**$3,205,000**	**$3,000,000**	**$6,929,186**
% of total	24%	23%	53%

Source: Root Policy Research.

Figure IV-11.
Households Benefitting from Annual Funding for Rehabilitation and Weatherization

	Single Family Rehabilitation	Rental Rehabilitation	Weatherization
Mortgage Finance Authority (MFA)			
Department of Energy (WAP/Energy$mart)			659
LIHEAP			
HOME	68	7	
State Homeowner Rehabilitation	50		
USDA/Rural Development			
Section 504 Home Repair	70		
State General Fund			
WAP/Energy$mart			
City of Las Cruces			
CDBG	34		
City of Santa Fe			
CDBG	12		
Tribal Governments			
State Homeowner Rehabilitation	50		
Department of Energy (WAP)			4
Total	**284**	**7**	**663**
Compared to need:			
% of those denied improvement loans	29%		
% homes built < 1980	0.1%	0.0%	
% with condition challenges	0.3%	0.0%	0.4%

Note: % with condition challenges is based on the proportion of survey respondents who said their home or apartment is in fair or poor condition, applied to all households by tenure..

Source: Root Policy Research.

Supportive Funding

Funding to support affordable housing spans many activities and addresses a variety of needs—from housing stability services delivered directly to residents, to operating dollars for housing providers, to predevelopment costs for nonprofit developers. A comprehensive analysis of supportive funding available in New Mexico was beyond the scope of this section; instead, a high level scan of recurring funding was conducted and is summarized below.

Sources of supportive funding that are often paired with housing funding include the following:

- New Mexico Human Services administers the Low Income Home Energy Assistance Program (LIHEAP), which provides approximately $10 million in annual funding to low income households to help them manage utilities costs.
- The Community Services Block Grant (CSBG) provides approximately $3.5 million in annual funding to support critical resident needs such as meals and counseling.
- Both the state and local governments provide funding to support emergency shelter operations and assist shelters in delivering direct services to clients through federal ESG dollars and local general funds.
- Predevelopment costs such as site analysis, architectural drawings, rezoning, and financing acquisition are provided through federal HOME dollars and local general funds.
- Eviction prevention services are largely provided by local governments.
- Local governments also provide funding for technical assistance for service and housing providers.

The figure below shows MFA's annual contributions to shelter operations and predevelopment costs.

Figure IV-12. State Shelter Operations and Predevelopment Funding

	Shelter Operations	Predevelopment Costs
Mortgage Finance Authority (MFA)		
HOME		$1,125,000
ESG	$630,000	
General Fund		$625,000
Primero		Varies
Total	**$630,000**	**$1,750,000**

Source:
Root Policy Research.

It is unknown how significantly these funding levels vary from needs, as needs can fluctuate with changes in local and state economic, health, and employment conditions. The stakeholders who participated in focus groups and interviews to support the Housing Strategy consistently named supportive services for residents and predevelopment funding as priority needs. It is safe to conclude that existing supportive funding needs are far greater than the levels currently provided.

Infrastructure and Economic Development

Funding available to extend or improve public infrastructure—namely, water and wastewater systems and roads—can facilitate housing production when used strategically.

Similarly, economic development incentives can prompt housing production and improvements by signaling to developers that a market will soon have new renters and buyers.

To understand the potential to leverage these dollars with housing funding, funding for water and wastewater improvements, community development activities, and economic development activities in the state was reviewed.

Altogether, these activities total more than $1billion in funding. The source of funding is largely federal.

- There are several sources of funding for water and wastewater improvements, including USDA rural utilities, federal community development block grants, and direct appropriations;
- Community facilities are primarily funded through federal community development pass-through grants special state appropriations; and
- Economic development funding is available through the federal Economic Development Administration (EDA) and New Markets Tax Credits.

None of the funding identified was allocated to residential projects per se, suggesting that there is potential to better pair these funding sources with mechanisms to support housing production.

SECTION V.

RESIDENT SURVEY FINDINGS

SECTION V.
Resident Survey Findings

This section reports the findings from the resident survey conducted to support the Housing Strategy. It explores residents' current housing situations, housing and affordability challenges, and housing preferences. MFA and Root Policy Research[1], who designed and analyzed the survey, are grateful to the residents who shared their experiences and perspectives by participating in this survey.

The resident survey was available online, in both English and Spanish, and promoted by MFA and its networks. A total of 1,398 New Mexico residents participated.

MFA Launches Resident Housing Survey to Support Statewide Housing Strategy Development

12 Jan, 2022

Now through Monday, Feb. 28, the New Mexico Mortgage Finance Authority (MFA) is inviting New Mexico residents to complete a short, confidential, housing survey that will help identify and address housing needs across the state. All eligible survey takers w

Read News Article ▸

The Housing New Mexico Advisory Committee and Statewide Housing Strategy

Resident Survey

About the Survey

As part of the development of the Statewide Housing Strategy, MFA is inviting all New Mexicans to complete a resident survey. The survey will help identify and address housing needs across the state. All survey takers who complete the questionnaire are entered into ongoing drawings for **the chance to win one of five $100 gift cards**. The survey takes approximately **10 minutes** to complete and all responses are kept completely confidential.

Click here to take the survey in English

Sobre la Encuestra

Como parte del desarrollo de la Estrategia Estatal de Vivienda, MFA está invitando a todos los Nuevo Méxicanos a completar una encuesta para residentes. La encuesta ayudará a identificar y abordar las necesidades de vivienda en todo el estado. Todos los encuestados que completen el cuestionario participan en sorteos continuos para tener la oportunidad de ganar **una de las cinco tarjetas de regalo de $ 100**. La encuesta tarda aproximadamente **10 minutos** en completarse y todas las respuestas se mantienen completamente confidenciales.

Haga clic aquí para tomar la encuesta en español

[1] www.rootpolicy.com

Explanation of terms. Throughout this section, several terms are used that require explanation.

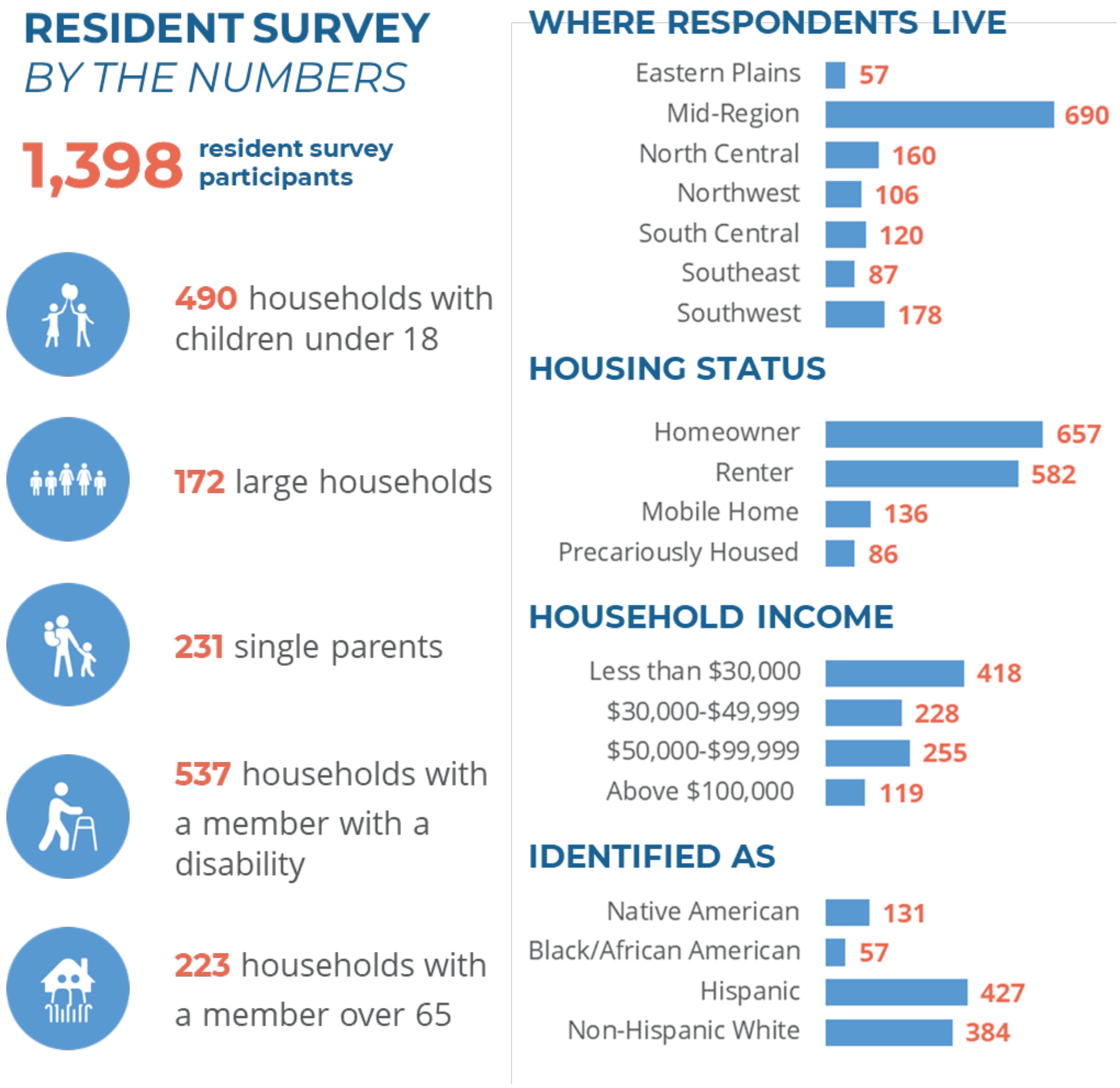
- "Precariously housed" includes residents who are currently homeless or living in transitional or temporary/emergency housing. This category may also include residents living temporarily with friends or family to avoid homelessness but are not themselves on the lease or property title. These residents may (or may not) make financial contributions to pay housing costs or contribute to the household in exchange for housing (e.g., childcare, healthcare services).
- "Disability" indicates that the respondent or a member of the respondent's household has a disability of some type—physical, mental, intellectual, developmental.
- "Children" indicates children under the age 18 live in the household.
- "Single parent" are respondents living with their children only or with their children and other adults but not a spouse/partner.
- "Tenure" in the housing industry means rentership or ownership.
- "Large households" are considered those with five or more persons residing in a respective household.

Sampling note. The survey respondents do not represent a random sample of the state or regions' population. A true random sample is a sample in which each individual in the population has an equal chance of being selected for the survey. The partnership model used to promote the survey prevents the collection of a true random sample. Important insights and themes can still be gained from the survey results, however, with an understanding of the differences among resident groups and the state overall. Overall, the data provide a rich source of information about the state's households and their housing needs in the communities where they live.

Demographics. Overall, the survey received a very strong response from residents typically underrepresented in public engagement, including: people of color, renters, precariously housed residents, very low income households, households with children, large households, single parents, and residents with disabilities (Figure V-I).

Compared to the state population, the survey collected more responses from renters (47% v. 32% in the state), from households with income below $30,000 (41% v. 30%), from Native American residents (13% v. 9%), and from Black/African American residents (6% v. 2%). In terms of household characteristics, the survey collected more responses from households with children (47% v. 29%), single parents (22% v. 10%), residents with a disability (42% v. 16%), and large households (17% v. 9%) than are represented in the state overall.

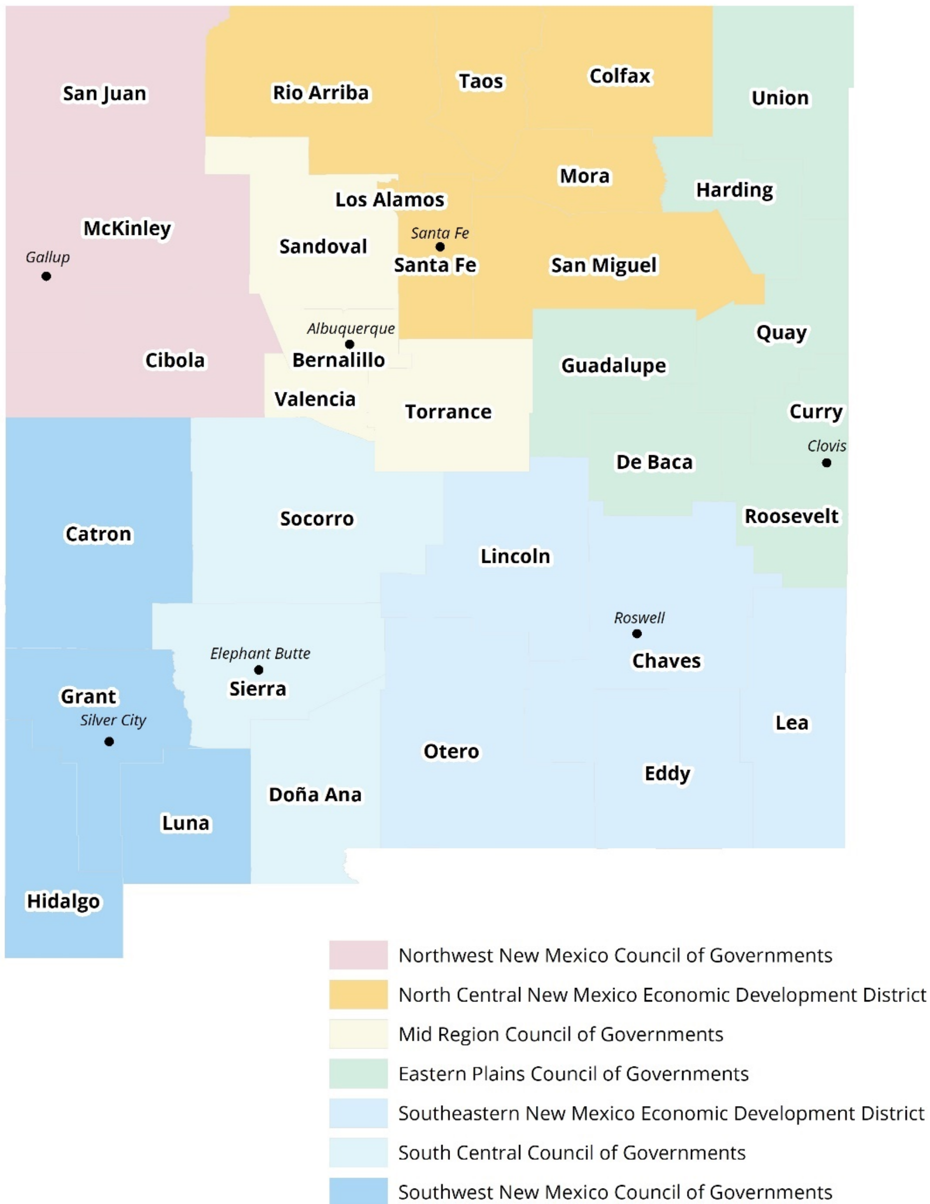
Figure V-1.
Resident Survey Participants



Note: Numbers do not aggregate either due to multiple responses or that respondents chose not to provide a response to all demographic and socioeconomic questions.
Source: Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

Geographic distribution. To protect residents' privacy, the geographic analysis is presented at the region level. Regions are grouped following the state's councils of governments/economic development districts. Figure V-2 presents a map with the regions and the counties each region encompasses.

Figure V-2.
New Mexico Regions



Responses by region and demographics are shown in the Figures V-3a and V-3b. As expected, given that 45% of households in New Mexico live in the Mid-region, 49% of survey participants were from the Mid-region.

Figure V-3a.
Survey Respondent Profile by Region and Selected Characteristics

	State	Eastern Plains	Mid-Region	North Central	Northwest	South Central	Southeast	Southwest
Total Responses	**1,398**	**57**	**690**	**160**	**106**	**120**	**87**	**178**
Race/Ethnicity								
Native American	131	2	47	16	53	7	1	5
Black/African American	57	4	28	11	2	2	7	2
Hispanic	427	21	225	44	7	53	25	55
Non-Hispanic White	384	13	187	44	11	30	26	73
Tenure								
Homeowner	657	28	306	68	38	62	48	107
Renter	582	21	315	71	50	50	29	46
Mobile Home	136	7	32	23	15	21	7	31
Precariously Housed	86	1	36	12	10	4	3	20
Income								
Less than $30,000	418	14	217	45	30	39	27	46
$30,000-$49,999	228	7	94	31	23	23	15	35
$50,000-$99,999	255	18	121	27	14	19	11	45
Above $100,000	119	5	68	12	3	10	6	15
Household Characteristics								
Children under 18	490	26	227	48	49	42	36	62
Large households	172	6	77	13	28	15	13	20
Single Parent	231	11	112	23	25	22	17	21
Disability	537	19	264	63	40	43	36	72
Older Adults (age 65+)	223	16	89	21	13	21	17	46

Note: Numbers do not aggregate either due to multiple responses or that respondents chose not to provide a response to all demographic and socioeconomic questions.

Source: Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

Figure V-3b.
Survey Respondent Profile by Region and Selected Characteristics

	State	Eastern Plains	Mid-Region	North Central	Northwest	South Central	Southeast	Southwest
Total Responses	1,398	4%	49%	11%	8%	9%	6%	13%
Race/Ethnicity								
Native American	131	2%	36%	12%	40%	5%	1%	4%
Black/African American	57	7%	49%	19%	4%	4%	12%	4%
Hispanic	427	5%	53%	10%	2%	12%	6%	13%
Non-Hispanic White	384	3%	49%	11%	3%	8%	7%	19%
Tenure								
Homeowner	657	4%	47%	10%	6%	9%	7%	16%
Renter	582	4%	54%	12%	9%	9%	5%	8%
Mobile Home	136	5%	24%	17%	11%	15%	5%	23%
Precariously Housed	86	1%	42%	14%	12%	5%	3%	23%
Income								
Less than $30,000	418	3%	52%	11%	7%	9%	6%	11%
$30,000-$49,999	228	3%	41%	14%	10%	10%	7%	15%
$50,000-$99,999	255	7%	47%	11%	5%	7%	4%	18%
Above $100,000	119	4%	57%	10%	3%	8%	5%	13%
Household Characteristics								
Children under 18	490	5%	46%	10%	10%	9%	7%	13%
Large households	172	3%	45%	8%	16%	9%	8%	12%
Single Parent	231	5%	48%	10%	11%	10%	7%	9%
Disability	537	4%	49%	12%	7%	8%	7%	13%
Older Adults (age 65+)	223	7%	40%	9%	6%	9%	8%	21%

Note: Numbers do not aggregate either due to multiple responses or that respondents chose not to provide a response to all demographic and socioeconomic questions.

Source: Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

Primary Findings

Primary findings from residents' perspectives and experiences include:

Housing challenges

- **One in five (20%) respondents indicated they are "doubling up" with friends or family members due to lack of housing that meets their needs.** Black/African American respondents are the most likely to be doubled up, and they have over twice the rate of doubling up as the state.

    - The top reason residents are doubled up is because they cannot afford monthly rent costs (20%), although the COVID-19 pandemic also had a destabilizing impact on residents. 14% of those doubled up indicated the reason was due to difficulties associated with the COVID-19 crisis, and 13% indicated they lost their home due to COVID-19 layoffs and circumstances.

- Around **one in five (22%) of respondents indicated their home is in fair/poor condition.** This share is particularly high among residents in mobile homes—almost 40% of mobile home occupants deem their home to be in fair/poor condition. In addition, over 30% of respondents from the Northwest region, of households with income below $30,000, large households, and single parents deem their home to be in fair/poor condition. The most common needed repair is related to weatherization.

- In the state overall, **over one fourth (27%) of respondents indicated they had to skip payments on some bills to pay for housing costs due to the COVID-19 crisis,** and around one fifth indicated they had to take on debt to pay for housing costs (21%), and/or pay less than the minimum amount due on some bills (21%).

    - These impacts were higher among residents in the Northwest, South Central, and Southeast regions, as well as for Native Americans, renters, mobile home residents, and residents with income below $50,000, households with children, large households, and single parents.

- The vast majority of housing voucher holders (79%) describe their **experience trying to find a landlord to accept their voucher as "somewhat difficult" (48%) or "very difficult"** (31%). Most residents attribute their difficulty using a voucher to the voucher not being enough to cover the rent for places they want to live in (57%).

- Among residents who indicated they or someone in their household has a disability, **25%** indicated the place where they live **does not meet the needs of their household member with a disability.** The top improvement needed was supportive services to help maintain housing, including paying rent on time, completing paperwork, submitting documents, finding, and applying for resources, etc.

Improving housing stability

- Respondents shared their perspectives on types of assistance that would improve their housing security and/or stability. **Around one in four respondents indicated they would benefit from help paying rent each month (26%),** followed by "help me with a down payment/purchase for a home" (20%), and "give me money to make critical repairs to my home" (20%).

    - Those who indicated they would benefit the most from rent payment assistance include households with income below $30,000 (44%), single parents (40%), precariously housed residents (37%), households with a member with a disability (35%), and mobile home residents (34%).
    - Those who indicated they would benefit the most from down payment assistance include renters (36%), Black/African American residents (32%), and Native American residents (31%).
    - Those who indicated they would benefit the most from money to make critical repairs include residents in the Northwest region (30%), residents in the Southeast region (29%), and homeowners (29%).

Displacement experience:

- **Over one in four (27%) respondents experienced displacement in the past five years.** The main reason for displacement was "I was behind on rent." Compared to the state:

    - **Black/African Americans had the highest rate of displacement (60%)** among racial groups, followed by Native Americans (31%).
    - Among the different regions, residents from the North Central region had the highest rate of displacement (37%), followed by the Southeast (33%) and the Eastern plains (31%) regions.
    - Renters (41%), precariously housed residents (38%), and mobile home residents (35%) had a higher rate of displacement compared to the state.
    - Over one in three households with income below $30,000 have experienced displacement (36%).
    - Among different household characteristics, single parents (38%), households with a disability (37%), and households with children (32%) experienced higher rates of displacement.

- Of those who have experienced displacement and indicated they had a job, **around one in four indicated they lost their job as a result of the move (25%),** or indicated they had to change their job as a result of the move (26%). These data suggest that improving housing stability is key to promoting employment stability.

- Mobile home residents (40%), households with income below $30,000 (36%), and households with a disability (31%) were the most likely to have lost their job as a result of the move.

- **The majority (57%) of those displaced with children indicated their children had to change school as a result of the move.** Compared to the state overall:

  - Children in Black/African American households (74%), Non-Hispanic White households (72%), households with income between $50,000 and $99,999 (69%), and large households (69%) were more likely to had to change school as a result of the move.

Future housing preferences

- Almost half (45%) of survey respondents plan to move within the next 5 years. The top reason for the move is because they rent and would like to own (23%).

- **Around 4 in 5 (78%) renters aspire to be homeowners within the next five years, but many are unsure they will be able to do so (54%).** In the state overall, top barriers to homeownership include:

  - Around one in three of those who would like to buy (32%) indicated down payment was a top barrier to homeownership,
  - Over one in four (27%) indicated a top barrier was bad credit/low credit score, and
  - One in four (25%) indicated having too much debt to qualify for a mortgage.

Housing Challenges

This section presents results on housing challenges among New Mexico residents. It presents results to questions regarding lack of housing, housing condition and need for repairs, housing costs, and the impacts of the COVID-19 pandemic. In addition, it looks at housing challenges among housing voucher holders, residents with disabilities, and residents experiencing homelessness.

Doubled up. Overall, 20% of respondents indicated they currently live with friends or family members due to lack of housing that meets their needs—colloquially called "doubling up." Similarly, 25% of respondents indicated friends or relatives live with them due to lack of housing.

As shown in Figures V-4 and V-5, significant variation in this share is present by, race, tenure, income, and region.

- The Northwest, North Central, Eastern Plains, and Southeast regions exhibit higher shares of doubling-up, compared to the Mid, South Central, and Southwest regions. Differences are slightly more pronounced for the North Central and Northwest regions.
- Black/African American respondents are the most likely to be doubled up, they have around twice the rate of doubling up as the state. Native American residents are also more likely to be doubled up, although the difference compared to the state is less pronounced.
- In terms of tenure, precariously housed residents are the most likely to be doubled up, and homeowners are the least likely. Mobile home residents are more likely than residents overall to be doubled up.
- As expected, lower income residents are more likely to be doubled up and the incidence decreases as income increases.
- The residents who most commonly live with friends or family members due to lack of housing that meets their needs are those with disabilities and older adults.
- Residents who are most likely to accommodate friends and family because they cannot afford housing are older adults.

Figure V-4.
Do you currently live with family or friends or others not as part of a lease due to lack of housing that meets your needs? ("doubled up") % Yes

Note:
n=1,337.

Source:
Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

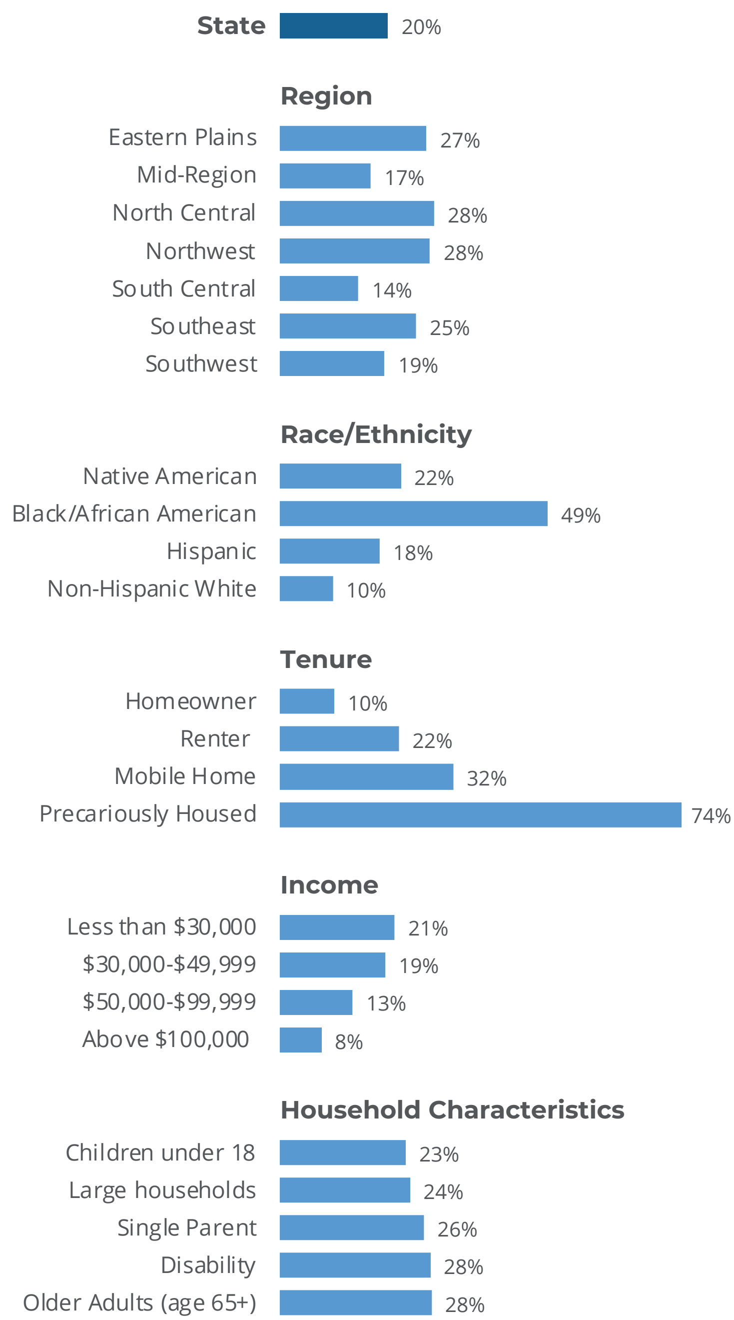


**Figure V-5.
Do any of your friends/relatives live with you due to lack of housing that meets their needs?**

Note:
n=1,320.

Source:
Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

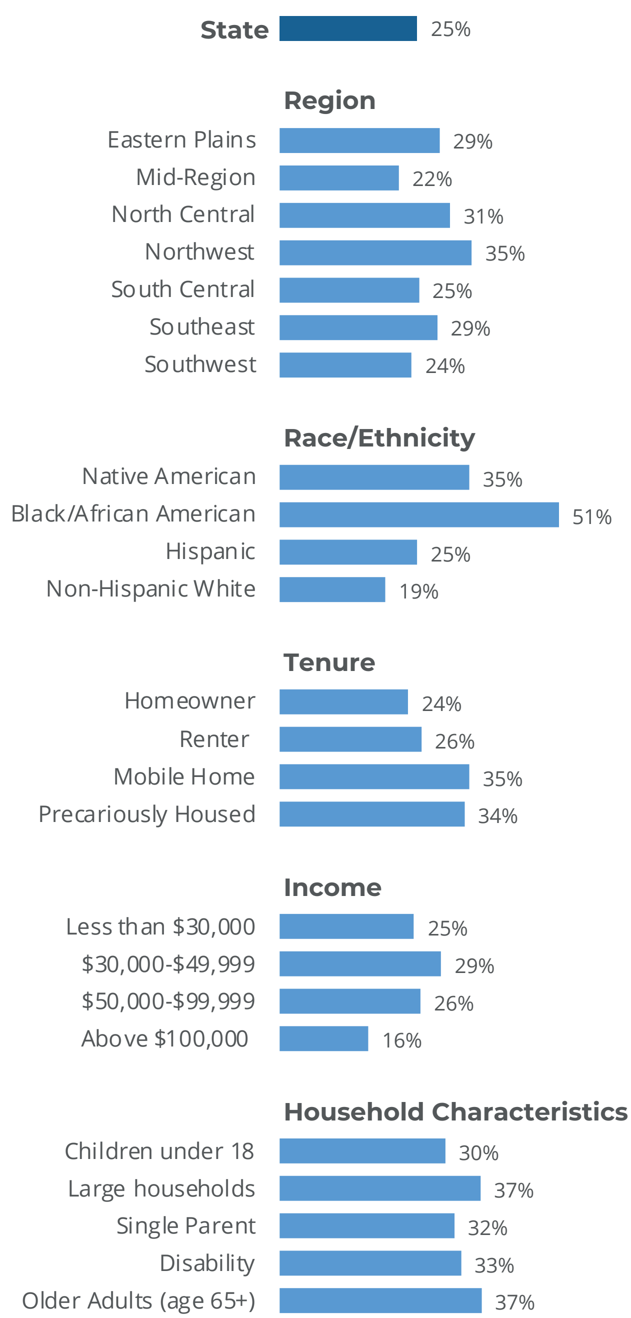
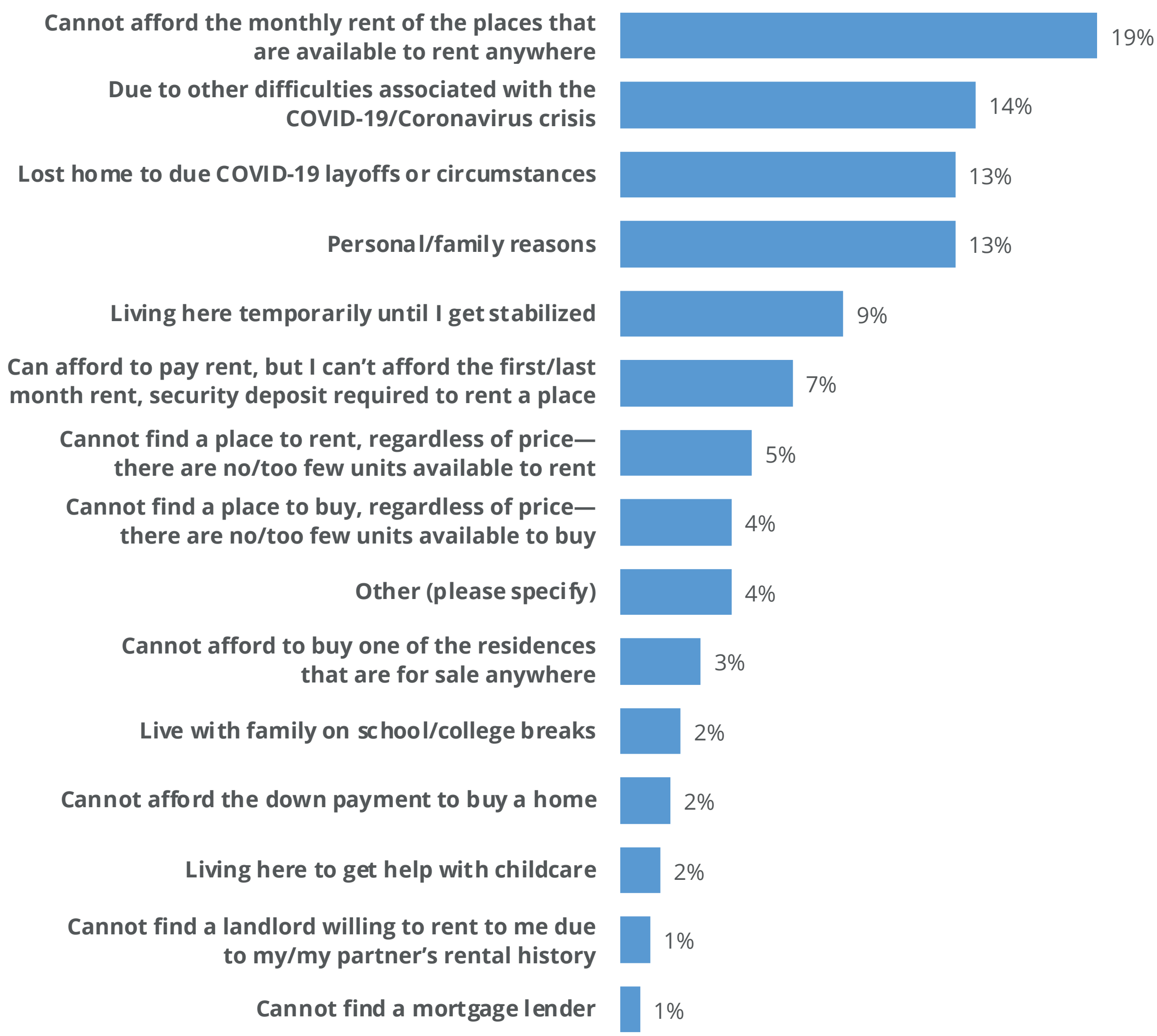


Figure V-6 shows the primary reasons residents are doubled up. The top reason was that residents cannot afford monthly rent costs (20%). The COVID-19 pandemic also had a destabilizing impact on residents, 14% of those doubled up indicated the reason was difficulties associated with the COVID-19 crisis, and 13% indicated they lost their home due to COVID-19 layoffs and circumstances. There is not a significant variance in the ranking of reasons by region or household characteristics.

Figure V-6.
What is the primary reason you live with relatives/friends?



Note: n=252.

Source: Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

Housing condition. Figure V-7 shows the percent of respondents who rated the condition of their home as fair or poor. Overall, 22% of respondents indicated their home is in fair/poor condition.

- One in three respondents in the northwest region (33%) deem their home to be in fair/poor condition, this compares to around one in five in the state overall.
- Native American (26%) and Hispanic (25%) respondents are more likely to deem their home to be in fair/poor condition than Black/African American (19%) and non-Hispanic White (18%) respondents.
- Almost 40% of mobile home occupants deem their home to be in fair/poor condition, this is the highest among housing types. Precariously housed respondents are also more likely to deem their home to be in fair/poor condition (32%).
- One in three respondents with income below $30,000 (33%) indicated their home is in fair/poor condition, this incidence decreases as income increases.
- Around a third of large households (30%), single parents (31%), and households with a disability (29%) indicated their home is in fair/poor condition, while older adults are less likely to deem their home to be in fair/poor condition compared to the state (19% v. 22%).

Figure V-7.
How would you rate the condition of your home? (% Fair/Poor)

Note:
n=1,311.

Source:
Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

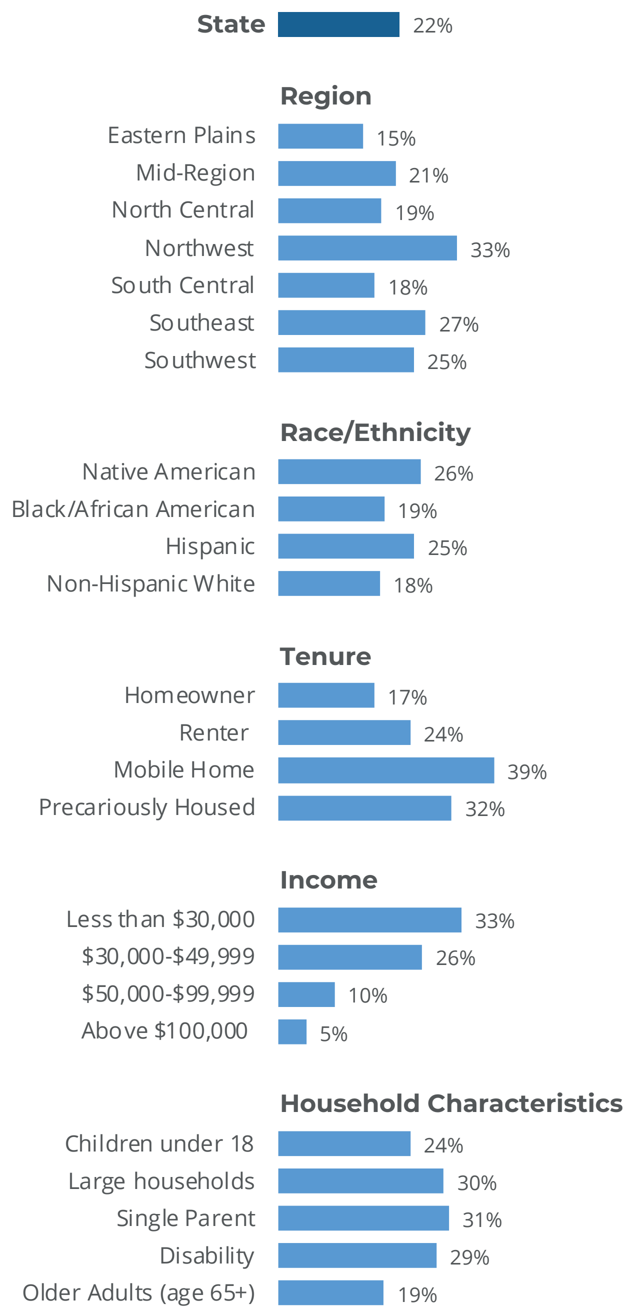
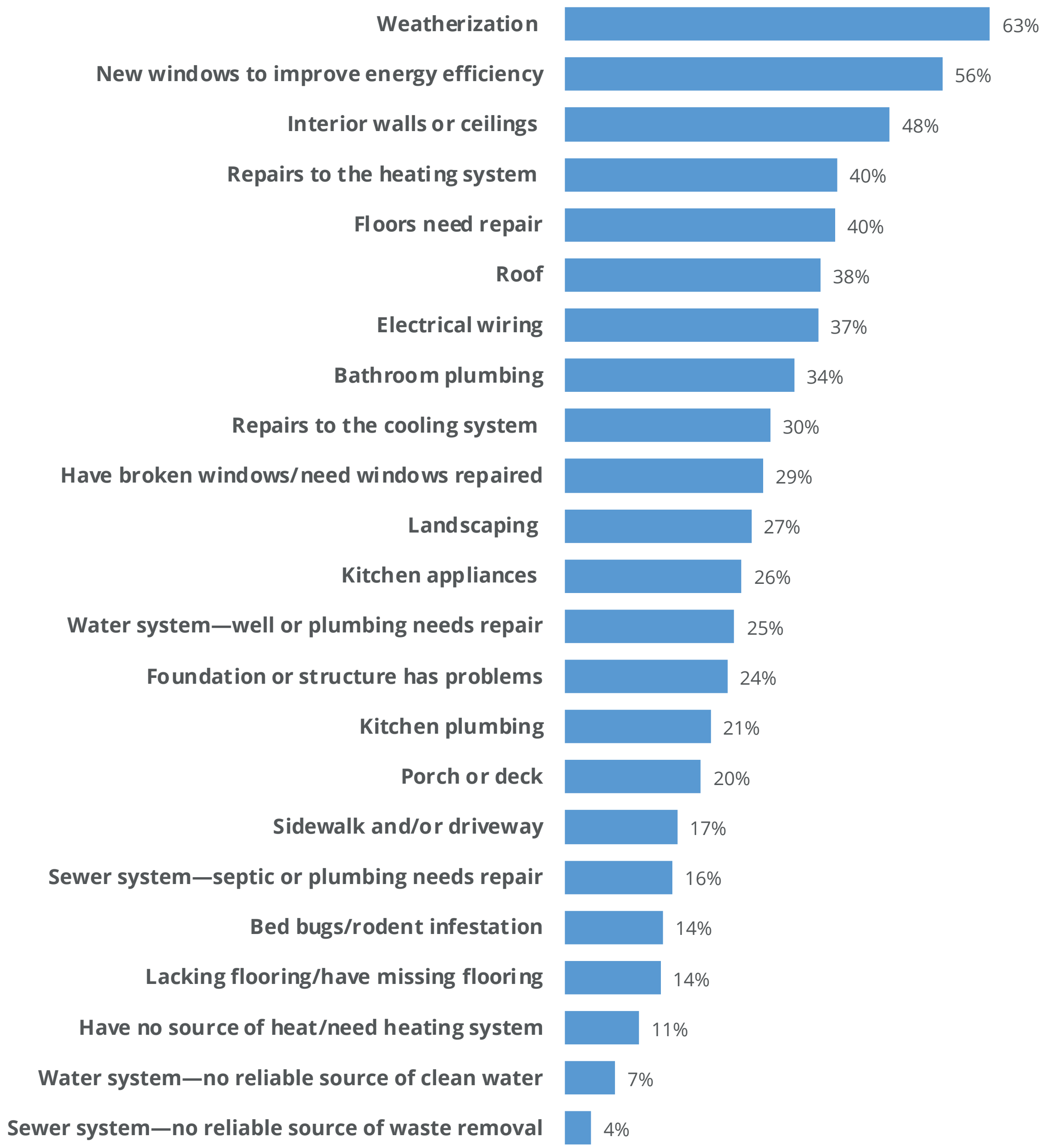


Figure V-8 shows that the most common needed repair is related to weatherization (e.g., insulation, weather stripping, caulking) (63%), followed by new windows to improve energy efficiency (56%). The third most needed repairs are fixes to interior walls or ceilings (e.g., cracks, holes, water damage) at 48%.

Figure V-8.
What are the most important repairs you need?



Note: n=284.

Source: Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

In the majority of cases (56%), respondents indicated the repairs have not been made because the resident "can't afford to make them." Among renters, 24% indicated "I have asked the landlord and he/she won't make them" and another 24% indicated "I worry that if I request a repair it will result in a rent increase or eviction."

Housing costs. Figures V-9 and V-10 compare median housing costs for owners and renters. For owners, utilities and internet costs are fairly similar across regions and household characteristics. Mortgage costs are highest in the Mid-region and the North Central region. Black/African American respondents report higher home costs than other races. HOA/Condo fees are highest among households with income below $30,000, and households with children.

Figure V-9.
Owner Median Housing Costs by Region and Selected Characteristics

	Mortgage, Insurance, Taxes	HOA/Condo Fees	Utilities	Internet
State	**$950**	**$107**	**$250**	**$80**
Region				
Eastern Plains	$800	-	$300	$65
Mid-Region	$1,079	$75	$250	$80
North Central	$1,111	-	$200	$70
Northwest	$609	-	$200	$100
South Central	$900	-	$263	$80
Southeast	$800	-	$300	$85
Southwest	$650	-	$250	$75
Race/Ethnicity				
Native American	$700	-	$200	$100
Black/African American	$1,200	-	$298	$84
Hispanic	$950	$167	$300	$75
Non-Hispanic White	$986	$87	$248	$80
Income				
Less than $30,000	$800	$275	$235	$65
$30,000-$49,999	$894	$155	$300	$80
$50,000-$99,999	$1,050	$60	$250	$80
Above $100,000	$1,400	$90	$250	$100
Household Characteristics				
Children under 18	$966	$200	$300	$80
Large households	$975	$187	$300	$93
Single Parent	$833	$100	$296	$70
Disability	$896	$150	$250	$85
Older Adults (age 65+)	$850	$175	$250	$80

Note: Data not reported for samples under 20.

Source: Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

Similarly for renters, utilities and internet costs are fairly similar across regions and household characteristics. Rent costs are highest in the Mid-region and the North Central region and they are also higher among Black/African American residents and large households.

The survey also collected responses on lot rents among mobile home residents; however, too few observations were collected to produce reliable estimates by subpopulation. Overall, the median lot rent reported was $543. The median lot rent was higher, at $675, for the Mid region, and $600 for Hispanic residents. For households with income below $30,000 the median lot rent was $450. Households with disabilities and older adults reported median lot rent over $500.

Figure V-10. Renter Median Housing Costs by Region and Selected Characteristics

Note:
Data not reported for samples under 20.

Source:
Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

	Rent	Lot Rent	Utilities	Internet
State	**$850**	**$543**	**$218**	**$80**
Region				
Eastern Plains	$765	-	$250	$63
Mid-Region	$950	$675	$200	$80
North Central	$900	-	$300	$80
Northwest	$575	-	$200	$83
South Central	$825	-	$250	$80
Southeast	$800	-	$300	$81
Southwest	$650	-	$250	$80
Race/Ethnicity				
Native American	$671	-	$200	$80
Black/African American	$900	-	$200	$100
Hispanic	$850	$600	$240	$76
Non-Hispanic White	$950	-	$205	$80
Income				
Less than $30,000	$710	$450	$200	$65
$30,000-$49,999	$975	-	$250	$85
$50,000-$99,999	$1,006	-	$223	$90
Above $100,000	$1,500	-	$300	$98
Household Characteristics				
Children under 18	$852	$500	$250	$85
Large households	$950	-	$300	$90
Single Parent	$800	$313	$250	$75
Disability	$800	$511	$250	$82
Older Adults (age 65+)	$895	$550	$250	$81

COVID-19 impacts. Survey respondents were asked to select the ways in which the COVID-19 crisis impacted their housing situation. Figures V-11 through V-15 present the list of challenges respondents could select from and compares them across region, race/ethnicity, tenure, income, and selected household characteristics.

These responses allow a way to compare the severity of impacts across the state; impacts for which other types of data do not exist. In this analysis, "above state average"—shaded in light red or pink—is defined as the proportion of responses that is 25% higher than the overall state proportion. "Below state average"—shown in light blue— occurs when the proportion of responses is 25% lower than the overall state proportion.

As shown in Figure V-11, residents in Northwest and Southeast regions experienced several housing impacts at a higher rate than the state overall. In the state overall, the top three impacts were skipping payments on some bills (27%), taking on debt to pay for housing costs (21%), and paying less than the minimum amount due on some bills (21%). Notable trends by geographic area include:

- Residents in the Eastern Plains were more likely to indicate they continued to live in housing in poor condition, they picked up more work/another job, and turned their home into a vacation rental.
- Residents in the Mid region were more likely to note other impacts from the pandemic. Among the comments noting other impacts from the pandemic, residents shared that they also had to cut back on spending on other essentials such as food, energy, and clothing. Others noted putting home repairs on hold. Respondents also noted how COVID impacted their employment situation, especially those who suffered long COVID, and how missing payments impacted their credit scores.
- Residents in the North Central region were more likely to have paid their full rent or mortgage late, moved in with family or friends, continued to live in an unsafe family situation, and turned their home into a vacation rental.
- In the Northwest region, residents were more likely to have skipped payment(s) on some bills, have taken on debt to pay housing costs, have paid less than the minimum amount due on some bills, have family/friends moved in, continued to live in housing in poor condition, picked up more work/another job, and continued to live in an unsafe family situation.
- Residents in the South Central region were more likely to, have skipped payment(s) on some bills, have taken on debt to pay housing costs, have paid less than the minimum amount due on some bills, and paid only part of their rent or mortgage payments.
- In the Southeast region, residents were more likely to have skipped payment(s) on some bills, have taken on debt to pay housing costs, have paid less than the minimum amount due on some bills, paid only part of their rent or mortgage payments, paid their full rent or mortgage late, have family/friends moved in, continued to live in housing in poor condition, moved in with family or friends, rented part of their house/a room, and turned their home into a vacation rental.
- Residents in the Southwest region were less likely to have their housing situation impacted by the COVID-19 crisis.

Figure V-11.
COVID-19 Housing Impacts, by Region

25% Above State average

25% Below State average

	State	Eastern Plains	Mid-Region	North Central	Northwest	South Central	Southeast	Southwest
Valid cases	1,200	50	597	129	90	102	73	159
I/we have skipped payment(s) on some bills	27%	20%	27%	26%	42%	35%	37%	11%
I/we have taken on debt to pay housing costs (e.g., credit cards, payday loans, loans from family/friends)	21%	20%	20%	19%	27%	26%	30%	14%
I/we have paid less than the minimum amount due on some bills	21%	12%	22%	17%	32%	27%	29%	10%
I/we paid only part of our rent or mortgage payments	19%	16%	19%	19%	20%	25%	27%	11%
I/we paid our full rent or mortgage late	14%	8%	13%	28%	9%	13%	25%	6%
Family/friends moved in with me/us	12%	4%	13%	11%	16%	12%	15%	8%
I/we continued to live in housing in poor condition	9%	12%	8%	10%	16%	6%	12%	8%
I/we picked up more work/another job	9%	14%	8%	11%	11%	9%	10%	6%
Other (please specify)	8%	4%	11%	5%	10%	8%	5%	4%
I/we moved in with family or friends	6%	4%	6%	11%	7%	3%	11%	5%
I/we continued to live in an unsafe family situation	3%	4%	3%	5%	8%	2%	4%	2%
I/we rented part of our house/a room	3%	2%	3%	2%	2%	3%	5%	2%
I/we turned our home into a vacation rental	1%	2%	1%	4%	0%	0%	4%	0%
My housing situation has not been affected by the COVID-19 crisis	36%	44%	36%	26%	23%	32%	23%	53%

Source: Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

Figure V-12 shows impacts by race/ethnicity. Compared to residents in the state overall and to non-Hispanic White households:

- Native American respondents were more likely to have skipped payment(s) on some bills, have paid less than the minimum amount due on some bills, have family/friends moved in, continued to live in housing in poor condition, picked up more work/another job, moved in with family or friends, continued to live in an unsafe family situation, rented part of their house/a room, and turned their home into a vacation rental.

- Black/African American residents were more likely to have paid only part of their rent or mortgage payments, paid their full rent or mortgage late, have family/friends moved in, continued to live in housing in poor condition, moved in with family or friends, continued to live in an unsafe family situation, rented part of their house/a room, turned their home into a vacation rental.

- Hispanic residents were more likely to have paid less than the minimum amount due on some bills, paid only part of their rent or mortgage payments, paid their full rent or mortgage late, and have picked up more work/another job.

Figure V-12.
COVID-19 Housing Impacts, by Race/Ethnicity

25% Above State average
25% Below State average

	State	Native American	Black/ African American	Hispanic	Non-Hispanic White
Valid cases	1,200	131	57	423	382
I/we have skipped payment(s) on some bills	27%	40%	32%	32%	18%
I/we have taken on debt to pay housing costs (e.g., credit cards, payday loans, loans from family/friends)	21%	23%	25%	25%	18%
I/we have paid less than the minimum amount due on some bills	21%	28%	19%	26%	14%
I/we paid only part of our rent or mortgage payments	19%	22%	28%	25%	14%
I/we paid our full rent or mortgage late	14%	15%	26%	18%	8%
Family/friends moved in with me/us	12%	18%	21%	14%	8%
I/we continued to live in housing in poor condition	9%	11%	14%	7%	10%
I/we picked up more work/another job	9%	13%	7%	12%	7%
Other (please specify)	8%	8%	12%	7%	8%
I/we moved in with family or friends	6%	11%	9%	7%	4%
I/we continued to live in an unsafe family situation	3%	5%	9%	3%	2%
I/we rented part of our house/a room	3%	7%	4%	2%	2%
I/we turned our home into a vacation rental	1%	3%	4%	1%	1%
My housing situation has not been affected by the COVID-19 crisis	36%	19%	7%	28%	50%

Source: Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

Figure V-13 shows impacts by tenure. Compared to the state and to homeowners:

- Renters were more likely to have taken on debt to pay housing costs and have paid their full rent late.

- Residents living in mobile homes were more likely to have skipped payment(s) on some bills, have paid less than the minimum amount due on some bills, continued to live in housing in poor condition, picked up more work/another job, continued to live in an unsafe family situation, and rented part of their house/a room.

- Precariously housed residents were more likely to have picked up more work/another job, moved in with family or friends, and continued to live in an unsafe family situation.

Figure V-13. COVID-19 Housing Impacts, by Tenure

25% Above State average

25% Below State average

	State	Owner	Renter	Mobile Home	Precariously Housed
Valid cases	1,200	578	519	122	71
I/we have skipped payment(s) on some bills	27%	22%	34%	39%	20%
I/we have taken on debt to pay housing costs (e.g., credit cards, payday loans, loans from family/friends)	21%	17%	27%	26%	15%
I/we have paid less than the minimum amount due on some bills	21%	18%	25%	29%	11%
I/we paid only part of our rent or mortgage payments	19%	20%	20%	22%	6%
I/we paid our full rent or mortgage late	14%	11%	18%	17%	4%
Family/friends moved in with me/us	12%	14%	11%	13%	6%
I/we continued to live in housing in poor condition	9%	8%	10%	17%	8%
I/we picked up more work/another job	9%	7%	10%	13%	14%
Other (please specify)	8%	7%	9%	6%	8%
I/we moved in with family or friends	6%	3%	6%	7%	34%
I/we continued to live in an unsafe family situation	3%	2%	4%	5%	4%
I/we rented part of our house/a room	3%	3%	3%	3%	0%
I/we turned our home into a vacation rental	1%	1%	1%	1%	0%
My housing situation has not been affected by the COVID-19 crisis	36%	47%	25%	22%	27%

Source: Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

Figure V-14 shows the impacts by income. As expected, households with income below $50,000 were more like to experience adverse impacts.

Households with income below $30,000 were more likely to have skipped payment(s) on some bills, have taken on debt to pay housing costs, have paid less than the minimum amount due on some bills, paid only part of their rent or mortgage payments, paid their full rent or mortgage late, continued to live in housing in poor condition, moved in with family or friends, and rented part of their house/a room.

Conversely, certain households reported benefitting from the pandemic—e.g., households with income above $50,000 were twice as likely than others to have turned their home into a vacation rental, although the proportion doing this (just 2%) is very small.

Figure V-14.
COVID-19 Housing Impacts, by Income

25% Above State average

25% Below State average

	State	Less than $30,000	$30,000-$49,999	$50,000-$99,999	Above $100,000
Valid cases	1,200	416	227	254	117
I/we have skipped payment(s) on some bills	27%	39%	34%	14%	7%
I/we have taken on debt to pay housing costs (e.g., credit cards, payday loans, loans from family/friends)	21%	29%	26%	16%	3%
I/we have paid less than the minimum amount due on some bills	21%	31%	24%	11%	3%
I/we paid only part of our rent or mortgage payments	19%	29%	24%	13%	3%
I/we paid our full rent or mortgage late	14%	19%	17%	9%	3%
Family/friends moved in with me/us	12%	13%	14%	10%	9%
I/we continued to live in housing in poor condition	9%	14%	10%	5%	1%
I/we picked up more work/another job	9%	10%	10%	11%	4%
Other (please specify)	8%	13%	7%	4%	7%
I/we moved in with family or friends	6%	8%	7%	4%	3%
I/we continued to live in an unsafe family situation	3%	4%	4%	3%	1%
I/we rented part of our house/a room	3%	4%	2%	2%	1%
I/we turned our home into a vacation rental	1%	1%	1%	2%	2%
My housing situation has not been affected by the COVID-19 crisis	36%	17%	29%	51%	71%

Source: Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

Figure V-15 shows the impacts by household characteristics. Among different households:

- Those with children were more likely to have skipped payment(s) on some bills, have taken on debt to pay housing costs, have paid less than the minimum amount due on some bills, paid only part of their rent or mortgage payments, paid their full rent or mortgage late, have family/friends moved in, and continued to live in an unsafe family situation.

- Large households were more likely to have skipped payment(s) on some bills, have paid less than the minimum amount due on some bills, paid only part of their rent or mortgage payments, paid their full rent or mortgage late, have family/friends moved in, continued to live in housing in poor condition, continued to live in an unsafe family situation, and rented part of their house/a room.

- Single parents were more likely to have skipped payment(s) on some bills, have taken on debt to pay housing costs, have paid less than the minimum amount due on some bills, paid only part of their rent or mortgage payments, paid their full rent or mortgage late, have family/friends moved in, continued to live in housing in poor condition, continued to live in an unsafe family situation, and rented part of their house/a room.

- Households with disabilities were more likely to have continued to live in housing in poor condition, moved in with family or friends, continued to live in an unsafe family situation, rented part of their house/a room, and turned their home into a vacation rental.

- Older adults were more likely to have continued to live in an unsafe family situation, turned their home into a vacation rental, yet were also less likely to have their housing situation impacted.

Figure V-15.
COVID-19 Housing Impacts, by Household Characteristics

25% Above State average

25% Below State average

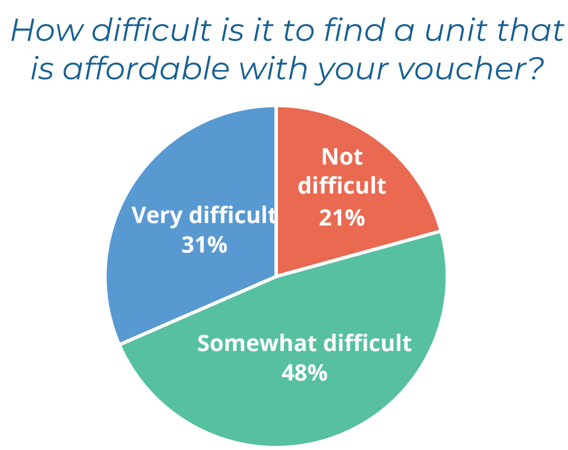
	State	Children under 18	Large households	Single Parent	Disability	Older Adults (age 65+)
Valid cases	1,200	486	170	230	500	221
I/we have skipped payment(s) on some bills	27%	38%	39%	46%	30%	13%
I/we have taken on debt to pay housing costs (e.g., credit cards, payday loans, loans from family/friends)	21%	27%	25%	31%	26%	13%
I/we have paid less than the minimum amount due on some bills	21%	29%	26%	40%	22%	10%
I/we paid only part of our rent or mortgage payments	19%	27%	24%	30%	22%	15%
I/we paid our full rent or mortgage late	14%	21%	21%	27%	16%	9%
Family/friends moved in with me/us	12%	17%	23%	17%	13%	14%
I/we continued to live in housing in poor condition	9%	11%	12%	15%	13%	9%
I/we picked up more work/another job	9%	11%	8%	10%	9%	7%
Other (please specify)	8%	6%	9%	7%	12%	10%
I/we moved in with family or friends	6%	6%	6%	7%	9%	7%
I/we continued to live in an unsafe family situation	3%	5%	6%	8%	6%	5%
I/we rented part of our house/a room	3%	3%	4%	3%	4%	2%
I/we turned our home into a vacation rental	1%	1%	1%	1%	1%	3%
My housing situation has not been affected by the COVID-19 crisis	36%	21%	22%	13%	26%	46%

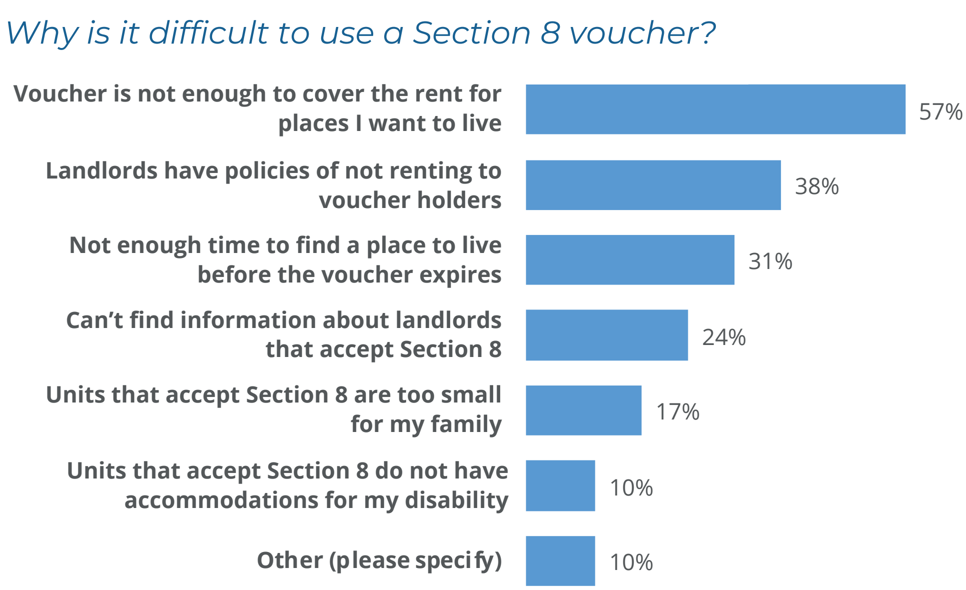
Source: Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

Housing voucher holders. The resident survey collected responses from 113 residents with a housing voucher. Among these residents, the vast majority (79%) describe their experience trying to find a landlord to accept their voucher as "somewhat difficult" (48%) or "very difficult" (31%).

As shown in Figure V-16, most residents attribute their difficulty using a voucher to the voucher not being enough to cover the rent for places they want to live in (57%), followed by landlords having policies of note renting to voucher holders (38%), and not enough time to find a place to live before the voucher expires (31%).

Figure V-16.
Housing Barriers Among Voucher Holders





Note: n= 111 for voucher difficulty, n=86 for difficulty reason.

Source: Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

Residents experiencing homelessness. The resident survey did not collect enough responses from homeless individuals and individuals in shelters and transitional housing to present results without compromising their privacy. However, their answers and comments were analyzed, and several housing needs and topics rose to the top:

- Several individuals indicated they lost their housing due to the COVID pandemic.
- Long waiting lists for housing subsidies are keeping them homeless; and
- The lack of places to rent that accept vouchers as well as minimum income requirements are significant barriers to finding housing.

Residents with a disability. Figure V-17 shows that among residents who indicated they or someone in their household has a disability, one in four indicated the place where they live does not meet the needs of their household member with a disability.

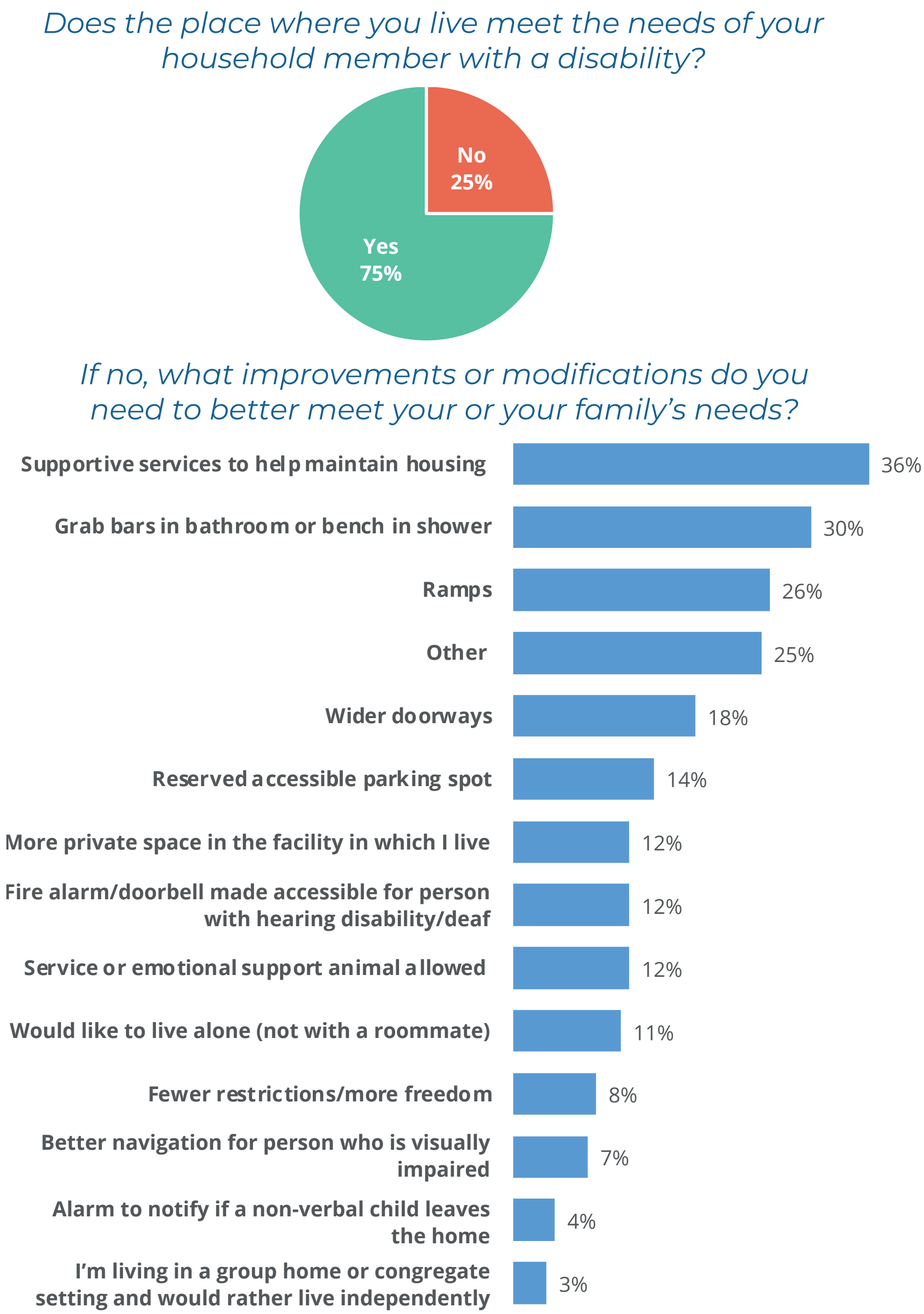
The top improvement needed to their living environment was supportive services to help maintain housing—paying rent on time, completing paperwork, submitting documents, finding, and applying for resources, etc.

The top accessibility modifications needed were grab bars in bathroom or bench in shower, ramps, and wider doorways.

Comments under other improvements or modifications included:

- "Lower floor apartment or elevator"
- "I urgently need railings on the outdoor stairs."
- "Legal representation/pro bono"
- "Need to be on the 1st floor"
- "Rails on my porch"
- "Roll in or walk in shower"
- "We need a single floor home"
- "Washer and drier and privacy"

Figure V-17.
Needs for Residents with Disabilities



Note: n= 536 for improvement need, n=121 for type of improvement needed.

Source: Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

Improving Housing Stability

Respondents were presented a set of housing assistance options and asked to select the ones that they need to improve their hosing security and/or stability. Figures V-18 through V-22 present the list of options respondents could select and compares them across region, race/ethnicity, tenure, income, and selected household characteristics.

Again, in this analysis, "above state average"—**shaded in light red or pink**—is defined as the proportion of responses that is **25% higher than the overall state** proportion. "Below the state average"—**shown in light blue**— occurs when the proportion of responses is **25% lower than the overall state** proportion.

As shown in Figure V-18, among potential interventions, "help me pay rent each month" was the top response (26%), followed by "help me with a down payment/purchase for a home" (20%), and "give me money to make critical repairs to my home (heating, cooling)" (20%).

Notable trends by geographic area include:

- Residents in the Eastern Plains were more likely to indicate they would benefit from money for their disability accommodation, and from education on landlord/tenant relationships.
- Residents in the North Central region were more likely to indicate they would benefit from help finding a home they can afford to buy, prevent landlords from evicting for no reason, and getting them someone to assist with personal in-home care.
- In the Northwest region, residents were more likely indicate they would benefit from money to make critical repairs (heating, cooling).
- Residents in the South Central region were more likely to indicate they would benefit help with a down payment, help getting a loan to buy a house, and help with the rental housing search.
- In the Southeast region, residents were more likely to indicate they would benefit from money to make critical repairs to their home (heating, cooling), money for their disability accommodation, prevent landlords from evicting for no reason, from education on landlord/tenant relationships, and getting them someone to assist them with personal in-home care.
- Residents in the Southwest region were more likely to indicate they would benefit from getting them someone to assist with personal in-home care.

Figure V-18.
What do you feel you need to improve your housing security/stability? By Region

25% Above State average
25% Below State average

	State	Eastern Plains	Mid-Region	North Central	Northwest	South Central	Southeast	Southwest
Valid cases	1,236	51	613	131	94	108	73	166
Help me pay rent each month	26%	20%	31%	29%	27%	20%	25%	11%
Help me with a down payment	20%	22%	24%	20%	16%	26%	11%	10%
Give me money to make critical repairs to my home (heating, cooling)	20%	20%	16%	21%	30%	23%	29%	20%
Find a home I can afford to buy/increase inventory of affordable for sale homes	18%	16%	20%	23%	9%	21%	15%	9%
Help me get a loan to buy a house	18%	22%	21%	17%	13%	24%	10%	8%
Help me with the rental housing search	10%	10%	12%	11%	10%	13%	8%	3%
Other (please specify)	9%	4%	11%	7%	7%	11%	12%	7%
Have someone routinely help me care for my home	9%	4%	10%	9%	6%	3%	7%	10%
Find a landlord who accepts Section 8	6%	4%	6%	7%	6%	7%	7%	4%
Give me money for disability accommodation	6%	8%	6%	4%	6%	4%	10%	3%
Prevent landlords from evicting me for no reason	5%	2%	5%	8%	5%	6%	11%	2%
Move to a different city/town/county	5%	2%	5%	5%	2%	4%	5%	6%
Help me learn how to be a good renter, how to get along with my landlord	3%	4%	3%	3%	2%	2%	4%	2%
Get me someone to help me care for myself in my home	1%	0%	1%	2%	0%	0%	3%	3%
I am satisfied with my housing situation	31%	43%	29%	28%	24%	30%	22%	44%

Source: Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

Among different racial/ethnic groups, Black/African American and Native American respondents indicated they needed more types of assistance compared to Hispanic and Non-Hispanic White respondents. As shown in Figure V-19:

- Native American respondents were more likely to indicate they would benefit from help with a down payment, money to make critical repairs to their home (heating, cooling), help with the rental housing search, help finding a landlord who accepts Section 8, and from education on landlord/tenant relationships.
- Black/African American respondents were more likely to indicate they would benefit from help with a down payment, help finding an affordable home to buy, help getting a loan to buy a house, help with the rental housing search, help finding a landlord who accepts Section 8, money for their disability accommodation, preventing landlords from evicting for no reason, education on landlord/tenant relationships, and from getting them someone to assist with personal in home care.
- Non-Hispanic White respondents were more likely to indicated they would benefit from having someone routinely help them care for their home.

Figure V-19.
What do you feel you need to improve your housing security/stability? By Race/Ethnicity

25% Above State average

25% Below State average

	State	Native American	Back/ African American	Hispanic	Non-Hispanic White
Valid cases	1,236	131	57	427	384
Help me pay rent each month	26%	31%	30%	29%	18%
Help me with a down payment	20%	31%	32%	22%	16%
Give me money to make critical repairs to my home (heating, cooling)	20%	26%	18%	22%	19%
Find a home I can afford to buy/increase inventory of affordable for sale homes	18%	19%	26%	16%	18%
Help me get a loan to buy a house	18%	22%	39%	19%	14%
Help me with the rental housing search	10%	14%	21%	11%	7%
Other (please specify)	9%	10%	7%	10%	8%
Have someone routinely help me care for my home	9%	3%	7%	6%	12%
Find a landlord who accepts Section 8	6%	9%	25%	4%	3%
Give me money for disability accommodation	6%	6%	12%	5%	5%
Prevent landlords from evicting me for no reason	5%	6%	18%	5%	4%
Move to a different city/town/county	5%	4%	4%	3%	5%
Help me learn how to be a good renter, how to get along with my landlord	3%	5%	16%	1%	2%
Get me someone to help me care for myself in my home	1%	0%	4%	1%	2%
I am satisfied with my housing situation	31%	23%	9%	30%	40%

Note: n=1,236.

Source: Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

Figure V-20 shows impacts by tenure. Homeowners were more like to indicate they would benefit from money to make critical repairs to their home (heating, cooling). Compared to the state and to homeowners:

- Renters were more likely to indicate they would benefit from help paying rent each month, help with a down payment, help finding an affordable home, help getting a loan to buy a house, help with the rental housing search, help finding a landlord who accepts Section 8, preventing landlords from evicting for no reason, help moving to a different city/town/county, education on landlord/tenant relationships, and from getting them someone to assist with personal in home care.

- Mobile home residents were more likely to benefit from help paying rent each month, and from getting them someone to assist in personal in home care.

- Precariously housed residents were more likely than other residents to report help with nearly all types of needs, the exception being caring for a home and needing repairs, which is logical given that these residents are not in permanent homes.

Figure V-20.
What do you feel you need to improve your housing security/stability? By Tenure

25% Above State average

25% Below State average

	State	Homeowner	Renter	Mobile Home	Precariously Housed
Valid cases	1,236	595	533	123	75
Help me pay rent each month	26%	-	41%	34%	37%
Help me with a down payment	20%	-	36%	23%	32%
Give me money to make critical repairs to my home (heating, cooling)	20%	29%	9%	24%	24%
Find a home I can afford to buy/increase inventory of affordable for sale homes	18%	7%	28%	17%	25%
Help me get a loan to buy a house	18%	-	33%	19%	23%
Help me with the rental housing search	10%	-	16%	11%	24%
Other (please specify)	9%	10%	8%	12%	13%
Have someone routinely help me care for my home	9%	10%	7%	5%	5%
Find a landlord who accepts Section 8	6%	-	9%	6%	15%
Give me money for disability accommodation	6%	5%	6%	6%	9%
Prevent landlords from evicting me for no reason	5%	-	8%	3%	13%
Move to a different city/town/county	5%	3%	6%	4%	12%
Help me learn how to be a good renter, how to get along with my landlord	3%	-	4%	1%	3%
Get me someone to help me care for myself in my home	1%	1%	2%	3%	0%
I am satisfied with my housing situation	31%	48%	16%	19%	9%

Note: n=1,236.

Source: Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

Figure V-21 shows the impacts by income. As expected, households with income below $50,000 are more like to benefit from different types of support, while households with income above $50,000 were more like to be satisfied with their housing situation.

- Households with income below $30,000 are more likely to indicate they would benefit from help paying rent each month, money to make critical repairs to their home (heating, cooling), help with the rental housing search, help finding a landlord who accepts Section 8, money for their disability accommodation, preventing landlords from evicting for no reason, education on landlord/tenant relationships, and getting them someone to assist in personal in home care.

- Households with income between $30,000 to $50,000 are more likely to indicate they would benefit from help with a down payment, money to make critical repairs to their home (heating, cooling), and help getting a loan to buy a house.

- Households with income exceeding $100,000 report very low needs.

Figure V-21.
What do you feel you need to improve your housing security/stability? By Income

25% Above State average
25% Below State average

	State	Less than $30,000	$30,000-$49,999	$50,000-$99,999	Above $100,000
Valid cases	1,236	418	228	255	119
Help me pay rent each month	26%	44%	21%	9%	2%
Help me with a down payment	20%	24%	26%	15%	7%
Give me money to make critical repairs to my home (heating, cooling)	20%	27%	26%	16%	8%
Find a home I can afford to buy/increase inventory of affordable for sale homes	18%	17%	21%	18%	12%
Help me get a loan to buy a house	18%	21%	23%	15%	5%
Help me with the rental housing search	10%	16%	9%	5%	3%
Other (please specify)	9%	11%	10%	9%	5%
Have someone routinely help me care for my home	9%	10%	10%	8%	5%
Find a landlord who accepts Section 8	6%	8%	4%	4%	3%
Give me money for disability accommodation	6%	9%	6%	3%	0%
Prevent landlords from evicting me for no reason	5%	7%	4%	4%	3%
Move to a different city/town/county	5%	5%	4%	3%	3%
Help me learn how to be a good renter, how to get along with my landlord	3%	4%	3%	1%	1%
Get me someone to help me care for myself in my home	1%	3%	0%	0%	2%
I am satisfied with my housing situation	31%	15%	25%	44%	72%

Note: n=1,236.

Source: Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

Figure V-22 shows the impacts by household characteristics. Compared to the state, among different households:

- Households with children report about the same needs for home improvements as state residents overall. As noted below, however, this differs for single parent households.

- Large households are more likely to benefit from help with a down payment, money to make critical repairs to their home (heating, cooling), education on landlord/tenant relationships, and from getting them someone to assist with personal in home care.

- Single parent households are more likely to benefit from help paying rent each month, help with a down payment, money to make critical repairs to their home (heating, cooling), help getting a loan to buy a house, help with the rental housing search, help finding a landlord who accepts Section 8, preventing landlords from evicting tenants for no reason, and education on landlord/tenant relationships.

- Households with a member with a disability are more likely to benefit from help paying rent each month, help with the rental housing search, having someone routinely help take care of their home, help finding a landlord who accepts Section 8, money for their disability accommodation, preventing landlords from evicting tenants for no reason, moving to a different city/town/county, education on landlord/tenant relationships, and from getting them someone to assist with personal in home care.

- Households with older adults are more likely to benefit from having someone routinely help take care of their home, preventing landlords from evicting tenants for no reason, and education on landlord/tenant relationships.

Figure V-22.
What do you feel you need to improve your housing security/stability? By Households Characteristics

25% Above State average
25% Below State average

	State	Children under 18	Large households	Single Parent	Disability	Older Adults (age 65+)
Valid cases	1,236	490	172	231	516	223
Help me pay rent each month	26%	31%	29%	40%	35%	15%
Help me with a down payment	20%	24%	28%	29%	24%	11%
Give me money to make critical repairs to my home (heating, cooling)	20%	24%	26%	26%	24%	20%
Find a home I can afford to buy/increase inventory of affordable for sale homes	18%	17%	22%	18%	18%	12%
Help me get a loan to buy a house	18%	21%	20%	28%	20%	13%
Help me with the rental housing search	10%	11%	9%	14%	15%	11%
Other (please specify)	9%	9%	14%	7%	14%	13%
Have someone routinely help me care for my home	9%	8%	5%	10%	12%	12%
Find a landlord who accepts Section 8	6%	7%	4%	9%	10%	7%
Give me money for disability accommodation	6%	5%	6%	5%	13%	5%
Prevent landlords from evicting me for no reason	5%	6%	5%	7%	9%	7%
Move to a different city/town/county	5%	4%	3%	5%	7%	5%
Help me learn how to be a good renter, how to get along with my landlord	3%	4%	4%	4%	4%	4%
Get me someone to help me care for myself in my home	1%	2%	2%	1%	3%	2%
I am satisfied with my housing situation	31%	23%	24%	10%	16%	35%

Source: Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

Displacement Experience

Figure V-23 presents the proportion of residents who experienced displacement in the past five years, as well as the reason for displacement.

- Overall, over one if four (27%) respondents experienced displacement in the past five years. Among all survey respondents, the main reason for displacement was “I was behind on rent.”

- Among the different regions, residents from the North Central region had the highest rate of displacement (37%), followed by the Southeast (33%) and the Eastern plains (31%) regions. In the North Central region, the top reason for displacement was “rent increased more than I could afford,” in the Southeast it was “landlord wanted to move back in or move in family,” and in the Eastern Plains it was a tie between “rent increased more than I could afford” and “legal eviction.”

- Black/African Americans had the highest rate of displacement (60%) among racial groups, followed by Native Americans (31%). Among Black/African Americans the top reason for displacement was “rent increased more than I could afford”, among Native Americans the top reason was “I was behind on rent.”

- Renters (41%), precariously housed residents (38%), and mobile home residents (35%) had a higher rate of displacement comparted to the state. As in the state overall, among precariously housed residents, and mobile home residents the main reason for displacement was “I was behind on rent,” but among renters the top reason was “rent increased more than I could afford.”

- Among income categories, 36% of households with income below $30,000 have experienced displacement. As in the state overall, the main reason for displacement was “I was behind on rent.”

- Among different household characteristics, single parents (38%), households with a disability (37%), and households with children (32%) experienced higher rates of displacement. As in the state overall, the main reason for displacement for these households was “I was behind on rent.”

Figure V-23. Displacement Experience and Reasons for Displacement

	Percent Displaced	Reason for Displacement: I was behind on rent	Rent increased more than I could pay	Landlord was selling the home/ apartment	Lost job/hours reduced	Landlord wanted to rent to someone else	Landlord wanted to move back in or move in family	Forced out for no reason	Health reasons	Housing was unsafe
Region										
State	**27%**	22%	18%	17%	15%	10%	9%	8%	8%	7%
Eastern Plains	**31%**	19%	25%	31%	13%	13%	0%	13%	13%	13%
Mid-Region	**27%**	25%	20%	17%	15%	10%	9%	9%	9%	7%
North Central	**37%**	16%	25%	18%	18%	14%	12%	10%	8%	8%
Northwest	**27%**	20%	8%	16%	20%	12%	8%	4%	4%	12%
South Central	**26%**	17%	14%	28%	17%	3%	3%	7%	7%	10%
Southeast	**33%**	16%	12%	16%	4%	8%	24%	4%	4%	4%
Southwest	**19%**	29%	13%	3%	13%	10%	3%	3%	6%	3%
Race/Ethnicity										
Native American	**31%**	24%	22%	17%	15%	15%	5%	15%	7%	10%
Black/African American	**60%**	18%	21%	18%	15%	12%	15%	18%	3%	6%
Hispanic	**25%**	22%	18%	19%	19%	12%	13%	6%	9%	9%
Non-Hispanic White	**22%**	21%	14%	18%	13%	8%	5%	5%	6%	8%
Tenure										
Homeowner	**12%**	16%	12%	22%	12%	8%	11%	9%	9%	4%
Renter	**41%**	21%	23%	18%	15%	11%	7%	7%	9%	7%
Mobile Home	**35%**	23%	16%	16%	14%	14%	9%	9%	9%	9%
Precariously Housed	**38%**	24%	17%	10%	7%	10%	21%	7%	0%	14%
Income										
Less than $30,000	**36%**	28%	18%	16%	17%	13%	8%	9%	9%	12%
$30,000-$49,999	**25%**	16%	16%	19%	19%	14%	5%	12%	3%	7%
$50,000-$99,999	**20%**	14%	18%	24%	12%	10%	18%	4%	10%	0%
Above $100,000	**10%**	0%	8%	25%	0%	0%	8%	0%	0%	0%
Household Characteristics										
Children under 18	**32%**	25%	13%	20%	17%	14%	10%	10%	6%	8%
Large households	**26%**	24%	2%	24%	24%	13%	7%	11%	7%	4%
Single Parent	**38%**	24%	13%	17%	15%	17%	10%	14%	7%	10%
Disability	**37%**	20%	19%	16%	12%	9%	10%	9%	12%	10%
Older Adults (age 65+)	**30%**	16%	21%	25%	9%	10%	13%	12%	7%	9%

Note: n=1,294 for percent displaced, n= 347 for reasons for displacement.

Source: Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

Figure V-23. Displacement Experience and Reasons for Displacement (continued)

		Reason for Displacement							
	Percent Displaced	Because of apartment rules	Legal eviction	Utilities were too expensive	Poor condition of property	Career move/job change	Natural disaster	Foreclosure	Landlord converted apartment to short term rental
Region									
State	**27%**	7%	7%	7%	7%	6%	2%	2%	2%
Eastern Plains	**31%**	0%	25%	6%	0%	13%	13%	0%	0%
Mid-Region	**27%**	6%	6%	6%	5%	5%	1%	3%	1%
North Central	**37%**	4%	6%	0%	10%	6%	4%	0%	2%
Northwest	**27%**	16%	4%	4%	8%	8%	0%	0%	8%
South Central	**26%**	3%	10%	24%	7%	7%	0%	3%	0%
Southeast	**33%**	20%	4%	4%	4%	4%	4%	4%	0%
Southwest	**19%**	6%	3%	10%	16%	13%	0%	0%	3%
Race/Ethnicity									
Native American	**31%**	15%	5%	5%	7%	5%	0%	2%	0%
Black/African American	**60%**	18%	18%	6%	6%	3%	9%	0%	0%
Hispanic	**25%**	5%	4%	7%	3%	6%	0%	1%	1%
Non-Hispanic White	**22%**	3%	6%	9%	10%	13%	2%	6%	2%
Tenure									
Homeowner	**12%**	8%	5%	8%	9%	8%	1%	5%	5%
Renter	**41%**	6%	6%	6%	7%	7%	1%	1%	0%
Mobile Home	**35%**	7%	11%	9%	5%	9%	0%	2%	0%
Precariously Housed	**38%**	14%	7%	3%	7%	3%	0%	0%	3%
Income									
Less than $30,000	**36%**	6%	5%	7%	7%	7%	2%	2%	1%
$30,000-$49,999	**25%**	9%	5%	10%	5%	9%	0%	2%	3%
$50,000-$99,999	**20%**	6%	12%	2%	4%	6%	6%	6%	0%
Above $100,000	**10%**	0%	8%	8%	8%	8%	8%	0%	0%
Household Characteristics									
Children under 18	**32%**	10%	10%	10%	6%	7%	4%	3%	1%
Large households	**26%**	11%	13%	4%	2%	4%	7%	0%	2%
Single Parent	**38%**	8%	10%	10%	9%	3%	5%	2%	1%
Disability	**37%**	9%	8%	8%	8%	7%	2%	3%	3%
Older Adults (age 65+)	**30%**	7%	12%	10%	9%	6%	3%	4%	1%

Note: n=1,294 for percent displaced, n= 347 for reasons for displacement.

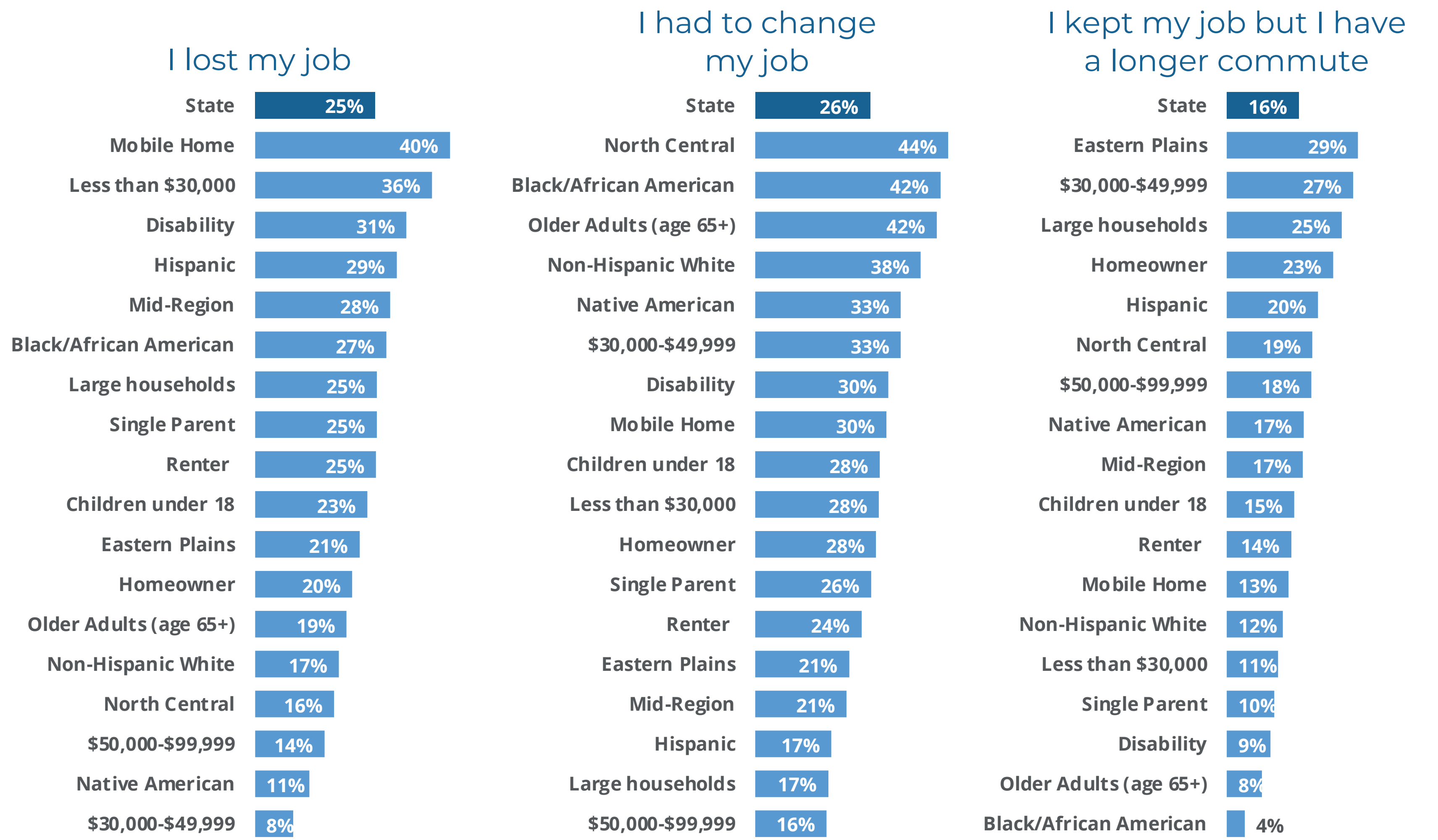
Source: Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

Employment impacts from displacement. In the state, of those who have experienced displacement and indicated having a job, 26% indicated they had to change their job as a result of the move, 25% indicated they lost their job as a result of the move, and 16% indicated they kept their job but have a longer commute.

Figure V-24 shows the share of working residents whose employment situation was negatively impacted by the move (among those groups for which over 25 responses were collected). The data reveal that:

- Mobile home residents, households with income below $30,000, and households with a disability were the most likely to have lost their job as a result of the move.
- Residents in the North Central region, Black/African American residents, and adults over 65 were the most likely to have changed jobs as a result of the move.
- Residents in the Eastern Plains region, households with income between $30,000 and $49,999, and large households were the most likely to have kept their job but have a longer commute as a result of the move.

Figure V-24.
Did you lose or have to change your job as a result of (an involuntary housing) move?



Note: n=263.

Source: Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

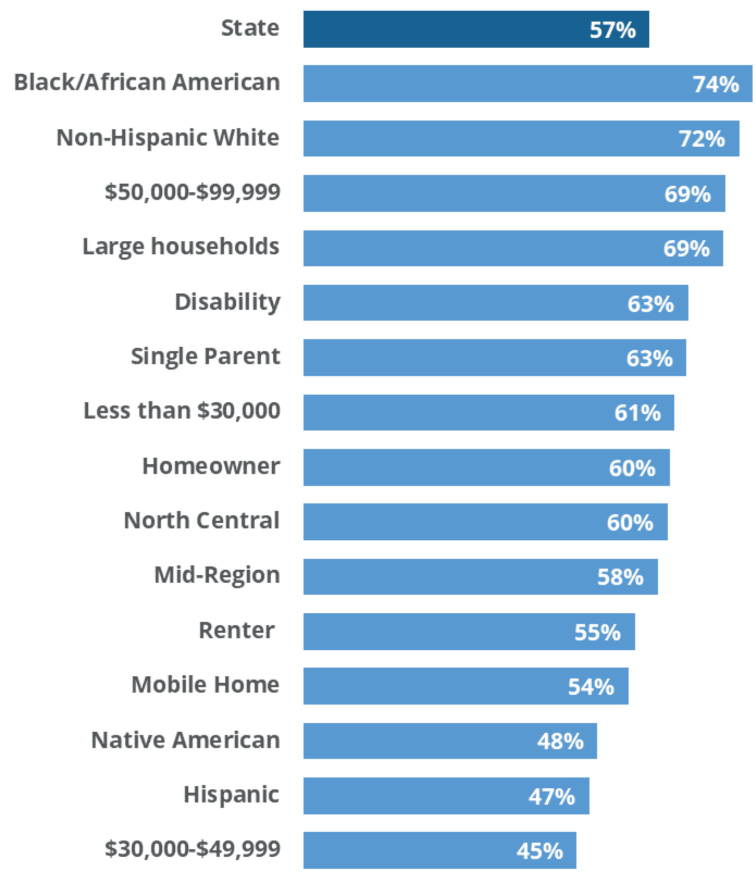
Children changing schools after displacement. Overall, the majority (57%) of those with children who have been displaced indicated their children had to change school as a result of the move.

Compared to the state overall, children in Black/African American households (74%), Non-Hispanic White households (72%), households with income between $50,000 and $99,999 (69%), and large households (69%) were significantly more likely to had to change school as a result of the move (Figure V-25).

Figure V-25.
If you have children, did your children have to change schools as a result of the move? (%Yes)

Note:
N=214.

Source:
Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.



Future Housing Preferences

Survey respondents shared their future housing preferences, including their plans for moving, type of house they would like to move to, interest in accessory dwelling units, their desire for homeownership, and major barriers to homeownership.

Desire to move. Overall, 45% of survey respondents plan to move within the next 5 years. The top primary reason for planning to move is because they rent and would like to own (23%).

As shown in Figure V-26:

- This share is higher in the North Central (53%) and Mid regions (50%).
- Among racial/ethnic groups, Black/African Americans (67%) and Native Americans (51%) were more likely to express they plan to move. Among Black/African American respondents the top primary reason was "to find a more affordable home to buy" (32%), and among Native Americans it was "I rent and want to own" (21%).
- Across tenure categories, homeowners were the least likely to plan on moving while 75% of precariously housed residents, and 64% of renters indicated they planned to move. The top primary reason renters want to move is because they want to own (35%), and the top primary reason precariously housed residents want to move is to find a more affordable home to buy.
- The desire to move decreases as income increases. Almost half (47%) of households with income below $30,000 plan to move and the top primary reason is "to find a more affordable home to rent" (22%).
- Among different household characteristics, single parents are the most likely to plan on moving (55%), and the top primary reason is because they want to own (29%).

Figure V-26. Moving Plans and Reasons for Moving

	Percent Plan to Move	Primary Reason for Move: I rent and want to own	To find a more affordable	To find a more affordable home to buy	Want a larger home/larger lot	I want to move to a different city/town	I want to move to a different neighborhood	Want to retire
Region								
State	45%	23%	13%	13%	11%	6%	4%	3%
Eastern Plains	36%	17%	11%	11%	6%	11%	6%	6%
Mid-Region	50%	21%	14%	14%	11%	4%	5%	4%
North Central	53%	26%	17%	7%	9%	9%	1%	3%
Northwest	32%	21%	7%	17%	21%	0%	0%	0%
South Central	40%	43%	10%	10%	10%	8%	0%	3%
Southeast	45%	24%	6%	18%	0%	15%	0%	0%
Southwest	32%	22%	10%	8%	14%	8%	4%	2%
Race/Ethnicity								
Native American	51%	21%	13%	13%	18%	1%	4%	1%
Black/African American	67%	18%	11%	32%	8%	0%	0%	0%
Hispanic	40%	25%	16%	15%	10%	5%	5%	1%
Non-Hispanic White	44%	23%	8%	7%	11%	10%	4%	6%
Tenure								
Homeowner	23%	-	7%	9%	22%	12%	8%	6%
Renter	64%	35%	15%	13%	7%	4%	2%	2%
Mobile Home	45%	33%	9%	13%	5%	4%	2%	0%
Precariously Housed	75%	6%	13%	19%	6%	6%	2%	2%
Income								
Less than $30,000	47%	21%	22%	11%	8%	6%	4%	2%
$30,000-$49,999	46%	28%	9%	19%	7%	7%	3%	2%
$50,000-$99,999	43%	28%	3%	10%	13%	8%	5%	6%
Above $100,000	34%	10%	3%	10%	28%	3%	3%	5%
Household Characteristics								
Children under 18	48%	27%	10%	16%	15%	3%	2%	1%
Large households	42%	26%	4%	21%	14%	3%	0%	1%
Single Parent	55%	29%	11%	15%	8%	2%	2%	1%
Disability	47%	20%	18%	16%	6%	5%	2%	1%
Older Adults (age 65+)	38%	11%	15%	12%	2%	6%	4%	4%

Note: n=1,204 for percent who plan to move, n= 533 for reasons for moving.

Source: Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

Figure V-26. Moving Plans and Reasons for Moving (continued)

	Percent Plan to Move	Primary Reason for Move							
		Find a job outside of this city/town	Want a smaller home	Live closer to place of work	I need a place that is easier to take care of	I want to turn my home into an income-producing property	where I can get services/ someone can help care for me	I own and want to rent	My landlord is converting my rental into a vacation rental
Region									
State	45%	3%	3%	2%	2%	1%	1%	1%	0%
Eastern Plains	36%	0%	6%	0%	0%	0%	6%	6%	0%
Mid-Region	50%	3%	2%	2%	1%	1%	1%	1%	0%
North Central	53%	3%	4%	1%	4%	3%	1%	1%	1%
Northwest	32%	7%	3%	7%	0%	0%	0%	0%	0%
South Central	40%	3%	3%	0%	0%	0%	3%	0%	0%
Southeast	45%	3%	3%	6%	0%	3%	0%	6%	0%
Southwest	32%	2%	6%	0%	8%	0%	0%	0%	2%
Race/Ethnicity									
Native American	51%	6%	6%	1%	3%	1%	0%	0%	0%
Black/African American	67%	0%	11%	3%	5%	0%	0%	5%	3%
Hispanic	40%	2%	1%	1%	1%	2%	1%	1%	0%
Non-Hispanic White	44%	3%	3%	3%	2%	1%	2%	1%	1%
Tenure									
Homeowner	23%	4%	6%	4%	2%	5%	2%	2%	0%
Renter	64%	2%	2%	1%	2%	0%	1%	0%	1%
Mobile Home	45%	5%	5%	2%	5%	0%	0%	0%	2%
Precariously Housed	75%	6%	2%	4%	4%	0%	0%	0%	0%
Income									
Less than $30,000	47%	3%	2%	1%	2%	1%	1%	1%	0%
$30,000-$49,999	46%	2%	3%	3%	2%	2%	1%	1%	0%
$50,000-$99,999	43%	4%	6%	2%	4%	2%	0%	2%	2%
Above $100,000	34%	3%	5%	8%	0%	3%	8%	3%	0%
Household Characteristics									
Children under 18	48%	2%	3%	2%	3%	1%	0%	2%	0%
Large households	42%	0%	0%	7%	1%	1%	0%	4%	0%
Single Parent	55%	2%	4%	3%	5%	1%	1%	2%	1%
Disability	47%	3%	4%	2%	3%	0%	2%	1%	0%
Older Adults (age 65+)	38%	1%	7%	4%	7%	0%	2%	5%	1%

Note: n=1,204 for percent who plan to move, n= 533 for reasons for moving.

Source: Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

Residents were asked the type of housing they want to move to and if they think their community offers the type of housing they would like to move to. As shown in Figure V-27:

- In the state overall the top housing type was larger single-family home (45%), followed by smaller single-family home (24%), home with a larger yard (23%), and more affordable home or apartment (23%). Only 45% of respondents indicated they believe their community offers the type of housing they would like to move into.
- Desire of smaller single family homes is highest among precariously housed residents (35%), residents in the South Central region (32%), and households with income between $50,000 to $99,999 (30%).
- Desire for townhomes and condominiums is highest among residents in the South Central region (22%), precariously housed residents (22%), and Black/African American residents (16%).

Figure V-27. Housing Type and Housing Availability

	Place offers the type of housing you would like to move to	Type of Housing You Want to Move to						
		Larger single-family home	Smaller single-family home	Home with a larger yard	More affordable home or apartment	Newly constructed/ remodeled home or apartment	Townhome/ condo	Home without stairs
Region								
State	**45%**	39%	24%	23%	23%	15%	10%	8%
Eastern Plains	**44%**	33%	20%	27%	7%	20%	7%	13%
Mid-Region	**48%**	41%	24%	24%	26%	12%	12%	8%
North Central	**44%**	37%	28%	28%	15%	17%	9%	6%
Northwest	**28%**	41%	21%	17%	17%	14%	0%	3%
South Central	**43%**	49%	32%	35%	38%	22%	22%	19%
Southeast	**47%**	19%	19%	16%	19%	22%	6%	9%
Southwest	**38%**	37%	12%	8%	12%	16%	4%	2%
Race/Ethnicity								
Native American	**37%**	46%	28%	25%	17%	18%	9%	6%
Black/African American	**62%**	35%	19%	27%	16%	32%	16%	16%
Hispanic	**48%**	50%	24%	30%	29%	17%	9%	7%
Non-Hispanic White	**43%**	29%	25%	16%	20%	9%	12%	7%
Tenure								
Homeowner	**50%**	37%	18%	20%	9%	15%	9%	5%
Renter	**43%**	42%	25%	26%	26%	15%	10%	8%
Mobile Home	**35%**	42%	15%	13%	26%	21%	2%	11%
Precariously Housed	**40%**	25%	35%	12%	33%	16%	22%	16%
Income								
Less than $30,000	**38%**	40%	21%	25%	31%	12%	8%	10%
$30,000-$49,999	**47%**	39%	26%	26%	26%	14%	10%	8%
$50,000-$99,999	**56%**	39%	30%	23%	10%	21%	14%	6%
Above $100,000	**58%**	43%	11%	17%	9%	14%	11%	3%
Household Characteristics								
Children under 18	**48%**	55%	15%	30%	17%	17%	5%	7%
Large households	**38%**	68%	15%	25%	18%	15%	7%	7%
Single Parent	**46%**	58%	14%	36%	24%	17%	6%	10%
Disability	**47%**	33%	22%	23%	24%	19%	10%	13%
Older Adults (age 65+)	**50%**	14%	26%	17%	21%	19%	13%	14%

Note: n=526 for percent who think the current place offers the type of housing they want like to move to, n= 506 for type of housing they want to move to.

Source: Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

Figure V-27. Housing Type and Housing Availability (continued)

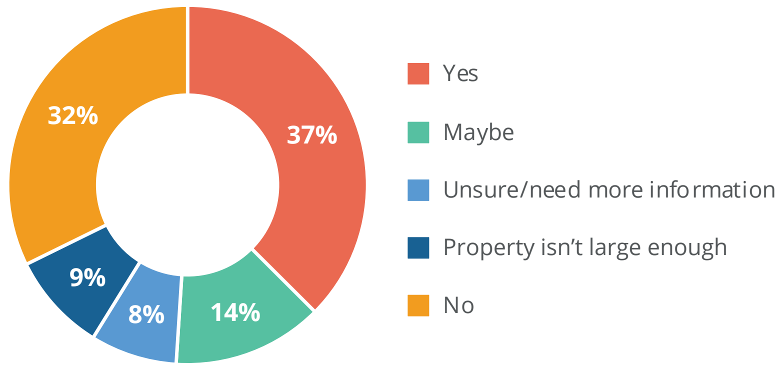
	Place offers the type of housing you would like to move to	Type of Housing You Want to Move to							
		Larger apartment	Home with smaller yard	Home with more walkability	Retirement community/ seniors-only	Smaller apartment	Assisted living	I plan to move in with family	Group home
Region									
State	45%	8%	6%	5%	4%	4%	1%	1%	0%
Eastern Plains	44%	7%	13%	0%	7%	13%	7%	0%	0%
Mid-Region	48%	10%	4%	6%	4%	4%	0%	0%	0%
North Central	44%	6%	5%	2%	6%	6%	2%	2%	2%
Northwest	28%	7%	3%	0%	0%	0%	0%	0%	0%
South Central	43%	8%	11%	11%	8%	0%	0%	0%	0%
Southeast	47%	3%	19%	0%	3%	0%	3%	3%	0%
Southwest	38%	2%	4%	4%	4%	2%	0%	0%	0%
Race/Ethnicity									
Native American	37%	14%	0%	3%	3%	5%	0%	2%	0%
Black/African American	62%	5%	14%	0%	5%	0%	3%	0%	0%
Hispanic	48%	8%	4%	3%	2%	6%	0%	1%	0%
Non-Hispanic White	43%	4%	7%	8%	5%	2%	1%	0%	0%
Tenure									
Homeowner	50%	2%	5%	4%	4%	1%	1%	0%	1%
Renter	43%	10%	5%	5%	4%	4%	1%	1%	0%
Mobile Home	35%	2%	6%	6%	4%	0%	0%	0%	0%
Precariously Housed	40%	4%	10%	4%	4%	8%	0%	2%	0%
Income									
Less than $30,000	38%	13%	5%	4%	5%	4%	1%	0%	0%
$30,000-$49,999	47%	4%	8%	6%	1%	1%	1%	0%	0%
$50,000-$99,999	56%	3%	6%	6%	2%	4%	1%	1%	0%
Above $100,000	58%	3%	0%	3%	6%	3%	0%	0%	0%
Household Characteristics									
Children under 18	48%	8%	5%	2%	3%	1%	1%	0%	0%
Large households	38%	6%	6%	1%	0%	1%	0%	0%	0%
Single Parent	46%	11%	4%	2%	3%	1%	1%	0%	0%
Disability	47%	8%	8%	6%	7%	4%	1%	1%	0%
Older Adults (age 65+)	50%	5%	12%	4%	14%	5%	1%	0%	0%

Note: n=526 for percent who think the current place offers the type of housing they want like to move to, n= 506 for type of housing they want to move to.

Source: Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

Homeowners were asked to share their views on accessory dwelling units (ADUs)—a housing type growing in interest nationally. Figure V-28 shows homeowners' appetite for ADUs. Thirty-seven percent indicated that they would consider building and renting out an accessory dwelling if they had the resources and another 14% indicated they might consider it.

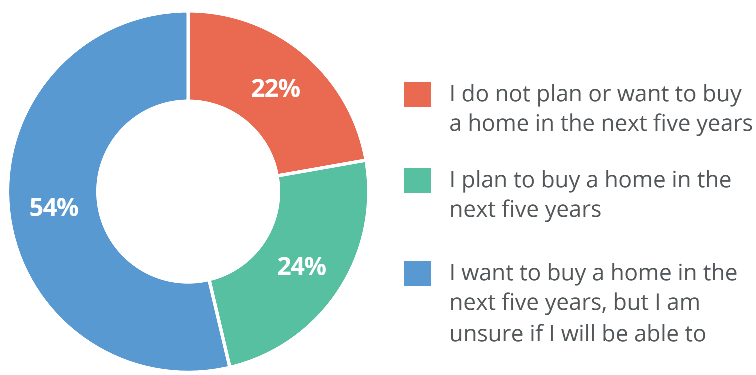
Figure V-28.
If you had the resources, would you consider building and renting out an accessory dwelling unit on your property?



Note:
n=539.
Source:
Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

Desire to own. Across the board, most residents who rent want to own (Figure V-29). Around four in five (78%) renters aspire to be homeowners within the next five years, and a slight majority are unsure they will be able to do so (54%).

Figure V-29.
Desire to Own Among Renters



Note:
n=432.
Source:
Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

Figures V-30 through V-33 show the top five barriers to ownership by region, race/ethnicity, income, and household characteristics.

- In the state overall 32% indicated down payment was a top barrier to homeownership, 27% indicated a top barrier was bad credit/low credit score, and 25% indicated having too much debt to qualify for a mortgage was a top barrier.
- In the North Central and Northwest regions, the top barrier was having too much debt to qualify for a mortgage.

- Among racial/ethnic groups, down payment was the biggest barrier among Hispanic and Non-Hispanic White residents; high debt was the top barrier among Native American residents; and low credit score was the top reason among Black/African American residents.
- Down payment was the biggest barrier among households with income below $50,000 and high debt was the top barrier among those with income above $50,000.
- Down payment was the biggest barrier among households with children and with a member with a disability. High debt was the top barrier among large households and older adults. Low credit score was the top barrier among single parents.

Figure V-30.
Top 5 Barriers to Homeownership, by Region

	Region															
TOP 5	State		Eastern Plains		Mid-Region		North Central		Northwest		South Central		Southeast		Southwest	
1	Can't come up with a down payment	32%	Can't come up with a down payment	48%	Can't come up with a down payment	33%	I have too much debt to qualify for a mortgage	27%	I have too much debt to qualify for a mortgage	39%	Can't come up with a down payment	47%	Can't come up with a down payment	25%	Can't come up with a down payment	29%
2	Bad credit/low credit score	27%	Bad credit/low credit score	22%	Bad credit/low credit score	31%	Can't come up with a down payment	25%	Bad credit/low credit score	39%	Bad credit/low credit score	38%	I plan to move to a different city	22%	I plan to move to a different city	18%
3	I have too much debt to qualify for a mortgage	25%	I have been told by lenders that I won't qualify for a loan	22%	I have too much debt to qualify for a mortgage	25%	Housing is not affordable to buy where I want to live	24%	Can't come up with a down payment	17%	I have too much debt to qualify for a mortgage	29%	I don't want to buy in this city	17%	I have too much debt to qualify for a mortgage	18%
4	Housing is not affordable to buy where I want to live	19%	I have too much debt to qualify for a mortgage	17%	Housing is not affordable to buy where I want to live	21%	Bad credit/low credit score	16%	I plan to move to a different city	11%	Housing is not affordable to buy where I want to live	16%	I have too much debt to qualify for a mortgage	17%	Bad credit/low credit score	18%
5	There is no affordable housing I want to buy	12%	Housing is not affordable to buy where I want to live	13%	There is no affordable housing I want to buy	13%	Affordable housing isn't available at all—I would live anywhere in this city	13%	Housing is not affordable to buy where I want to live	11%	Cash and above-market offers by other buyers	9%	Housing is not affordable to buy where I want to live	17%	There is no affordable housing I want to buy	16%

Note: n=520.

Source: Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

Figure V-31.
Top 5 Barriers to Homeownership, by Race/Ethnicity

	Race/Ethnicity							
TOP 5	Native American		Black/African American		Hispanic		Non-Hispanic White	
1	I have too much debt to qualify for a mortgage	39%	Bad credit/low credit score	25%	Can't come up with a down payment	36%	Can't come up with a down payment	35%
2	Bad credit/low credit score	30%	I have too much debt to qualify for a mortgage	23%	Bad credit/low credit score	35%	I have too much debt to qualify for a mortgage	20%
3	Can't come up with a down payment	27%	Can't come up with a down payment	23%	I have too much debt to qualify for a mortgage	25%	Housing is not affordable to buy where I want to live	20%
4	Housing is not affordable to buy where I want to live	13%	I plan to move to a different city	17%	Housing is not affordable to buy where I want to live	19%	Bad credit/low credit score	20%
5	I don't want to buy in this city	11%	Housing is not affordable to buy where I want to live	17%	There is no affordable housing I want to buy	9%	There is no affordable housing I want to buy	17%

Note: n=512.

Source: Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

Figure V-32.
Top 5 Barriers to Homeownership, by Income

TOP 5	Income: Less than $30,000		$30,000-$49,999		$50,000-$99,999		Above $100,000	
1	Can't come up with a down payment	40%	Can't come up with a down payment	31%	I have too much debt to qualify for a mortgage	24%	I have too much debt to qualify for a mortgage	26%
2	Bad credit/low credit score	34%	Bad credit/low credit score	31%	Can't come up with a down payment	23%	There is no affordable housing I want to buy	21%
3	I have too much debt to qualify for a mortgage	25%	I have too much debt to qualify for a mortgage	24%	Housing is not affordable to buy where I want to live	20%	Housing is not affordable to buy where I want to live	18%
4	Housing is not affordable to buy where I want to live	17%	Housing is not affordable to buy where I want to live	22%	Bad credit/low credit score	18%	Can't come up with a down payment	18%
5	There is no affordable housing I want to buy	10%	There is no affordable housing I want to buy	10%	There is no affordable housing I want to buy	14%	Cash and above-market offers by other buyers	18%

Note: n=512.

Source: Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

Figure V-33.
Top 5 Barriers to Homeownership, by Household Characteristics

TOP 5	Household Characteristics: Children under 18		Large households		Single Parent		Disability		Older Adults (age 65+)	
1	Can't come up with a down payment	30%	I have too much debt to qualify for a mortgage	31%	Bad credit/low credit score	35%	Can't come up with a down payment	35%	I have too much debt to qualify for a mortgage	26%
2	Bad credit/low credit score	29%	Can't come up with a down payment	31%	Can't come up with a down payment	34%	Bad credit/low credit score	30%	Can't come up with a down payment	25%
3	I have too much debt to qualify for a mortgage	27%	Bad credit/low credit score	31%	I have too much debt to qualify for a mortgage	30%	I have too much debt to qualify for a mortgage	24%	There is no affordable housing I want to buy	16%
4	Housing is not affordable to buy where I want to live	17%	Housing is not affordable to buy where I want to live	15%	Housing is not affordable to buy where I want to live	17%	Housing is not affordable to buy where I want to live	18%	I plan to move to a different city	14%
5	I have been told by lenders that I won't qualify for a loan	9%	There is no affordable housing I want to buy	9%	I have been told by lenders that I won't qualify for a loan	9%	There is no affordable housing I want to buy	9%	Housing is not affordable to buy where I want to live	13%

Note: n=520.

Source: Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

SECTION VI.

NEW MEXICO HOUSING STRATEGY

SECTION VI.
New Mexico Housing Strategy

This section provides strategic direction to meet the wide variety of housing challenges faced by New Mexicans.

The 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.

A Call to Action

The backdrop of the New Mexico Housing New Strategy is a housing market that has become increasing difficult for all but the highest income New Mexicans to afford.

Lack of affordable housing not only impedes the ability of households to be self-sufficient and invest in economic growth for their families—it also has negative consequences for state and local economic development and growth. The latter can be easy to overlook, as it is often hidden, but the impacts are significant.

Without adequate affordable housing:

- New Mexico's urban areas cannot continue to attract new businesses,
- Existing businesses, particularly small businesses, cannot keep standard operating hours and cannot grow;
- Low income renters are forced to move more frequently, disrupting community ties, stable employment, and educational consistency for their children;
- Moderate income renters cannot achieve ownership and pass on wealth to their families; and

- Persons with special needs—including seniors, New Mexicans with disabilities, residents vulnerable to and experiencing homelessness—are caught in a perpetual and costly cycle of housing instability.

An "all hands on deck" approach is needed to address the significant need for housing in New Mexico. This Call to Action enlists the State of New Mexico, local governments, nonprofits and foundations, private entities, and elected officials to join together and address the state's housing challenges. It provides the strategic direction to collectively move forward.

Background on Housing Strategy Development

To support development of the Housing Strategy, an Advisory Committee volunteered their knowledge and expertise in bi-monthly meetings and participated in focus groups and interviews. The Housing Strategy was also informed by a resident survey that reached nearly 1,400 New Mexicans and represented the needs of socioeconomically diverse residents.

The Advisory Committee (AC) provided leadership over development of the New Mexico Housing Strategy that is:

- A living strategy that provides a "roadmap" for all partners to address the continuum of housing needs;
- A common source of communication to housing partners and residents about the state's goals and intentions;
- Practical solutions for streamlining barriers to addressing housing needs and reforming existing systems and programs; and
- Big ideas to change and improve the housing landscape.

The AC engaged in in-depth discussions about the strategies to meet the variety of housing needs in New Mexico. Those meetings included unconventional outside-of-the-box ideas, strategies that are complementary across the needs continuum, and strategies that will stabilize households and help them attain economic mobility.

The AC discussions were also informed by research briefs that served as building blocks for the Housing Strategy. Those briefs are publicly available on the *Advisory Committee and Housing Strategy materials website*.

A Call to Action to Create More Housing

What challenges are the strategies and action items trying to resolve?

- If current development patterns continue, housing unit production in growth counties will lag demand. In Bernalillo County alone, by 2025, 5,900 new units are needed that are affordable to < 100% AMI households. Accelerated job growth could further exacerbate production gaps.
- Public sector investments in housing—particularly federal funds—have lagged needs for decades, leading to inequities in housing choice.
- Public infrastructure—water and wastewater systems, public utilities—is expensive to extend and can prevent needed housing from being developed.
- High costs of development—due to materials costs, land costs, and labor shortages—complicate the ability to build new housing to meet needs. The more remote the location, the higher the costs.
- Contractors and laborers are nearly impossible to find in the state's non-urban areas. Very few contractors operate in the market overall and they often need to import labor from other states.
- Local zoning, land use regulations, and building codes present a variety of challenges to getting units built.
- Community resistance to all types of new construction—affordable and market rate—prevents needed units from being built or adds significant delays.

What goals and action items will address these challenges?

Goal: Increase housing production across the housing continuum.

1) Prioritize existing federal block grant, state, and local infrastructure resources to fund public improvements to support residential development with the most favorable programs for developments that incorporate affordable housing. This includes infrastructure extensions for new (and improvements for existing) manufactured home communities/parks with affordability and lot lease requirements.
2) Take state policy action to boost residential construction workforce, such as partnerships with technical education and training providers, streamlined licensing, and opportunities for re-entry workforce and persons formerly homeless.
3) Advocate for increased local, state, and federal appropriations, revenue generating policy changes benefiting affordable housing, and tax exemptions for affordable housing development and operation.

Goal: Create flexibility within state and local programs and policies to respond to housing needs and market fluctuations.

1) Advocate for concrete changes to state law to reduce regulatory barriers to housing development. Examples of changes considered or adopted in other states and localities that could be studied include:

    - Incentivize and/or require that planning commissions consider housing needs documented in local or regional housing needs assessments when making zoning and land use decisions;
    - Incentivize and/or require that economic development incentives, such as those offered through LEDA, include a workforce housing component for production and/or preservation;
    - Incentivize by right or administrative approval for developments with a significant share of affordable units including casitas/ADUs and plexes;
    - Allow density bonuses and/or fast track approval for homes that meet energy efficiency requirements (to offset higher costs of green building);
    - Create a model development code that includes feasible land use incentives for affordable housing, mixed-income housing, and mixed-use development;
    - Create an incentive program that provides funding to local governments that adopt policies that facilitate flexibility and efficiency in development approval, infill development, income-diverse development, and efficient zoning. Funding could be used for: community revitalization, economic development, or infrastructure expansion activities;
    - Create a program to mitigate resistance to affordable housing at the local level, including training to build community awareness and support of needs.

A Call to Action to: Preserve and Improve Existing Affordable Housing and Catalyze Redevelopment

What challenges are the strategies and action items trying to resolve?

- New Mexico communities have many under-utilized and vacant properties that could be redeveloped into housing but lack the knowledge, staff capacity, and financial resources to facilitate redevelopment.
- Counties where growth is modest or stagnant have trouble attracting capital; investors migrate to higher-return urban areas.
- It is often less expensive to rehabilitate homes to keep them affordable v. build new—but funding (such as 9% tax credits) is harder to secure.
- Public housing is aging and has not had resources to keep up with maintenance.

- Naturally occurring affordable housing (NOAH) provided by the private market is being lost due to rent increases at a much faster pace than new affordable housing is being developed.
- Private property owners are incentivized to raise their rents to keep up with the market, resulting in a loss of NOAH.
- Low income homeowners can be at-risk of losing housing due to rising costs of taxes, maintenance, and economic shocks.

What goals and action items will address these challenges?

Goal: Catalyze the potential of underutilized properties to be redeveloped into new housing.

1) Create a comprehensive technical assistance (TA) fund, a resource catalogue, and access to TA providers to assist with redevelopment of underutilized and vacant parcels and address staff capacity gaps.

Goal: Preserve existing naturally occurring affordable housing and publicly subsidized housing stock.

1) Support preservation and provide funding to improve the condition of existing affordable housing; and consider prioritizing projects owned and/or managed by public, regional and tribal housing authorities.
2) Reconsider how new funding sources for weatherization and rehabilitation funds could be allocated to ensure that the funding distribution aligns with needs (v. population based distribution).
3) Monitor the Qualified Allocation Plan (QAP) to ensure that 9% credits adequately support multifamily acquisition/rehabilitation.

Goal: Build assurance among property owners and property managers of the economic feasibility of housing formerly homeless and special needs residents, thereby stabilizing housing for low income renters.

1) Incentivize landlords—through a “signing bonus,” “holding fees” while they wait for a voucher approval, enhanced loss mitigation, and subsidies to pay rents above fair market rent standards—to provide units to vulnerable renters.
2) Create a permanent housing stability fund serving renters who need help paying rental costs (including application fees and security deposits), households who do not qualify for housing through the Coordinated Entry System (CES), homeowners vulnerable to foreclosure, and manufactured home park owners who face personal situations (job losses, injuries) that create challenges in paying lot leases.
3) Create a case management program to assist vulnerable housing voucher holders apply for housing and maintain housing stability.

A Call to Action to Build Homeownership and Wealth

What challenges are the strategies and action items trying to resolve?

- Down payment/closing cost assistance has not kept up with what is needed to attain homeownership in many parts of the state.
- The state residential inspection process delays completion of new homes and adds to building costs; this is exacerbated by rapidly rising construction costs.
- Local zoning, land use regulations, and building codes are antiquated in many communities and present a variety of challenges to getting units built.
- Community resistance to all types of new construction—affordable and market rate—prevents needed units from being built or adds significant delays.
- Manufactured homes are a relatively affordable option for ownership in New Mexico and contribute to the state's high ownership rate. Challenges to manufactured ownership include:
    - The process for receiving a placement permit, entitling a manufactured home, and connecting to water and sewer can be cumbersome for new owners, and the timing can be poorly aligned. Homeowners may be paying for a home they cannot occupy for months while awaiting utility connections.
    - Like all types of housing, the price to purchase and cost to rent manufactured homes has increased. Low income owners and renters are more vulnerable to displacement from manufactured home park communities when they cannot maintain their lot leases in addition to their home or rent payments.
    - Financing is a challenge for manufactured home buyers. According to the NCSHA, buyers who don't have the option of buying the land on which their homes are sited have to rely on chattel financing, which tends to be more expensive and less liquid than conventional home mortgage loans. Manufactured home lending is concentrated within a handful of lenders, who account for more than 40% of manufactured home purchase loans and 75% of chattel lending.1
    - It has become increasingly difficult to find land of all types for manufactured homes: infill within incorporated city boundaries, rural lots with land, and land for manufactured home communities.

[1] https://www.consumerfinance.gov/about-us/newsroom/manufactured-housing-loan-borrowers-face-higher-interest-rates-risks-and-barriers-to-credit/

What goals and action items will address these challenges?

Goal: Create flexibility within state programs and policies to respond to housing needs and market fluctuations.

1) Streamline the local and state residential inspection processes to make the system more efficient, practical, and timely—e.g., by allowing video inspections, allowing third party contractors—while preserving public health and safety objectives.
2) Seek funding sources that allow for down payment assistance programs to adequately meet the needs of consumers and explore programs to support their success as homeowners.
3) Explore and advocate for innovative homeownership programs to expand wealth building opportunities, including extended mortgage terms, accelerated mortgage terms, and land trust models.
4) Explore and advocate for programs aimed at maintaining homeownership.
5) Explore financial capability programs to expand access to homeownership and wealth building.

Goal: Ensure that manufactured homes continue to be a housing solution for homeowners and renters.

1) Make changes to the process of converting chattel property to real property consistent across New Mexico's counties.
2) Explore and pilot a MFA manufactured home purchase program to assist in the conversion to real property loans and facilitate manufactured homeownership.
3) Fund infrastructure extensions for new (and improvements for existing) manufactured home communities/parks with affordability and lot lease requirements.

A Call to Action for Create Stable Housing Environments for Persons experiencing Homelessness and with Special Needs

What challenges are the strategies and action items trying to resolve?

- New Mexico needs to expand its range of evidence-proven and housing+services models, tailored to local needs, to address homelessness
- Urban areas need both site-based and scattered site models. Predevelopment funding, developer capacity, deeper subsidies, and adequate and consistent supportive services are needed to create successful exits from homelessness
- Small (< 30 unit) housing+services developments or scattered site developments are often the best solution in rural counties, yet funding favors larger developments. Rural areas need adequate and consistent supportive services for small and scattered site single family homes

- Federal requirements and guidance for defining chronic homelessness and assessing needs through the Coordinated Entry System (CES) can be misaligned with local needs
- Lack of a comprehensive behavioral health care system makes it difficult for housing providers, including private sector property managers, to address the complex needs of tenants. Providers may not recognize the behavioral health needs of residents and be unsure of how to properly address challenges, perpetuating the cycle of housing instability.

What goals and action items will address these challenges?

Goal: Expand successful housing+services models tailored to local needs.

1) Provide annual funding for predevelopment grants to cultivate Permanent Supportive Housing (PSH) development partners and build local developer and supportive service provider capacity. Funding would support capacity building/local support, needs assessments, zoning and planning review, architecture and engineering, and development applications.

2) Increase collaboration between service providers and property managers through training and technical assistance that results in successful housing of PSH clients.

3) Expand funding for the Linkages program to ensure that New Mexicans with mental health challenges, are experiencing or at-risk of homelessness, and are extremely low income have the resources needed to remain in stable housing environments.

4) Address the operating subsidy deficits common in PSH projects through encouraging PHAs to project-base vouchers and by exploring options to project-base the Linkages program.

5) Evaluate how the Coordinated Entry System (CES) could be tailored through state and local programs so that vulnerable households are prioritized in an equitable manner. Advocate for state and local solutions to ensure that the most vulnerable households are able to fill gaps in emergency housing. This would include households in first-time homelessness and/or who are housed but in unsafe situations.

Goal: Strengthen supportive service programs that foster housing stability.

1) Increase service provision funding options for PSH developments. Examine how Medicaid waivers could be used for supportive services, allowing supportive service providers to be reimbursed at a rate that can sustain programming and operations.

2) Support actions to strengthen statewide behavioral health system including satellite care facilities.

Goal: Strengthen support for emergency homelessness interventions.

1) Advocate for increased state and local appropriations to support emergency homeless shelters and other immediate interventions, including funding to improve the conditions of shelters.

A Call to Action for Federal Advocacy to Increase New Mexico's Affordable Housing Resources

Federal grant funds, federal tax credits, and the federal authority to issue tax-free bonds to finance housing development collectively make up the vast majority of resources available to address housing needs in the U.S.—and in New Mexico. As such, advocating for continued federal investments—and initiatives that would benefit New Mexico communities—is critical for the state to continue to meet needs.

Current initiatives that would significantly boost the ability of New Mexico and its local governments address housing needs include:

Broaden the Low Income Housing Tax Credit (LIHTC) program.

- The Affordable Housing Credit Improvement Act (S.1136/H.R. 2573), introduced in 2021, would have increased LIHTC allocations by 50% and enabled the credit to better serve "hard to reach" communities including rural, Native American, high-poverty, and high-cost communities, as well as extremely low income (<30% AMI) and formerly homeless tenants.
- Because these credits are allocated based on population—not on need—New Mexico receives a disproportionately lower share of credits relative to its need. MFA receives twice as many applications for LIHTC developments annually than it has credits to allocate.
- An amendment to LIHTC legislation to increase the amount of credits would help the state meet affordable rental production needs and alleviate renter cost burden.
- Revisions that would prioritize credits in "hard to reach communities"—all of which exist in New Mexico—would benefit New Mexico communities by making capital, which is challenging to raise locally, more readily available for affordable rental housing development.

Create equitable opportunities to attain homeownership and build wealth.

- The Neighborhood Homes Investment Act, introduced in 2021, would have established a business-related tax credit to finance home building and rehabilitation of single family homes, du-/tri-/fourplexes, condominiums, and cooperatives in neighborhoods that meet certain eligibility criteria related to poverty rates, income, and home values.
- Other than federal block grant funding, there is no significant federal funding source that facilitates the development of affordable ownership products. Federal support of homeownership has historically been in financing and mortgage insurance.

- New Mexico would benefit from new federal initiatives to develop affordable homeownership products.

Maximize federal appropriations for affordable housing programs.

- HUD, U.S. Department of Agriculture (USDA), and Department of Energy housing programs are classified as discretionary programs, meaning that Congress must set annual funding levels through the budget and appropriations process.
- Maximizing the annual appropriations for affordable housing programs, including the HOME Investment Partnerships Program (HOME), Emergency Solutions Grant (ESG), Housing Opportunities for Persons with AIDS (HOPWA), Section 811 Project Rental Assistance, Weatherization Assistance Program, and rural housing programs within the USDA, would benefit both urban and rural New Mexico communities.
- Advocating for HUD training and technical assistance for Tribal governments who are new to housing developments would build capacity to address housing needs that maximize federal and state funding.

Streamline federal regulations related to affordable housing policies and programs.

- Supporting the efforts of trade associations, such as the National Council of State Housing Agencies (NCSHA), to reduce regulatory barriers would help reduce administrative burden in the delivery of federal housing and community development block grant programs.
- Advocating for changes in tenant based rental assistance programs, including Fair Market Rent and income limits, would expand the number of available rental units and not penalize tenants when they acquire employment.

Support federal initiatives to lower housing development costs including tariff reductions on building materials and programs that would add flexibility to non-domestic workers.

APPENDIX.

STAKEHOLDER CONSULTATION

APPENDIX.
Stakeholder Consultation

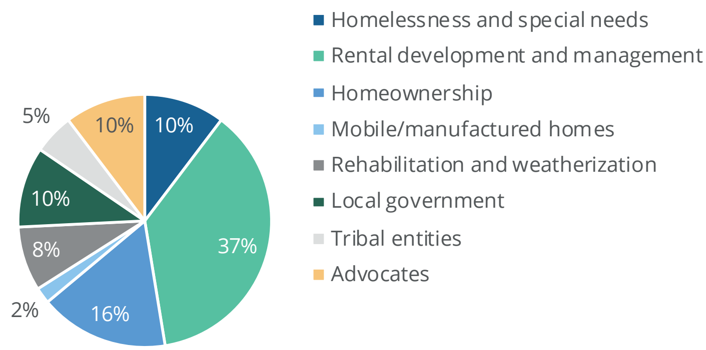
During January 2022, 99 stakeholders participated in interviews and focus groups to inform the Housing Strategy.

These stakeholders represented a wide variety of industries associated with housing production, preservation, and stability, as shown below.

Stakeholder Consultation

Note:
97 stakeholders participated in interviews and focus groups.

Source:
Root Policy Research.



This section presents the primary findings from those interviews and meetings, organized by topic.

Overall Market Impressions

The initial question asked of stakeholders was: *"How would you describe New Mexico's housing market today—in 1-3 words?"* In some cases, this prompted an active discussion about current market conditions; in other cases, stakeholders were brief in their descriptions. As demonstrated by the word cloud below, stakeholders typically organized their responses around the three themes of Affordability, Challenges, and Potential.

How would you describe New Mexico's housing market today?

Source:
Root Policy Research.

Homelessness/Special Needs Housing

Stakeholders who work with unhoused populations and residents with special needs were asked to describe the state of homelessness, housing and service gaps, and other related issues. The primary themes that emerged from those discussions included: the need for more permanent supportive housing, the shortage of behavioral health services, and the inadequacy of shelters and special needs housing.

"The deficit of permanent supportive housing is a major challenge in the state."

"We need PSH everywhere in the state."

"We have a high share of homeless children in the Colonia designations."

Permanent supportive housing. Overall, stakeholders described a dire need for permanent supportive housing (PSH) throughout the state, as well as the need for more supportive services and staff/capacity to provide these services. Stakeholders agreed that MFA and the state, in general, needs to take a stronger position on preventing homelessness and strengthening the supportive services network for homeless and at-risk residents.

Shortages of behavioral health services. The shortage of behavioral health services statewide was frequently raised in the context of PSH, and housing persons experiencing homelessness in general. Many stakeholders reiterated that to be successfully implemented, PSH needs to be paired with an appropriate level and type of services, and that service provision carry adequate funding.

The challenges are twofold:

1) There is a shortage of service providers in general; and

2) The service providers that do exist are oversubscribed and do not have the expertise or capacity to address serious behavioral health issues.

Almost all stakeholders spoke to the need for more capacity to best serve populations who need PSH and the wraparound services. These same stakeholders noted how challenging it is to put and keep behavioral support services—especially services for high needs populations—in place.

The experience of one PSH provider demonstrates these challenges: The stakeholder noted that there is only one staff member on the ground charged with providing support to 40 people. The stakeholder said efforts to bring on other partners who provide supportive services has been difficult, leading to a lack of comprehensive infrastructure to support these residents.

Many stakeholders noted organizations that provide services do not have the capacity to assist people experiencing severe behavioral health challenges. One stakeholder noted that within their housing department, the *"...people we're helping have needs that are much greater than we're able to take on...it's a hard population to work with. It's also hard to provide services for those who don't want them."*

A stakeholder from the northwest area of the state mentioned how even though their organization partners with mental health organizations and service providers, they need much more support. Serving people experiencing severe mental illness, they noted that they *"keep housing them over and over and over again...they get into housing, they leave, go to the State hospital, get back on the street, and then we try and get them reengaged with services."*

Stakeholders agreed that local service providers do fine with average needs but can't be expected to respond to very acute, complicated needs.

One PSH developer estimated that service costs per household can run from $7,500 to $10,000 per year.

"Overall, the state of New Mexico needs a much more robust behavioral and mental health support services system."

Many stakeholders pointed to the lack of a comprehensive, functioning mental health system as a major barrier to supporting a successful PSH housing system. Some stakeholders attributed the current shortage on the significant reduction in funding for behavioral health services in 2013, which reduced provider capacity statewide.

One participant noted that if a PSH developer is not partnering with a community mental health center, it's hard for them to be successful.

Several stakeholders noted that since the beginning of COVID-19 pandemic, there has been an increase in demand for supportive services. Some of this stems from a rise in drug use, particularly the rampant use of opioids (namely Fentanyl), which is further exacerbating the demand for intensive services. Demand for behavioral health services have increased—but capacity and funding have not yet caught up to that demand.

Most said that the gaps in services are largest in rural areas. Other stakeholders said the need was becoming acute in high cost, urban areas, citing that landlords in Santa Fe are now less likely to take referrals from organizations serving people with unstable housing situations because of the higher prices they can command from other types of tenants.

Local Lead Agencies (LLAs). The LLA program is an MFA and New Mexico Human Services Department, Behavioral Health Services Division, partnership that aims to utilize local service providers to provide tenant screening, eligibility and referrals, tenant advocacy, and support services by a tenant's selected provider. LLAs receive an annual stipend of $900 per BHSD-designated unit.[1]

Stakeholders appreciate the LLA program yet acknowledge that *"the state is still trying to bridge gaps in the system."* A major challenge for property owners is the inconsistency of service providers:

"Staff typically only stay for 6 months because of the low pay and demanding work. [The state] underfunds both the amount and level of services and the wages of those providing the services."

"When people have been at LLAs and service providers for a while, that's when the process runs the smoothest. When not on the same page, that's when problems arise."

"People are looking for full time work and we experience a lot of turnover. Because New Mexico has a lot of smaller communities, it's hard to support a full time case manager or resident services coordinator."

One stakeholder felt there was an imbalance with the level of service some populations received from LLAs due to differences in capacity. Service providers differ in quality due to staff tenure and experience, and strong communication between staff and case managers is critical to make the appropriate referral for the individual or household.

One stakeholder noted that many organizations *"…just don't have the money to pay case managers to support all of the residents on different properties who need special services."* Another stakeholder noted that their company sets aside around $100,000 each year for supportive services in their development but it is not enough to serve all of their tenants.

Several stakeholders recommended that when LLAs do not have the capacity to provide support services or play a case management role, engaging with additional partners whose sole charge is providing supportive services should be allowed.

Other stakeholders expressed concern about developers not notifying LLAs when units become available.

Advance planning for service provision. It is common for developers to commit to supportive service provision to be more competitive in LIHTC awards *without "really having a plan in place."* When the development is built, and service providers are hard to find, the property managers become *"de facto service providers,"* which is not what they are trained to do, nor skilled to do.

[1] https://newmexico.networkofcare.org/mh/content.aspx?cid=8823

"To put the burden on the developer and property management to help with supportive services is ludicrous…especially in rural areas."

One affordable housing developer described that *"one of the main problems we had in the beginning with providing services was companies pop up and then go under overnight. We would bring in a case manager to provide services and they would disappear. The government would then have to take over [providing services] but they don't have the capacity to help out. When they couldn't help, we had to take over the case management role…[as developers] we're not qualified to help out with these people."*

One stakeholder noted that MFA makes it difficult to use services provided by nonprofits that provide supportive services, saying it forces *"…property managers into case management providers. They are not qualified to play these roles. When asking developers to put more services into their buildings, and taking into account the local context, we need to make sure people are set up to be supported and we don't turn property managers into case managers."*

Barriers to building PSH. Stakeholders consistently mentioned the shortage of developers who specialize in PSH, and the need to build capacity.

"We don't have developers who can churn out PSH projects…we've worked with a few out-of-state developers and a few local ones but we don't have a huge swath of them."

One stakeholder noted that to get developers to build more PSH properties, it's important to bring up the additional expenses that will be incurred upfront. This stakeholder noted that they've seen developers who have built these types of projects but didn't understand everything that was needed to make them successful.

One stakeholder pointed to how critical predevelopment funding is to make permanent supportive housing projects viable. As this stakeholder added*, "It's complicated to make [PSH projects] work without it."*

Some stakeholders feel that local governments are focusing on the wrong efforts to combat homelessness. Rather than policing camping, local governments should be putting their efforts into creating more PSH.

"PSH is the ONLY solution to street homelessness. If we could get cities/counties/state all in alignment that we need to build more PSH to address homelessness, at that point, we could start a real conversation about ending homelessness. MFA could be a leader in this space."

One participant noted that LIHTC projects can be successful with a portion of PSH included in the development (around 20% will still make it attractive to developers). The challenge is, as articulated frequently, on the services side: Stakeholders described a major disconnect between developers, property managers, and service providers in ensuring that tenants in need of these services actually get them. One stakeholder who operates several properties with special needs renters in market rate units said finding qualified case managers to support their tenants is the primary issue— and this is true regardless of the type of development (100% special needs or a mixed unit development.)

Another stakeholder noted that it's difficult when these units are in a larger market-rate property. Another stakeholder noted that a mix of units works better in larger cities (e.g., Albuquerque) because *"you can't build big enough developments to make it financially viable in smaller cities."* Another stakeholder suggested that these types of projects have less chance for success in smaller cities because of the lack of local support service organizations to serve residents (unlike Albuquerque or Santa Fe).

Community attitudes toward PSH. Overall, stakeholders described the need for a better community understanding about PSH. One stakeholder recalled a listening session hosted by MFA for a PSH project in northern New Mexico where there appeared to be a general lack of education around the project.

Another stakeholder added that in combination with the lack of developers building this type of housing, as well understanding that it's not as profitable as other types of development, community resistance (Not-In-My-Backyard-Syndrome or NIMBYism) is growing barrier to getting PSH built in the state.

One stakeholder said that stigma exists in all PSH projects and the potential of *"ghettoization"* in a community, which can harm the people the projects are supposed to help. *"One of the biggest parts of helping people who need supportive services is integration into society."*

On the flip side, another stakeholder noted that in mixed developments (market rate and set aside), they have witnessed some animosity from market rate renters who don't receive the same level of service as renters with special needs.

One stakeholder advocated for a holistic approach to supporting those who live in permanent supportive housing by working to build a sense of community between residents and those who support residents. They noted that more collaboration around behavioral health support services and ability to be on site with residents would better help support these residents.

Housing for seniors and persons with disabilities. Stakeholders discussed the needs of seniors who rent, seniors who own, and the accessibility needs of both older adults and non-seniors with disabilities.

Low income seniors and persons with disabilities who rent are very vulnerable to displacement in the current market. When rent increases—commonly due to multifamily properties being purchased by investors and rehabilitated—they have no ability to manage those rent increases. Many of these residents are reliant on fixed-income programs (Social Security, disability insurance) and, as such, to stay in their units they must become increasingly cost burdened.

Some stakeholders described unlawful actions by landlords, such as evicting seniors and tenants with disabilities because of medical equipment they are required to have on site.

"A landlord tried to evict a tenant who needed a dialysis machine in their apartment because they didn't like having a 'blood machine' on the premises."

The needs of low income owners typically involve maintenance that they cannot pay for or foreclosure risks caused by life events such as job losses, a working spouse's death, and medical costs. Job losses are particularly difficult to manage because it is harder to get a job as an older adult and/or worker with a disability.

Stakeholders noted that most seniors want to age in place and not move to senior-specific living facilities. One stakeholder noted that, anecdotally, about 80% of seniors want to age in place; another stakeholder felt it was higher than that.

The migration of mortgage and utility payments to online platforms has disrupted many low income seniors' ability to keep up with bills, as they typically have a basic cell phone but no computer access. Some foreclosures are related to transfers of mortgage servicers that seniors do not understand. They need better training, computer access, and/or free wireless access.

Similarly, one participant noted that technology presents a major barrier for seniors accessing healthcare and support services. This stakeholder described that *"a lot of seniors don't know how to work their phones but it's the only way to make medical appointments now."*

Seniors who are property owners and rent their units are very incentivized to sell their homes, often to new owners who raise the rents. State assistance to these *"Ma and Pa"* landlords to maintain their properties could help mitigate this loss of affordable rental housing.

One stakeholder mentioned that their municipal government is interested in providing senior housing and that the provision of technical assistance to demonstrate how to complete a senior housing project would be helpful.

Supportive service needs. Similar to PSH, stakeholder discussions about housing for seniors and persons with disabilities included many comments about the need to bolster service provision.

One stakeholder noted that senior housing (Section 202) usually has services built into funding, but in housing for people with disabilities (Section 811), it is more difficult to provide services.

One stakeholder commented on consistently unhelpful interactions with Adult Protective Services and the extensive time it takes to rectify just one situation. Another stakeholder noted that some service providers are not able to bill Medicaid for their work.

Stakeholders again emphasized that it's difficult for smaller communities to provide a higher level of service to residents in need.

Several participants suggested that if the QAP requires projects to include set aside units for supportive housing, MFA should provide more money to help deliver these services. Another stakeholder suggested the state to play a more hands-on role with the Linkages program and require community health centers to provide services; stakeholders felt this would make the program more effective.

Stakeholders were conflicted on including special needs housing with market rate housing. Some felt that it is better to house people with significant special needs in housing that can adequately support them: One stakeholder brought up a situation of a resident who had reoccurring night terrors who lived next door to a conventional market rate renter who found the episodes very disruptive.

Accessible housing. Many seniors, and certainly persons with disabilities, have a lot of difficulty finding new places to rent when they are forced to leave their units because of evictions or non-renewals of leases. Some landlords refuse to accommodate their accessibility needs, which is legal if the tenant cannot pay for improvements. Stakeholders thought they knew of a program that could help (New Mexico's Residential Accessible Modification Program) but were unaware of the terms or conditions.

Fixed income senior residents have a lot of trouble affording accessibility modifications. Stakeholders noted that New Mexico has a segmented system of grants to help residents with disabilities get the modifications they need.

Many affordable housing developers noted that, for accessible units, there is a *"huge disconnect between what we are required to provide and what is requested."* For example, when developments have federal funds, 5% of the units built must be accessible and 1% must be built to accommodate vision and hearing impairments. However, there is much more demand for vision and hearing accessible units (around 5% versus the 1% required) so developers must alter these units after the fact, making the changes more expensive.

Several participants noted that the primary requests they get is for accessible parking spaces, typically in older properties. Storage space for scooters, bathrooms or rolling showers, accommodations to transfer into the shower are also common. Due to the lack of resources for tenants or grants for property owners to make such improvements, these costs usually come from project funds.

One participant noted that because of tax credit requirements, their organization makes half of the units in their developments visitable. However, they also noted that building a visitable unit can eliminate other features (e.g., no pantry, limited storage space) that *"…is not as nice for people not experiencing disabilities."*

Another stakeholder noted there is high demand for single story two bedroom units among residents with accessibility needs.

Housing for justice involved residents. New Mexico's rule that residents who leave the justice system have a housing sponsor can make it very difficult to rehouse justice-involved New Mexicans. Sponsors agree to be responsible for the released resident and sometimes family members are unwilling to take on that role. Sometimes people cannot be released if they are living alone. Halfway houses commonly become the sponsored facility. Most of those are located in Albuquerque and many have very long wait lists. Each has different rules. When people are unable to find sponsors, they stay incarcerated, on *"in house parole."*

Another challenge is community resistance for halfway houses. A recent rezoning for a proposed with a very strong provider in Albuquerque was denied.

Stakeholders noted that the lack of a pathway to housing in New Mexico is costly.

Stakeholders believe the biggest need for justice-involved residents is flexible transitional housing with support services. State corrections can pay for supports for up to 6 months, but sometimes residents need supports for a longer period.

Solutions. Stakeholders offered solutions for addressing the needs they identified:

- Provide funding for ongoing training for property managers who will continue to act as de facto service providers until a more comprehensive statewide behavioral health system is established.
- Provide training to developers and LLAs on the most successful and proven models for service integration and how best to work together.
- Shift funding in rural areas away from LIHTC. Instead, fund small (<5 unit) developments run by small nonprofits who are not competitive in volume-based grants.
- Adjust the QAP to better reflect the variety of needs in the state and not just continue to have the same template; also encourage more permanent supportive housing development, including by nonprofits.

- Invest in creating a development pipeline for permanent supportive housing including predevelopment funding, technical assistance, and developer education.
- Increase funding for the Linkages program, recognizing that further capitalizing the Linkages program would only be successful if more PSH developments are built. One stakeholder noted that the Legislature is looking at doubling the amount of funding the program gets but it really *"…needs to be ten times as great."*
- [MFA to] Spearhead a legislative effort to help establish funding for supportive services.

A Las Cruces stakeholder mentioned that part of the success of their PSH project was a strong partnership with the local housing authority. They also credited a training put on by the New Mexico Coalition to End Homelessness that had participants work through a toolkit to develop a PSH project through the LIHTC program, as well as *"having a lot of time in front of City Council to achieve buy-in."* The stakeholder noted that having a lot of face time with the Council, as well as the City's current focus on housing issues, made it easier for the City support the project financially. It was suggested that housing authorities could play a more prominent developer role for these types of projects.

Tribal Housing

Stakeholders who live and work in Tribal Areas participated in two in-depth focus groups about housing conditions and barriers. They raised a number of concerns, ranging from lack of supply and poor condition of housing, to homeownership barriers, to ineffective policies and programs.

Housing supply and needs. Stakeholders described the housing market in native communities *as "non-existent"* and *"zero."* Several stakeholders described that many native communities are impacted by no supply of new housing, low to zero vacancy of existing housing, and severe overcrowding. Some stakeholders also noted that lack of land to develop is a barrier to building new housing.

Several stakeholders noted that the cost of construction, as well as supply chain issues, are also adversely affecting the development of new housing on tribal lands. One stakeholder noted a tribal housing authority was awarded a tax credit project in 2020; however, they still haven't been able to close on the project due to supply chain issues and construction costs. One stakeholder noted that tribes need "*more money, more time, and more opportunity."* Another stakeholder noted that buying new mobile trailers is one strategy to supply housing but mobile homes have become increasingly expensive.

When asked about new technologies, stakeholders noted that Tribes are skeptical of promises of innovative building products because of their history of being *"scammed."*

Housing needs are acute on Tribal lands, and stretch across the income continuum. One stakeholder noted that there is a lack of culturally responsive housing and trauma informed services. Another stakeholder advocated for housing with supportive services included, noting that without supportive services on the reservation, tribal members will go to urban areas for housing.

The high costs of extending public infrastructure in support of affordable housing is also a major barrier. Funding to help support infrastructure improvements and extensions is needed. The Tribal Indian Fund (TIF) was a *"game changer"*—we need more funding sources like that.

Housing condition. *"People will put up with a lot,"* remarked one stakeholder when asked about housing conditions on Tribal lands.

Overall, the need for housing rehabilitation is extremely high and waiting lists for funding are common. Due to limited availability of resources, funding is competitive among tribes and does not meet demand. Private sector home improvement loans do not typically work well on Tribal lands for a variety of reasons, including land ownership and credit history.

Stakeholders noted that rehabilitation costs on Tribal lands can be very high due to the lack of contractors, travel costs associated with reaching Tribal lands, age of housing, and condition of housing. The cost to rehabilitate a modest (1,100 sq. ft.) single family home may be as high as $100,000. Homes typically need intensive repairs including roof, and electrical, HVAC, as well as updates to bring them up to code. On Pueblos, where historic preservation is a priority, the average cost for rehabilitation can be between $250,000 and $350,000.

Older residents in the reservations cannot do many repairs themselves and also need accessibility modifications; however, these tend to receive lower priority and usually funding is not available after health, safety, and code issues are tackled. Needed accessibility modifications are expensive and include ramps, expanded doorways, and walk-in showers.

Other issues noted by stakeholders is the lack of code enforcement. One stakeholder noted that this should be in the purview of tribal governments and advocated for the training of tribal members to be certified code inspectors. This stakeholder noted that *"these need to be more than just rules that need to be followed."*

Overcrowding was described as a major issue in tribal communities. One stakeholder said they are looking at acquisition of smaller homes, but it doesn't address the overcrowding issue. They noted it's *"hard to get around the cultural piece—everyone lives together."* Another stakeholder added that they need buy-in from families around separating into smaller groups, saying that *"we've looked into this and there is a lot of sensitivity. We need to do a lot of community engagement for our people to see what would be beneficial."*

Clusters of smaller homes arranged around a shared open space (cottage clusters) was proposed as a potential idea.

Homeownership barriers. The lack of access to traditional capital (for both mortgage loans and construction loans) was described as a major barrier to homeownership. Another stakeholder emphasized that low income and credit score qualifications are also hindrances. They noted that tribal homeownership programs need to provide deep subsidies to make homeownership viable for the majority of people. One stakeholder noted that *"sometimes we need to get people into a debt consolidation program before we offer them a loan. Sometimes people will income qualify but not credit qualify…they might just have lots of obligations."* Another stakeholder noted that the biggest barrier to homeownership in Tribal Areas is precedent. *"If your parents are homeowners, it's more likely that you'll also be a homeowner."*

A stakeholder also mentioned that Home Mortgage Disclosure Act (HMDA) data is not required to be collected in Tribal Areas; as such, homeownership gaps are an *"unknown problem."*

Program and policy barriers. One stakeholder noted that most federal and public policy was not designed with tribes in mind, noting *"Inner-city solutions are not going to work on tribal land."* Because tribes have different needs and the federal government has specific obligations to Native communities, programs should be created to serve the specific needs of tribes. This stakeholder also advocated for the public sector to double and triple down its efforts to get resources to Tribal Areas.

One stakeholder advocated for tribes to be at the table for state- and federal-level housing conversations, noting "*ERAP was created without tribal community input. It puts a toll on tribes when they are not involved in discussions."* Another stakeholder emphasized that not being at the table exacerbates their capacity issues, noting they weren't able to disperse ERAP funds until June even though they received the funds in February. They noted that *"there is a lot of compliance and reporting for funds we accept but not a lot of capacity."*

On the flip side, another stakeholder noted that they do have the capacity but don't have adequate funding. This stakeholder again emphasized the need for tribal voices at the table for state- and federal-level conversations. *"When they come up with these programs, they don't have Native people in the room. The level of capacity depends on the tribe."*

One stakeholder advocated for a better partnership with MFA, and increased funding, to help them reach parity with their non-Native neighbors: *"We can't operate like affordable housing developers off reservation."*

"We just need major investment…it's not just an issue of capacity, we haven't had historic access to funding."

Stakeholders also advocated to see a commitment from MFA to help solve Native-identified issues. One stakeholder was interested to better understand MFA's financial commitment tribes, asking: *"How much of MFA's budget is allocated to tribal interests, how many FTEs are dedicated to Native needs?"*

Solutions. Stakeholders representing Tribal interests suggested solutions that focused on increasing funding and capital for Tribal entities and improving Tribal representation in policymaking.

- Every stakeholder emphasized the need for more funding to address their housing issues, both at the state and federal levels. Stakeholders emphasized the need for tribal-specific funding sources to address ongoing housing needs. Current and potential new fund allocations should be determined with Native voices at the table to ensure that when state programs are developed, they take into account tribal needs and specific structural barriers faced by tribes in program participation.

- One stakeholder suggested having MFA buy tribal mortgages to create a secondary market for tribes, which could help establish a revolving loan fund to help more tribal communities. They noted a big issue is that tribal mortgages aren't bought because they are not originated to conventional mortgage loan standards. He noted that *"MFA should be willing to buy B and C paper, not just A paper."*

- One stakeholder recommended that MFA evaluate how down payment assistance, closing cost assistance, homeowner assistance, and housing counseling could be better structured for use in Tribal Areas.

- Another stakeholder emphasized how important the combination of funding sources would be to help people get into homeownership, as well as an entity that can coordinate these efforts and understands the rules around tribal trust lands. They added that *"being able to combine the Primero Fund and USDA 502 with other MFA products and services would be really helpful."*

- One stakeholder suggested establishing a set aside for tribal housing for LIHTC projects through the QAP, suggesting that the set aside be based on historic access to tax credits in New Mexico. They noted that it is currently a risk for tribal housing authorities to submit a LIHTC application.

- Some stakeholders advocated for the ability for tribal governments to speak directly with the heads of state agencies (currently, they have to go through the New Mexico Indian Affairs Department). Stakeholders emphasized that this was not a criticism of IAD, but just a desire to streamline communication and the ability to articulate needs to state leaders directly.

- One stakeholder suggested forming a statewide advisory committee to understand housing needs in Native communities. A stakeholder suggested that MFA set up quarterly meeting with Tribal leaders to talk about how they can best assist Native communities throughout the state to address their needs, adding "*that would be huge.*" Another stakeholder suggested forming a statewide coalition, similar to the Southwest Tribal Housing Alliance (SWTHA), to collaboratively address each community's housing issues. This stakeholder suggesting that this would help *"change the current paradigm…multiple partners and more resources."* One stakeholder advocated for more general collaboration between tribes and state government.

Challenges faced by Renters

The main themes that emerged from stakeholder discussions about renters needs were:

1) The loss of affordable housing—both hard units and willingness of landlords to accept Housing Choice/Section 8 vouchers—related to the rapid increase in rents;

2) The increasingly stricter requirements imposed on tenants by property owners, makes it harder for under-resourced tenants to qualify for housing; and

3) Evictions becoming more common as properties change hands.

Loss of affordable rental options. Overall, stakeholders noted that the availability of landlords willing to take potential tenants with housing vouchers or tenants who have special needs is dwindling, partly driven by very low vacancy rates, especially in urban areas. In some areas of Albuquerque, the Housing Authority has increased the voucher payment standard yet the Fair Market Rents (FMR) published by HUD have not kept up with rent growth in the metro area. Another stakeholder, who lives in an area of the state with a high poverty rate and tourism-based economy, noted that units are currently going for double the HUD FMR.

Stakeholders said the primary reasons that landlords are less accepting of vouchers is related to the perception of administrative burdens, the need to bring units or complexes up to Housing Quality Standards (HQS), and the stigma of potential renters. Stakeholders suggested providing a fund that landlords can take advantage of to pay for property damage or repairs—or even to bring their units up to HQS—if they rent to voucher holders. Several stakeholders noted the need for more incentives in order to entice landlords to rent to voucher holders.

One stakeholder mentioned a pilot landlord risk mitigation program sponsored by the New Mexico Children, Youth & Families Department (CYFD) that was informed by research about landlord preferences and behaviors. This research tested a number of potential incentives with landlords and found the most effective to be:

- Landlord support, especially for small (Ma and Pa) landlords—e.g., assistance with tenant issues, help finding the next tenant, $1,000 in upgrades to meet HUD quality standards, and easy reimbursement of damage claims; and

- Tenant support, targeted at tenants that are perceived to be higher risk, which includes young tenants. Support would include case management, navigation, life skills, financial literacy.

One stakeholder noted that landlords that do accept vouchers are usually concentrated in one area, which means that tenants don't actually have true choice of where they live.

One participant attributed the inconsistency of service availability among voucher holders to the entity funding the voucher (e.g. City-funded supportive housing voucher vs. Section 8 voucher). This stakeholder described that the ideal situation for voucher holders would be to *"choose the area they want to live, the school they want their kids to go to, and to be close to their job."*

Another participant said that, anecdotally, they have heard that people are coming from California, where waitlists are incredibly long, and moving to New Mexico, getting a housing voucher, and then moving back to California. While the stakeholder was not able to speak the frequency of this occurrence, they did suggest re-examining Section 8 rules and regulations to better understand if rules are still effective and applicable to the current housing market.

One stakeholder noted that the State's QAP requires HUD approval for use of project based vouchers, but that other states do not have this requirement. This participant noted that demand for these vouchers is very high and it is a challenging process to utilize project based vouchers in New Mexico.

Stakeholders also advocated for more education for landlords, particularly around the administrative responsibilities of taking on tenants with housing vouchers. Stakeholders felt that many landlords are not aware that voucher holders have a higher incentive to not get evicted since that would cause them to lose their voucher. Additionally, voucher holders can help stabilize rental markets during downturns in economically vulnerable (e.g., oil dependent) economies.

Education on the requirements around quality of construction of low income housing is also important for stakeholders. The perception that such housing is lower quality than market rate housing makes neighbors very resistant against such housing, but in many areas, such construction would *"beatify the neighborhood."* Stakeholders suggested support on marketing campaigns to combat NIMBYism from MFA would be helpful.

Several participants noted the need for more rental housing for people making 30% AMI or below, as well as how to link services to these populations. One stakeholder articulated that the primary driver of unaffordability are increased constructions costs and the lack of profitability from building low income housing.

Several stakeholders spoke to the lack of affordable housing for families with vouchers in need of larger accommodations (3 or 4 bedroom units).

Second homes and short term rentals. One stakeholder noted that in popular tourist destinations, such as Santa Fe and Taos, short-term rentals are taking rental stock off the market. Another stakeholder observed that many people are buying second homes or moving from California to work remotely in northwest New Mexico. A stakeholder from a resort community estimated that 30% of the rental stock has been lost to tourism.

Stakeholder noted the state's economic development strategies include increasing marketing efforts of outdoor and recreation opportunities in the state, yet many of such rural communities do not have the appropriate housing stock to meet the increase demand.

Stricter requirements of tenants. An example of stricter requirements imposed on prospective renters was given by a stakeholder from Albuquerque*:*

"Renters' insurance is required, past evictions are scrutinized more, credit checks are more stringent and more administrative fees are imposed."

They noted that the most stringent requirements are coming from larger developments. They also reported that out-of-state property management firms have *"come in and taken away voucher-eligible units that had previously been available to voucher holders under previous landlords."*

One stakeholder wondered how many out-of-state property management firms now own developments in New Mexico and how this has changed over the last five years.

Evictions. Stakeholders from the advocacy community described that apartment communities are increasingly owned by out-of-state owners who commonly increase rents with only 30-days notice, which is too little time for tenants to find another, more affordable, unit.

When asked to describe the current state of eviction law in New Mexico and related major issues, one stakeholder described the eviction process as *"very fast."* They noted that advocates have been trying to slow down the process because *"there is not a lot of time to prepare or remedy for an eviction."*

A downside of rules during the pandemic that prevented landlords from evicting due to non-payment of rent is that landlords sought out other reasons to evict, most commonly simply refusing to renew leases. Increasingly, landlords are getting around evictions by not renewing leases. People face evictions due to accepting family members and taking in caregivers; one stakeholder described a tenant being evicted for needing to bring a dialysis machine into their unit. Stakeholders noted they are seeing more disability and health condition discrimination in evictions.

Stakeholders emphasized the need to give tenants a longer time to cure. According to stakeholders New Mexico has one of the shortest time frames in the country. Right now tenants have:

- Three days to pay rent before the landlord can file an eviction;
- Seven days before a trial can be scheduled (often too little time to arrange to get off work, to find legal counsel, to prepare a defense), and
- Another seven days to leave the apartment if judge rules against them.

One stakeholder added that legislation is being introduced to modify the timeline, as well as a prohibition on not renewing leases for non-payment or lease violations.

Advocates are encouraged by a new eviction diversion pilot program in Curry and Roosevelt counties. A downside of the program is that participation is not mandatory and both parties have to agree to participate. Because the program may take up to 60 days, advocates feel that landlords may not participate.

One stakeholder shared that City of Albuquerque staff are currently providing support for tenants going through the eviction process through the ERAP program. This stakeholder said that in addition to helping tenants apply for emergency rental assistance, they are attending all eviction proceedings and helping them through the process. Through these efforts, the city is currently building a model for tenant support.

Evictions have a considerable *"stain"* on a tenant's record, even when they occurred many years ago. Stakeholders noted residents who have been evicted have a lot of difficulty finding new housing. Current landlords are scrutinizing rental histories of tenants and findings of any missed or late payments—regardless of how long ago this happened—disqualifies applicants. Criminal records are also closely scrutinized, and many residents need help getting their criminal records expunged.

Stakeholders noted that New Mexico has a great public records system, but that means that landlords can easily search tenant's records; evictions that didn't go through the court process or were dismissed still show up.

Stakeholders suggested increased enforcement and education of current laws and regulations is needed in the state. Landlords are not aware of rules and protections of tenants. Even for HUD properties they do not follow the rules; stakeholders indicated they are aware of several instances where tenants have not given the required 30 day notice that is required under the CARES Act. They also noted that while applicants have the right to dispute the findings or provide additional clarification about their background check, most of the time they are not aware that they can do this. In addition, stakeholders noted that enforcement of rules in LIHTC is lacking, especially after the first 10 years.

Stakeholders also noted that the state of New Mexico does not have an agency that enforces fair housing; New Mexico Legal Aid used to do it but stopped years ago. Organizations in the state have applied for HUD funding to do it but have been denied twice in the past few years.

> *"We need an organization that advocates for the resident but understands how to negotiate with the property owners and how owners need to manage properties."*

Solutions. Stakeholders offered solutions for addressing the needs they identified:

- An educational process/program that helps tenants learn how to become *"acceptable renters."* Several stakeholders felt that for tenants who have behavioral health issues or other challenges, implementing such a program would help more people not get evicted.
- Regarding evictions, advocates would like to see eviction legislation reform that:
  - Extends the time to trial to between 14 and 21 days;
  - Requires landlords to provide a list of rental assistance resources with a summons;
  - Requires courts to keep an updated list of rental assistance resources to provide to tenants;
  - Allows 20 days to leave the property after an eviction ruling by the judge;
  - Requires right to counsel; and
  - Prevents a landlord from refusing to renew a lease during periods of emergency (such as a pandemic).
- An MFA sponsored public relations and communications campaign to help change property owners, local officials', and public opinion about affordable housing.
- A new fund that landlords can take advantage of to pay for property damage or repairs—or even to bring their units up to Housing Quality Standards (HQS)—if they rent to voucher holders.
- Increased landlord and tenant education and fair housing enforcement, ideally through a well-funded fair housing organization.

Affordable Homeownership

Stakeholder discussions about affordable homeownership centered on:

1) The growing challenges in attaining homeownership among moderate income households and lack of programs to serve them;

2) The mismatch between the type of housing being developed, and available, and household needs; and

3) Barriers to obtaining lending for purchases.

Income eligibility. Stakeholders described a major mismatch between supply of entry-level homes (within the $250,000-$300,000 range) and demand from first time, income-eligible homebuyers. In Socorro a recent development (2 story walkup with around 30 units) came out at an average of $272,000 per unit. In Artesia, developers are starting to build in the $300,000 to $400,000 range and moving away from the $250,000 range. In Las Cruces, a builder of starter homes also noted the market for such homes is now in the $260,000 to $320,000 range.

"People are being left behind."

Many stakeholders described the increasing need for ownership programs to target workforce with incomes too high to qualify for current programs yet not high enough to purchase market rate housing. They suggested that state might want to start considering 150% AMI as *"moderate income"* in high cost areas. The challenges for nurses and teachers working in Taos was given as an example; housing for these workers is not affordable without subsidies, yet their incomes are too high to quality for current programs.

Most stakeholders feel that down payment assistance and price caps are not keeping up with current price appreciation. Higher prices have increased the amount of down payment assistance a household must have available, and cash buyers and investors buying the homes that are targeted by mortgage-and down payment assistance programs. Even in smaller urban areas, such as Farmington, home prices are not *"just above"* the price thresholds for assistance programs.

One stakeholder reported that workers must have two years of employment to count their second job toward loan qualification. Another stakeholder noted that applicants can include child support payments when applying for loans but they don't count for qualifying purposes. On the flip side, families who experienced an unexpected increase in income during the pandemic no longer meet qualify for assistance but did not earn enough to save for a down payment fast enough in this market.

Stakeholders acknowledged that this is a tricky area because there is a general perception that the private sector will produce enough housing for this sector of the population, but that is no longer the case—and, as such, it is appropriate for the public sector to intervene.

More flexibility in price and income limits, as well as increasing the allowed second lien would be beneficial to get people into homes.

Housing types. Stakeholders had an active debate over market demands for diverse housing types. Some were skeptical that products other than single family detached homes on medium-to-large lots would be attractive to New Mexicans.

"Outside of Albuquerque, we are a suburban and rural state."

Some stakeholders articulated that the traditional 3 bedroom, 2 bathroom home is still very popular with families, yet acknowledged that the market is shifting. "Empty nesters" are demanding smaller units (2 bedroom, 2 bath), which are easier to maintain, and Millennials, who cannot find housing, are willing to purchase non-ideal homes now in hopes of moving up in the future when their household grows.

Townhouse products are very popular, although some households worry about noise. One developer noted that smaller homes on subdivided lots are also picking up in popularity but still are not a large share of sales. Condominiums are easier to sell, especially in communities where people are ready to live with only one or fewer cars.

"It's worth experimenting with different housing types; people might be surprised by how popular they are."

Stakeholders noted that the biggest issue to innovation and bringing new housing types online is the lack of comparable products. One stakeholder said it's not the valuing of the building or the land that is the challenge—it's finding similar products that have sold and what their prices are.

One stakeholder noted that they've started to develop live-work spaces by *"condo-izing"* them. However, a big barrier in New Mexico is that you can't start selling condos until they are complete. This makes it more difficult to finance the developments. MFA could play a role here, and help finance these types of projects until a market is established for them.

Another stakeholder noted that it's difficult to innovate with the current system that is standardized to developing single family detached homes. Developers, especially small developers, need flexibility to push the boundaries on building different housing types, which helps hedge against losses from housing types that end up not working.

Lending barriers. Several stakeholders noted that credit was a major barrier to homeownership, which can also adversely affect the rental market. One stakeholder gave the example of when a new employer moved into their community, 90% of the workforce had credit issues that prevented them from purchasing a home. These new workers ended up flooding the rental market; prices went up and inventory plummeted.

Stakeholders agreed that high debt-to-income (DTI) ratios are a major problem in obtaining mortgage loans, even among prospective borrowers with better credit scores. One stakeholder suggested that MFA could help create flexibility in this regard, and allow for a higher DTI threshold in their programs.

Stakeholders also said that there is a perception among sellers that working with MFA funded loans will be slower and more time consuming than conventional offers, and often such offers will not receive priority and become more like back-up offers. Education that clarifies that MFA loans do not require extra work from the seller is needed.

Stakeholders representing tribal lands spoke about HUD's Section 184 Indian Home Loan Guarantee Program. They agreed that the program is good, but not all lenders have it available, and the credit requirements are very stringent (zero collections on an applicant's record). Tribal members need better education around credit management for this program to be more effective.

Education of all New Mexicans who hope to be owners was highlighted as well.

"People have this assumption that they can't become homeowners."

Many stakeholders felt that community banks and Community Development Financial Institutions (CDFIs) could play a larger partnership role in decreasing barriers to homeownership. Services to build comfort with becoming an owner, paired with down payment assistance and closing cost assistance, is needed. CDFIs, in particular, may have funding they could use to match MFA programs.

"We need to have better outreach to potential homeowners and need to enhance our relationships with lenders and federal partners."

For condo products, the Federal Housing Administration (FHA) requires a certain percentage of owner occupancy, which can prohibit first time homebuyers from getting into condos. Stakeholder said after financial crisis, it got much harder. Condo projects fell out of compliance, and could only be sold to a cash buyer. These technical issues associated with condominium ownership can be barriers.

Home improvement loans. Stakeholders indicated that the lack of inventory to purchase is increasing demand for home improvement loans. However, credit barriers are an even bigger challenge, since these loans tend to have higher credit requirements. In rural areas, where rehabilitation demand is higher, finding contractors needed to get the loan approval is currently a significant challenge.

Foreclosures. Foreclosures were mostly raised in the context of seniors' needs. Stakeholders noted the best way to keep low income seniors housed is to keep them out of foreclosure. If seniors can't retain home, their prospects for finding affordable housing are very, very limited. There are a lot of owners paying only $800 per month in mortgage payments; finding a rental at that price is pretty hard.

Senior homeowners can lose track of mortgage payments due a change in the servicing institution (they keep paying the old servicer) or are unaware of what to do when a spouse who used to take care of the mortgage passes.

Although there are more protections in place for homeowners than renters, many homeowners are not aware of programs to assist them. Continued education about such programs is needed.

Solutions. Stakeholders offered solutions for addressing the needs they identified:

- MFA should consider modifying its programs to be sure that they are maximizing homeownership potential:
    - Offer flexibility in DTI threshold for borrowers who have good credit and/or have faced historical barriers to wealth accumulation ;
    - Allow for a higher AMI threshold to qualify for down payment assistance and lending programs in high cost areas;
    - Raise the amount of down payment assistance and/or price limits;
    - Raise the amount of money provided for a second lien;
    - Maximize partnerships with small and local lenders; and
    - Invest in resident education about available ownership programs, how to build good credit, and where to seek foreclosure assistance.
- MFA should also work to counter the impression by real estate agents, sellers, and lenders that MFA funded loans take longer and require more of a seller.

Mobile/Manufactured Homes

Stakeholders participating in discussions about mobile homes had expertise in park and unit ownership and sales, and park tenant and owner advocacy.

Stakeholders representing the ownership and sales industries described several barriers to obtaining a loan for a manufactured or mobile home. One stakeholder articulated lenders they've worked with only provide loans to homes on permanent foundations. Another stakeholder spoke to the administrative burdens of getting a loan for a manufactured/mobile home, specifically all of the *"documents needed up front,"* including a deactivated title and structural engineer report. Because of the lack of structural engineers in northeast New Mexico, they need to get engineers from other areas in the state to conduct the inspection, which adds time and cost to the entire process. The stakeholder emphasized how expensive these upfront costs can be for the potential purchaser, noting that *"…in this current market, the seller is not paying for anything."*

Stakeholders felt that MFA does a good job supporting manufactured home purchases. The biggest challenges to using MFA's programs are income limits (which can be too low for some households) and amount of the second lien, regardless of the collateral.

Stakeholders who work for mobile home manufacturers and/or own and operate parks describe the products as a unique solution to homeownership—one that is attractive to a range of buyers. Supply chain challenges and lack of land near the state's more urban and growing areas has posed challenges in meeting demand.

Costs to purchase homes have increased rapidly: a manufactured home today (900 sq ft, single wide) starts at $70,000; this includes appliances. Utility connections add another $15,000, and land costs $40,000 to $45,000. Homes can resell at $250,000; recently $150,000 was the average.

Lack of land to place manufactured homes has become a problem. Local governments can be slow to produce *"placement permits."* Mobile home park buyers can be put in a situation where they are paying for the home and the lot but do not yet have a permit—and are therefore paying for a home they cannot occupy. Local governments must get better in issuing permits. In Santa Fe, homes must be placed within a mobile home subdivision. But new subdivisions haven't been permitted since the 1990s.

Advocates began by discussing the limitations of the state's Mobile Home Park Act. Advocates felt the Act could be strengthened by:

- Covering park occupants who rent the mobile home. The Act currently only applies to residents of parks who own their unit. Renters are covered by standard tenant laws and agreements that are not as favorable.
- Covering park occupants who own recreational vehicles (RVs). People who live in RVs and rent a lot in a mobile home park have no protections under the Act.
- Limit exorbitant lot rent or unit rent increases. Frequent increases are common in short term leases (especially month to month increases), and make it difficult for tenants to plan and prepare for the additional cost. Those most vulnerable live in areas where housing is limited and employment has increased rapidly—e.g., communities near oil fields.
- Expanding the familiarity and knowledge of the Act by park owners, as well as local judges who are enforcing the act. Many times, parks are owned by out of state owners who are not aware of the Act or do not treat occupants fairly (e.g., including terms in new leases for maintaining park infrastructure, such as gas lines). Local judges in many rural areas are unaware of how to enforce the Act.
- Clarifying the *"right to cure"* provisions of the Act; this should be made more explicit in the Act.

A mobile home unit owner who is evicted can have a very hard time finding a replacement lot in a park. Owners face the risk of not being accepted in other parks if their home is too old, and homes are expensive to move—about $5,000. Some owners of parks take advantage of this condition, impose small fines on occupants that build up leading to an eviction, and will offer to purchase the mobile home as part of eviction proceedings, usually at a below-market price—a new form of blockbusting. Advocates feel that strengthening the state's eviction laws would help prevent this predatory behavior and stabilize the housing for both renters and owners in mobile home parks.

Similar to advocates, mobile home manufacturers are also concerned with *"lot rent increases creating hardships. A lot of people who continued to work during the pandemic didn't get pay increases—but their lot rents went up. Parks are forcing owners out and buying their homes to rent."* The high lot rents prevent some buyers from getting mortgages.

Solutions. In addition to strengthening provisions of the Mobile Home Park Act (see recommendations above), advocates recommended:

- Pursue funding for a fair housing enforcement nonprofit in New Mexico, through foundations and eventually HUD;
- Explore how MFA could incentivize or require more reasonable eviction and lease terms by park owners through federally backed mortgages and/or federal and state funding; and
- Create a permanent homeowner assistance fund for mobile park owners to avoid eviction and loss of their homes when faced with lot rent increases that they cannot manage.

Housing Production

When asked about the current state of housing production, one stakeholder described the market as:

"Highly competitive and not geared at all for people with low incomes."

Several stakeholders reported that builders are unable to keep up with demand, mostly due to supply chain issues (e.g. cost of lumber, acquiring materials).

Others said that production had been lacking for decades. One stakeholder from northeast New Mexico shared that new housing had not been built in their area since the 1980s, noting that they *"wish we could get developers to build apartment complexes here…we think there is a market out here."*

Many stakeholders attributed slow production to government processes.

"The rules that we have currently in place to put affordable housing on the ground don't actually lead to getting affordable housing built."

One stakeholder described the development review and permitting processes as *"bureaucratic and slow."* Although local governments are allowed to outsource plan reviews to the private sector, most don't. Another stakeholder described local governments not as "*understaffed but under-led*" and wished that the private sector played a bigger role in this area to *"free up administrative bottlenecks"*.

A very common complaint was related to state regulations for building inspectors and code compliance. Developers described the code compliance system as a *"patchwork of enforcement"* where the state has become the main organization providing code enforcement but there is not enough capacity at the state or local level. This means builders have to pause construction while waiting for inspections; the problem is acute in rural areas. Developers indicated that code requirements and inspections requirements should be proportional to the state's enforcement capacity and code requirements should pass a cost benefit analysis. For example, it is now as expensive to build in Los Lunas as in Albuquerque because they now have the same building standards—yet less labor available.

Developers suggested 3rd party permit review and inspection, which in their view is much more efficient and would not cost the state. Some indicated that many states they work in already have such a program, and that this would be low hanging fruit that can help accelerate production.

Stakeholders also noted there is a growing challenge in getting utility companies to work in new subdivisions in a timely manner. Currently, many local governments do not have the capacity to manage new subdivisions. Some utility companies have long waiting lists to get utilities out to new construction projects.

Zoning barriers were raised only for urban areas. Developers said that getting the appropriate zoning to build in smaller lots is difficult, and smaller lots are crucial in building affordable homes. For example, in Rio Rancho all of the zoning is single family, and all the current neighbors expect big lots for new development. In Las Cruces, higher standards to improve neighborhood conditions (sidewalks, green space) have raised costs significantly. Urban areas express the desire to do infill projects, yet can have lengthy and expensive permitting process. For example, some will require a commercial permit for units in a four-plex, which discourages more affordable attached housing. Additional regulations around storm water management in Albuquerque make the cost of getting lots ready very expensive, the cost of land alone is significantly higher than in the past decade.

Some developers raised the additional costs for energy efficiency in LIHTC, acknowledging that "*MFA is trying to do the right thing and build the best housing*" but that requirements can add between $80,000 to $100,000 in compliance costs to a development. Similarly, one developer described the QAP points for fresh food as "*silly*" and recommended that small vendors count toward the points, especially in areas where grocery stores are closing.

When asked about incorporating new technologies into building to reduce building time, stakeholders acknowledged this was a solution that needed to be more intentionally explored. Many jurisdictions are unfamiliar with the potential: *"It's hard to be disruptive in many New Mexico communities."* New Mexico needs to be more innovative and competitive; new technologies are easier to achieve in California, or Colorado. New Mexico has a great solar incentive tax credit program and could consider the same for new technologies in residential development.

Developers also noted that jurisdictions economic development strategies do not incorporate the need for housing. They agree that municipalities should include land subsidies into the packages they offer big employers to come to town. They need to realize that they need the infrastructure to support employment growth. Some developers proposed that the state look into some form of regulation that ties housing production to employment recruitment efforts; if municipalities cannot house the extra workers they should not offer economic incentives to employers.

One stakeholder spoke about the barriers to participating in the LIHTC program, noting that their small operation does not have the appropriate amount of funding to participate in the program. They noted that they have the staff and experience to run small affordable housing properties well and efficiently but don't necessarily want to rely on others to participate in the program, noting *"[Our organization] is mission driven but we can't move forward [in the LIHTC] program without forcing ourselves on a partnership."*

Another stakeholder agreed, noting that even though there is demand for smaller developments in rural towns throughout the state, MFA funding was limited in addressing this need. Several stakeholders felt their organizations were *"overshadowed*" because they work with 5 to 15-unit developments even *though "[they] are one of the most effective people doing this work."* They also felt more rural parts of the state, when it came to affordable housing development, were overlooked by MFA.

NIMBYism. When asked directly about zoning and land use barriers, stakeholders said NIMBYism and the entitlement process were the primary barriers inhibiting the production of housing (versus land use regulations or code).

NIMBYism in Albuquerque and, secondarily, Santa Fe, was most frequently cited by stakeholders. Increasingly, developers in Albuquerque find neighborhood opposition to projects a bigger barrier to construction than zoning. They believe that the City gives too much power to community members; this is especially the case in Albuquerque under the new Integrated Development Ordinance. It is increasingly common for developers to face community resistance after initial project investment, which adversely affects budgeting and increases project risk and uncertainty.

A developer in Silver City mentioned getting pushback for building next to a mobile home community, while acknowledging that, generally, smaller towns are easier to work with (especially Ruidoso, Deming, Carlsbad, Hobbs).

Stakeholders feel that education is key to address some of the NIMBYism. In many places not even the city council members are aware of the affordability challenges faced by their communities. Some stakeholders suggested that MFA invest in a public relations and communications campaign to help change local officials' and public opinion about affordable housing. Local officials and the public do not understand that the quality of affordable housing—and the tenant screening process—is much higher than some market rate developments. *"Affordable housing gets inspected consistently, has higher quality standards, and can't accept certain very high risk populations."*

One stakeholder offered that the state could have a housing advocate to represent the needs without being seen as biased. In addition, talking about the housing continuum can help with the public and the messaging, and making the public understand the broader consequences of housing: *"If we reduce housing costs we can reduce poverty and increase local spending."*

Solutions. Stakeholders had several different ideas related to creating more housing throughout the state.

- Some stakeholders felt that using tax credits to build low income housing was the most effective strategy, advocating for more money from the federal program to build these projects. One stakeholder noted that "…there are just not many people who will put money into brand new low income projects, especially when you can get a big return on market rate projects."
- Other stakeholders felt that relying on tax credit projects to build affordable housing should not be the end-all, be-all approach. One stakeholder articulated that "there needs to be a much more robust way to attack the problem [of building affordable housing]."
- Rural stakeholders advocated for programs that would facilitate developments of smaller developments.
- To facilitate new technologies in building, MFA could support demonstration projects, to help local governments and developers understand the potential.
- Many stakeholders advocated for MFA sponsored public relations and communications campaign to help change local officials' and public opinion about affordable housing.
- All stakeholders agreed on the need to revise the state building inspection and code compliance regulations to be more efficient and streamlined.

Preservation/Rehabilitation/Weatherization

Stakeholder discussions associated with preservation, rehabilitation, and weatherization spanned a variety of issues, from QAP incentives, to energy efficiency requirements, to increasing the amount and allocation of funding.

Qualified Allocation Plan (QAP). Stakeholders generally agree that the current QAP prioritizes new construction over rehabilitation—and that this works against the needs of rural areas. Stakeholders noted that for rehabilitation projects to be competitive, they need more gap financing. Stakeholders who work nationally noted MFA is more reasonable and easier to work with compared to other states, and that having rolling applications is a huge help.

Green building standards in the QAP are difficult to meet with rehabilitation projects. A lot of the units that need rehabilitation are built before 1970, which makes adding insulation very hard. The only solution to meet green building standards is to fully reframe the walls—significantly raising costs.

Stakeholders also talked about how the HERS score for energy efficiency (65 or lower) is not feasible for 4% projects and suggested that MFA consider different benchmarks for 4% deals.

Weatherization and rehabilitation applications and funding. Stakeholders raised other technical barriers in applications. For some, multifamily units are treated as single family units, meaning that every tenant needs to submit an application, and 66% of tenants must qualify as low income for the property to qualify.

Multifamily units and units in warmer areas of the state present an additional challenge. The smaller size of multifamily units means the heating space is smaller even though the cost of a new furnace is the same, bringing down the SIR (savings to investment ratio, which has to be greater than one)—and returning a lower return for smaller units. In such cases, adopting a programmatic approach that allows the SIR to range (for example between .9 and 1.2) but still achieve an average of 1 would work better.

Rural stakeholders said that low income and elderly households are not well-informed about weatherization grants. These households do not have access to computers, and need hands on assistance to apply. If would be nice for MFA to hold office hours in the region to take applications.

Another challenge in rural areas is workers have to travel far to get to the sites and grants must cover travel costs, increasing overall costs. The state's additional cost and per diem rates are outdated and do not generally cover the cost of travel. Adjusting the per diem rate or increasing the funding allotment per units in such rural areas (Colfax, Union) would help cover travel costs and make projects more feasible.

Low bid requirements also limit the number of contractors who will take the jobs.

Rehabilitation and weatherization needs. The per unit cost of rehabilitation can be high and varies significantly by project, ranging from $5,000 to $50,000. Most units need basic work—new flooring, cabinets, HVAC systems, water heaters, windows, doors, and a lot of cometic work inside. Less common are new roofs and new ventilation systems. Rehabilitation costs based on one stakeholder's experience with Section 8-acquired properties are closer to $50,000 per unit.

Seniors have disproportionate needs, often related to their mobility limitations. Johns Hopkins has a program that one stakeholder would like funding to replicate, where seniors who are leaving institutional care have an occupational therapist who assesses their homes (e.g., for fall prevention) and recommends improvements.

The exception is the Colonias, where families often live in overcrowded and very unsafe conditions. The use of propane tanks inside the homes for heating is common, as is improper electrical wiring from one home to another.

Stakeholders in rural areas said the allocation of weatherization and rehabilitation funding is severely inadequate compared to needs.

"The EnergySmart and rehab programs are heavily oversubscribed."

Waitlists for weatherization programs can range anywhere from 6 months to 5 years and it is estimated three fourths of units in the state need some weatherization update. This is driven by the high need in rural areas where it is common for people to add rooms to their homes themselves as their family expands. A lot of the funding available for weatherization is allocated through population based formulas which means small rural counties can get just 2 to 3 units per year.

Stakeholders also noted that more rehabilitation incentives for residents that own their homes should be considered as many residents are land or home rich but income poor and do not have the cash to keep up their homes. This housing stock is in danger of being lost to investors.

One stakeholder noted there is a very high need for rehabilitation dollars for public housing units in Albuquerque, where most of the units were built in the 1970s—it is estimated over 80% of the public housing units need rehabilitation. The federal government has historically and consistently under-funded public housing capital improvements.

The pandemic brought additional challenges to weatherization needs in the state. Residents were reluctant to have workers in their homes, and a lot of the appliances needed were in short supply. In addition, demand for programs in rental multifamily units decreased, in part due to landlords being more cautious about investment spending under higher uncertainty around collecting rent from tenants.

Solutions to challenges in preservation/rehabilitation/weatherization. Stakeholders offered a number of solutions, many of which were informed by specific challenges they had encountered in preservation/rehabilitation/weatherization projects:

- For 4% rehabilitation deals, make soft money available to support funding gaps.
- Prioritize acquisition and rehabilitation funding for developments that are at-risk of converting to market versus any type of project.
- Consider having different HERS benchmarks for 4% versus 9% deals.
- Reconsider how weatherization and rehabilitation funds are allocated and ensure that the allocation formula aligns with needs (versus overall population distribution).
- Examine funding terms for reasonableness in contractor pay (travel costs, per diems, low bid requirements) and update to make the weatherization and rehabilitation programs more attractive and competitive to other types of work.
- Invest in training new workers who serve rural areas to get required certifications to conduct improvements and inspections.
- Increase funding for weatherization and rehabilitation, and make the applications more accessible—even traveling to communities or working with community navigators to accept applications onsite.
- Explore other funding sources—e.g., through Area Agencies on Aging—to provide improvements to seniors (who are disproportionate beneficiaries of EnergySmart) and free up funding and resources for other types of families.
- Direct funding to improving public housing unit conditions.
- Create a *"displacement index"* to drive the prioritization of rehabilitation dollars. Alternatively, weight allocation of funds based on the age of the housing stock, not the size of the population.

General Topics

Funding. The need for additional funding was mentioned in nearly all of the stakeholder discussions. Stakeholders affirmed that the public sector needed to play a larger role in affordable housing production.

- Stakeholders advocated for capitalizing the State's Housing Trust Fund, particularly for gap financing.
- One stakeholder suggested directing a portion of the state's marijuana tax revenue to fund affordable housing.
- Stakeholders also described the need for flexible funding, with one stakeholder noting that the State of New Mexico *"has this one-size-fits-all delivery mechanism of housing through the tax credit program."* Echoing this, some stakeholders asked for *"one pot of funding that we could draw on for projects that meet our unique needs."*
- Stakeholders noted there is a need for more rehabilitation funds, and a larger separate/stand alone and noncompetitive rehabilitation fund to help local

governments that have abandoned, dilapidated homes develop conservation programs.

- Stakeholders also advocated for a stable source of funding to replace ERAP funds once they all get spent.

Rural capacity. Overall, stakeholders in more rural areas of the state advocated for MFA to be more proactive in communicating and actively engaging with rural communities about MFA programs and resources. In addition to providing information about MFA programs, stakeholders felt that MFA could play a larger role in building capacity in these communities—particularly in addressing supportive service gaps.

Other stakeholders from rural areas asked for a *"toolkit"* to address more complex challenges like infill and condemnation of dilapidated properties.

Other stakeholders thought a simple *"one stop shopping"* state webpage for all resources is needed and would be a low cost solution to getting people resources.

"Local governments do not have a dedicated housing person or a planner for us to work with on initiatives."

One stakeholder noted that their organization is lacking capacity and limited administrative funding makes it difficult to hire staff. Several stakeholders advocated for MFA use their own resources to help support participant organizations, especially providing more flexible funding.

Overall, stakeholders were highly complimentary of MFA staff. They described MFA staff as very committed, willing to innovate, accessible, and easy to work with. One participant noted that MFA staff has been really great in responding to their organization's needs. MFA *"boot camps"* and trainings have been helpful and MFA staff do a great job of listening and allowing people to be heard. Another stakeholder reiterated this sentiment, adding *"[MFA] is very supportive of us even during crazy amounts of turnover…[and] recognizes what we need."*

COVID impacts on housing market. Overall, several stakeholders did not believe COVID-19 was a primary factor in the lack of affordable housing but exacerbated the current housing issues experienced by the state. In 2020, one stakeholder in northeastern New Mexico said that many people were moving to the area to *"get out of the city."* This stakeholder also noted that the remaining available housing supply in the area was bought up in 2020 and 2021. An Albuquerque stakeholder added that *"COVID has intensified everything…housing prices have increased."*

Displacement of low income households. One stakeholder in Albuquerque noted that there is no City-specific strategy to address displacement ; instead, the City is focusing on increasing housing supply and finding housing for unhoused residents. This stakeholder advocated for more state funding to provide housing stabilization support for those at-risk of displacement.

Another stakeholder recommended creation of a *"displacement index"* to drive the prioritization of rehabilitation dollars.

Low wages. A few stakeholders noted that in addition to a limited amount of housing supply, low income workers have not seen wage rate increases at the same level as moderate and high income workers. One stakeholder in northwestern New Mexico said that they've observed a simultaneous decrease in livable wage jobs and increase in housing prices. One stakeholder in Albuquerque emphasized the mismatch between people making low wages and those on fixed incomes with the availability of housing at their price points. They noted this would continue to be an issue if not addressed.

Local government capacity/local government education. Stakeholders primarily pointed to local governments' lack of capacity to help address the affordable housing shortage. Specifically, stakeholders described the lack of capacity for implementing zoning or land use changes to help with market shifts and how long it takes developers to get through the entitlement process.

One stakeholder suggested more education and advocacy for local governments to better understand what goes into a permanent supportive housing project. Stakeholders also advocated for more education around affordable housing along the continuum of needs.

Some stakeholders from urban local governments noted cities need to revamp their codes and start looking at eliminating single family zoning in the core of cities, allowing casitas by right, and encouraging infill with attached products. They need to start looking at opportunities for development created density bonuses, setback flexibility, and reduced fees to take advantage of infill opportunities with existing infrastructure. A toolkit would be a welcome solution.

Stakeholders also noted the state should encourage local jurisdictions to have affordable housing plans. The state needs to help local governments learn how to address housing needs. Some local governments have land available but they need to have an affordable housing plan to take advantage of opportunities.

Climate change concerns. One participant advocated for thinking about climate change in the context of the Housing Strategy. The participant noted the need for density and building housing close to amenities and services, in addition to thinking about the placement of housing in terms of how energy is generated and used. Most cities are not set up for this type of development. Concerns about density and the needs of some residents (e.g., those with mental health issues), can be mitigated by the design and organization of development.

APPENDIX.

SURVEY RESULTS BY COUNTY

APPENDIX.
Survey Results by County

This appendix presents figures for counites where more than 50 responses were collected. These include Bernalillo, Doña Ana, Luna, McKinley, Sandoval, and Santa Fe. This appendix supplements Section V. Resident Survey of the Housing

Figure X-1.
Number of Responses by County

Source:

Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

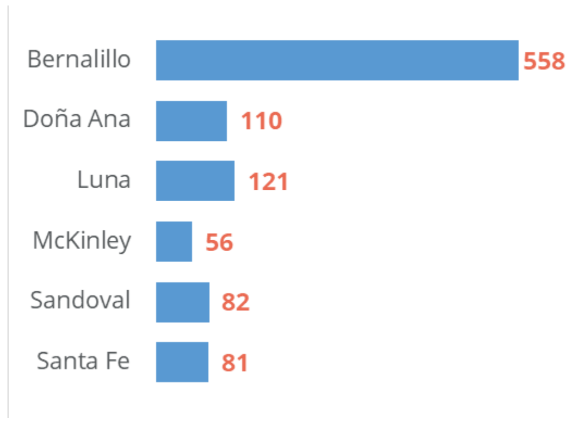


Figure X-2.
Do you currently live with family or friends or others not as part of a lease due to lack of housing that meets your needs?

Note:

n=972.

Source:

Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

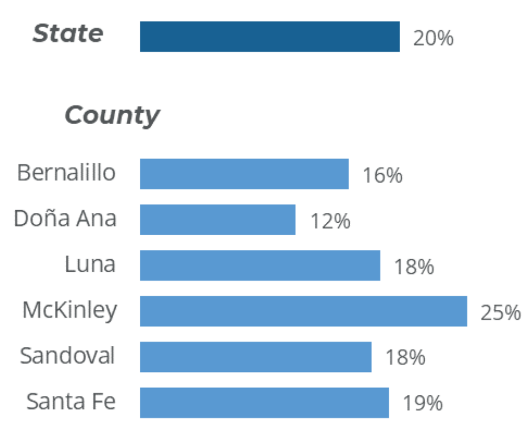


Figure X-3.
Do any of your friends/relatives live with you due to lack of housing that meets their needs?

Note:
n=961.

Source:
Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

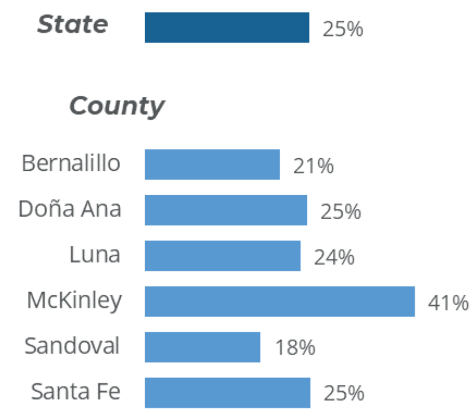


Figure X-4.
How would you rate the condition of your home? (% Fair/Poor)

Note:
n=952.

Source:
Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

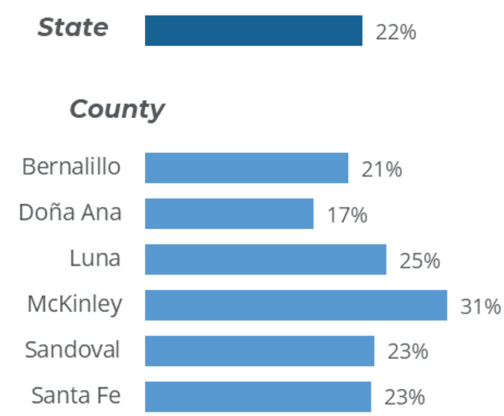


Figure X-5. Owner Housing Costs by County

Note:

Data not reported for samples under 20.

Source:

Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

	Mortgage, Insurance, Taxes	HOA/ Condo Fees	Utilities	Internet
State	$950	$107	$250	$80
County				
Bernalillo	$1,050	$82	$200	$80
Doña Ana	$905	-	$250	$80
Luna	$637	-	$235	$70
McKinley	$498	-	$200	$88
Sandoval	$1,200	-	$300	$80
Santa Fe	$1,156	-	$200	$70

Figure X-6. Renter Housing Costs by County

Note:

Data not reported for samples under 20.

Source:

Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

	Rent	Lot Rent	Utilities	Internet
State	$850	$543	$218	$80
County				
Bernalillo	$925	$650	$200	$75
Doña Ana	$850	-	$250	$80
Luna	$630	-	$250	$80
McKinley	$445	-	$200	$73
Sandoval	$1,250	-	$300	$90
Santa Fe	$1,186	-	$300	$78

Figure X-7.
COVID-19 Housing Impacts, by County

25% Above State average

25% Below State average

	State	Bernalillo	Doña Ana	Luna	McKinley	Sandoval	Santa Fe
Valid cases	1,200	480	95	108	49	73	67
I/we have skipped payment(s) on some bills	27%	25%	37%	14%	43%	34%	37%
I/we have taken on debt to pay housing costs (e.g., credit cards, payday loans, loans from family/friends)	21%	19%	26%	15%	22%	25%	21%
I/we have paid less than the minimum amount due on some bills	21%	20%	28%	10%	33%	29%	24%
I/we paid only part of our rent or mortgage payments	19%	18%	23%	8%	14%	22%	21%
I/we paid our full rent or mortgage late	14%	12%	13%	5%	6%	25%	36%
Family/friends moved in with me/us	12%	12%	13%	6%	22%	10%	12%
I/we continued to live in housing in poor condition	9%	9%	4%	6%	12%	4%	13%
I/we picked up more work/another job	9%	8%	9%	6%	8%	8%	12%
Other (please specify)	8%	10%	8%	6%	8%	15%	7%
I/we moved in with family or friends	6%	6%	3%	6%	10%	4%	7%
I/we continued to live in an unsafe family situation	3%	3%	0%	1%	12%	1%	4%
I/we rented part of our house/a room	3%	2%	2%	2%	2%	0%	3%
I/we turned our home into a vacation rental	1%	1%	0%	0%	0%	0%	1%
My housing situation has not been affected by the COVID-19 crisis	36%	37%	34%	54%	27%	38%	21%

Source: Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

Figure X-8.
What do you feel you need to improve your housing security/stability? By County

25% Above State average

25% Below State average

	State	Bernalillo	Doña Ana	Luna	McKinley	Sandoval	Santa Fe
Valid cases	1,236	493	101	112	50	74	68
Help me pay rent each month	26%	31%	21%	12%	22%	31%	31%
Help me with a down payment	20%	24%	26%	12%	16%	26%	28%
Give me money to make critical repairs to my home (heating, cooling)	20%	14%	21%	20%	28%	18%	24%
Find a home I can afford to buy/increase inventory of affordable for sale homes	18%	20%	22%	6%	8%	23%	31%
Help me get a loan to buy a house	18%	22%	25%	7%	10%	20%	24%
Help me with the rental housing search	10%	13%	13%	3%	4%	9%	12%
Other (please specify)	9%	11%	12%	8%	10%	14%	12%
Have someone routinely help me care for my home	9%	10%	2%	11%	4%	11%	13%
Find a landlord who accepts Section 8	6%	7%	7%	4%	2%	4%	1%
Give me money for disability accommodation	6%	6%	4%	4%	4%	7%	6%
Prevent landlords from evicting me for no reason	5%	5%	5%	3%	0%	5%	10%
Move to a different city/town/county	5%	5%	4%	5%	0%	4%	10%
Help me learn how to be a good renter, how to get along with my landlord	3%	3%	1%	2%	4%	1%	4%
Get me someone to help me care for myself in my home	1%	1%	0%	3%	0%	1%	1%
I am satisfied with my housing situation	31%	28%	31%	44%	26%	36%	25%

Source: Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

Figure X-9.
Displacement Experience and Reasons for Displacement

Region	Percent Displaced	Reason for Displacement: I was behind on rent	Rent increased more than I could pay	Landlord was selling the home/apartment	Lost job/hours reduced	Landlord wanted to rent to someone else	Landlord wanted to move back in or move in family	Forced out for no reason	Health reasons	Housing was unsafe
State	27%	22%	18%	17%	15%	10%	9%	8%	8%	7%
Bernalillo	27%	25%	22%	15%	16%	10%	9%	9%	10%	6%
Doña Ana	25%	15%	15%	31%	15%	0%	4%	8%	8%	12%
Luna	19%	29%	14%	5%	14%	10%	5%	5%	10%	5%
McKinley	14%	0%	14%	0%	0%	0%	14%	14%	0%	0%
Sandoval	20%	27%	13%	33%	7%	0%	7%	7%	0%	13%
Santa Fe	29%	14%	33%	29%	19%	14%	0%	10%	10%	10%

Note: n=1,294 for percent displaced, n= 347 for reason for displacement.

Source: Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

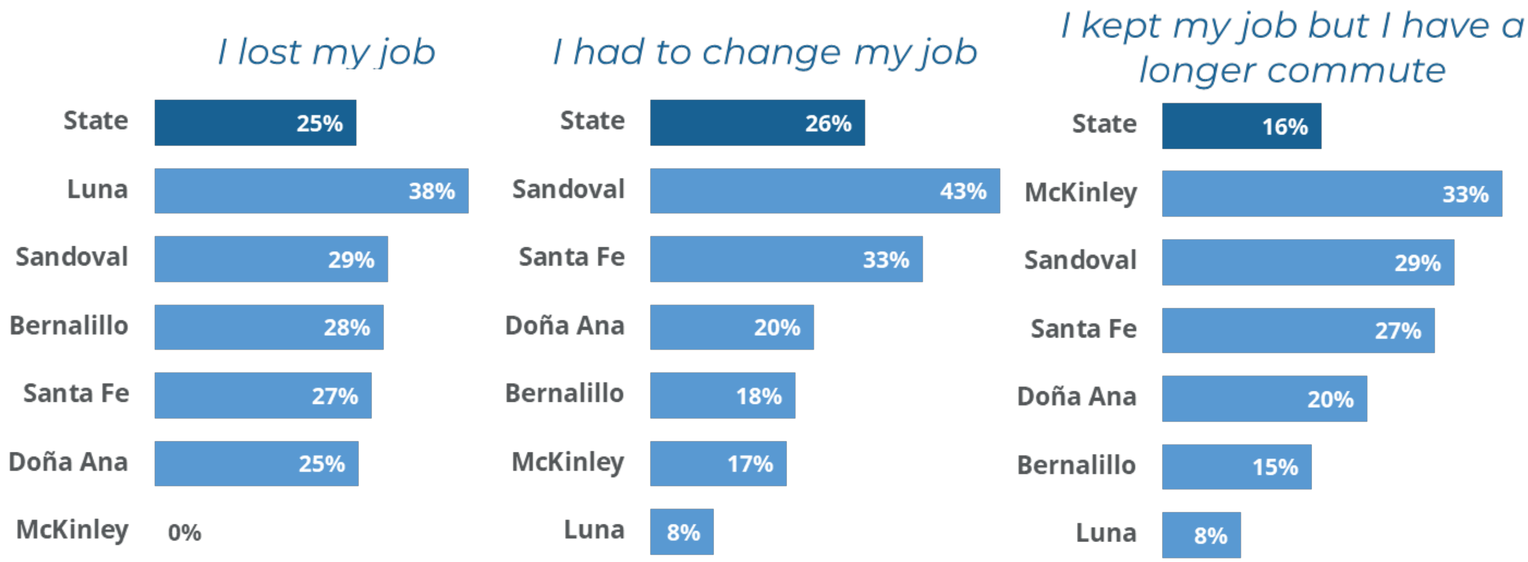
Figure X-10.
Displacement Experience and Reasons for Displacement (continued)

Region	Percent Displaced	Reason for Displacement: Because of apartment rules	Legal eviction	Utilities were too expensive	Poor condition of property	Career move/job change	Natural disaster	Foreclosure	Landlord converted apartment to short term rental
State	27%	7%	7%	7%	7%	6%	2%	2%	2%
Bernalillo	27%	6%	7%	7%	5%	6%	1%	2%	1%
Doña Ana	25%	4%	8%	23%	8%	8%	0%	4%	0%
Luna	19%	10%	5%	10%	14%	5%	0%	0%	5%
McKinley	14%	14%	14%	0%	14%	0%	0%	0%	0%
Sandoval	20%	7%	7%	7%	7%	0%	0%	0%	0%
Santa Fe	29%	5%	5%	0%	19%	5%	5%	0%	0%

Note: n=1,294 for percent displaced, n= 347 for reason for displacement.

Source: Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

Figure X-11.
Did you lose or have to change your job as a result of (an involuntary housing) move?



Note: n=157.

Source: Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

Figure X-12.
If you have children, did your children have to change schools as a result of the move? (%Yes)

Note:
n=157.

Source:
Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

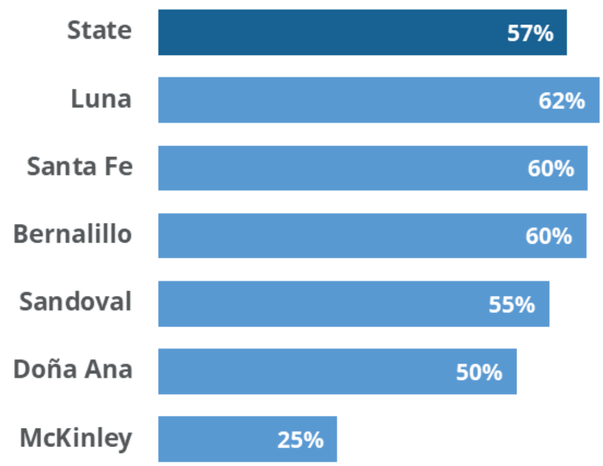


Figure X-13.
Moving Plans and Reasons for Moving

	Percent Plan to Move	Primary Reason for Move						
		I rent and want to own	To find a more affordable home to rent	To find a more affordable home to buy	Want a larger home/larger lot	I want to move to a different city/town	I want to move to a different neighborhood	Want to retire
Region								
State	45%	23%	13%	13%	11%	6%	4%	3%
Bernalillo	51%	21%	15%	13%	11%	4%	6%	4%
Doña Ana	42%	44%	10%	10%	10%	8%	0%	3%
Luna	33%	25%	8%	6%	14%	11%	6%	0%
McKinley	27%	23%	15%	15%	23%	0%	0%	0%
Sandoval	48%	21%	9%	15%	15%	3%	3%	0%
Santa Fe	47%	31%	22%	9%	9%	6%	3%	3%

Note: n=872 for percent who plan to move, n= 392 for reason for moving.

Source: Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

Figure X-14.
Moving Plans and Reasons for Moving (continued)

		Primary Reason for Move							
	Percent Plan to Move	Find a job outside of this city/town	Want a smaller home	Live closer to place of work	I need a place that is easier to take care of	I want to turn my home into an income-producing property	I need a place where I can get services/someone can help care for me	I own and want to rent	My landlord is converting my rental into a vacation rental
Region									
State	45%	3%	3%	2%	2%	1%	1%	1%	0%
Bernalillo	51%	3%	1%	0%	1%	2%	1%	0%	0%
Doña Ana	42%	3%	3%	0%	0%	0%	0%	0%	0%
Luna	33%	3%	6%	0%	8%	0%	0%	0%	0%
McKinley	27%	8%	0%	8%	0%	0%	0%	0%	0%
Sandoval	48%	0%	6%	9%	0%	0%	0%	0%	0%
Santa Fe	47%	3%	0%	0%	0%	3%	3%	0%	0%

Note: n=872 for percent who plan to move, n= 392 for reason for moving.

Source: Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

Figure X-15.
Housing Type and Housing Availability

	Place offers the type of housing you would like to move to	Type of Housing You Want to Move to						
		Larger single-family home	Smaller single-family home	Home with a larger yard	More affordable home or apartment	Newly constructed/remodeled home or apartment	Townhome/condo	Home without stairs
Region								
State	45%	39%	24%	23%	23%	15%	10%	8%
Bernalillo	50%	39%	25%	26%	27%	10%	13%	8%
Doña Ana	41%	50%	33%	36%	39%	22%	22%	19%
Luna	34%	32%	18%	9%	18%	21%	3%	3%
McKinley	31%	46%	23%	15%	23%	23%	0%	0%
Sandoval	47%	53%	15%	15%	15%	15%	6%	3%
Santa Fe	42%	47%	31%	25%	22%	19%	16%	6%

Note: n=386 for percent who think the current place offers the type of housing they want like to move to, n= 224 for type of housing they want to move to.

Source: Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

Figure X-16.
Housing Type and Housing Availability (continued)

	Place offers the type of housing you would like to move to	Type of Housing You Want to Move to							
		Larger apartment	Home with smaller yard	Home with more walkability	Retirement community / seniors-only	Smaller apartment	Assisted living	I plan to move in with family	Group home
Region									
State	45%	8%	6%	5%	4%	4%	1%	1%	0%
Bernalillo	50%	11%	4%	8%	4%	4%	0%	0%	0%
Doña Ana	41%	8%	11%	11%	6%	0%	0%	0%	0%
Luna	34%	3%	3%	3%	3%	3%	0%	0%	0%
McKinley	31%	8%	0%	0%	0%	0%	0%	0%	0%
Sandoval	47%	6%	0%	0%	0%	6%	0%	0%	0%
Santa Fe	42%	6%	6%	3%	9%	9%	3%	0%	0%

Note: n=386 for percent who think the current place offers the type of housing they want like to move to, n= 224 for type of housing they want to move to.

Source: Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

Figure X-17.
Top 5 Barriers to Homeownership, by County

TOP 5	State		Bernalillo		Doña Ana		Luna		McKinley		Sandoval		Santa Fe	
1	Can't come up with a down payment	32%	Can't come up with a down payment	31%	Can't come up with a down payment	46%	Can't come up with a down payment	33%	Bad credit/low credit score	43%	Can't come up with a down payment	41%	I have too much debt to qualify for a mortgage	31%
2	Bad credit/low credit score	27%	Bad credit/low credit score	31%	Bad credit/low credit score	37%	There is no affordable housing I want to buy	21%	I have too much debt to qualify for a mortgage	35%	Bad credit/low credit score	30%	Housing is not affordable to buy where I want to live	25%
3	I have too much debt to qualify for a mortgage	25%	I have too much debt to qualify for a mortgage	26%	I have too much debt to qualify for a mortgage	29%	Bad credit/low credit score	18%	Can't come up with a down payment	17%	Housing is not affordable to buy where I want to live	15%	Can't come up with a down payment	25%
4	Housing is not affordable to buy where I want to live	19%	Housing is not affordable to buy where I want to live	22%	Housing is not affordable to buy where I want to live	17%	I have too much debt to qualify for a mortgage	15%	Affordable housing isn't available at all	13%	I have been told by lenders that I won't qualify for a loan	15%	No credit history	16%
5	There is no affordable housing I want to buy	12%	There is no affordable housing I want to buy	14%	Cash and above-market offers by other buyers	10%	Housing is not affordable to buy where I want to live	15%	No credit history	13%	Cash and above-market offers by other buyers	15%	Affordable housing isn't available at all	13%

Note: n=373.

Source: Root Policy Research from the 2022 New Mexico Housing Needs Resident Survey.

APPENDIX.

WHY HOUSING MATTERS

APPENDIX.
Why Housing Matters

This section synthesizes academic research supporting the benefits provided by increased access to adequate affordable housing.

Six benefits to increasing and providing affordable housing are featured and expanded upon in this section:

- Improved child development,
- Better mental and physical health conditions and outcomes,
- Economic growth and public sector cost savings,
- Reduced poverty and economic mobility, and
- Improved environmental quality.

The benefits identified here make clear the importance of housing in not only supporting lower-income families and individuals but contributing to the well-being of the entire state.

Despite the many benefits associated with adequate housing supply and housing stability, the expansion of housing is often met with resistance from existing residents, especially homeowners. Resistance is particularly strong against affordable housing and higher density housing.

Fear of the deterioration of property values is at the center of opposition to affordable housing development in many neighborhoods. Homeowners' concerns typically range from increased traffic, on-street parking, neighborhood crime, and effects on property values. While concerns about potential negative spillovers from higher density and multifamily housing nuisances are valid, there is not enough strong empirical evidence to validate such concerns. Most of that research has focused on the effects of affordable housing developments.

A meta-analysis that focuses exclusively on high quality research that uses rigorous statistical analysis of large datasets conducted since 2000 provides an evaluation of the impacts of Low-Income Housing Tax Credit (LIHTC) development on surrounding neighborhoods. [i] The analysis found that LIHTC is a useful tool for new residential investment and community revitalization, especially for lower income neighborhoods. Although in higher income neighborhoods the impacts are less robust, the results do not suggest affordable housing is detrimental to neighboring property values. In addition, there is little to no evidence that LIHTC developments cause an increase in crime or decrease in school quality. Moreover, tenant mix, property design, and ongoing property management can help mitigate negative impacts.

How Housing Affects Child Development

Housing instability is not only a consequence of poverty, but a cause of poverty. Households that lack affordable housing are also more likely to involuntarily move frequently—and frequent movers have lower educational outcomes, labor market stability, and health outcomes.[2] Instability can determine income trajectories of children. Studies have shown that children who are stably housed often have better educational and labor market outcomes. A study of children's participation in public and voucher-assisted housing, for instance, found that childhood participation in assisted housing reduces the likelihood of adult incarceration and increases adult earnings.[3]

Children in low-income households who move frequently show increased attention and behavioral problems [4] and lower academic achievement. Furthermore, negative impacts on academic achievement are not only experienced by the children who were displaced. Evidence suggests that schools experiencing high rates of mobility exhibit lower achievement levels among nonmobile children—in other words, high mobility rates negatively affect the achievement of levels of nonmobile children.[5] Despite evidence demonstrating the harmful impacts children experience due to frequent involuntary moves, families with children face high levels of housing discrimination and having children has been identified as a risk factor for eviction.[6]

At its most acute level, housing instability leads to homelessness—which has significant long term consequences for children.

Experiencing homelessness at a young age has long-standing impacts on wellbeing. Homeless children are more likely to become ill and have more academic and behavioral problems. [7] Researchers collected data between 2009 and 2014 from over 20,000 caregivers of low income children under the age of four and found that children who experience homelessness were more likely to be in fair or poor health and were more likely to be at risk for developmental delays, compared to low income children who were never homeless.

In addition, the study found that children who experienced *only pre-natal homelessness* were more likely to be in fair or poor health and more likely to have been hospitalized since birth, compared to children who did not experience pre-natal homelessness.[8] This can lead to high health care expenditures due to emergency department and inpatient hospital use.

In San Francisco, researchers conducted a study to estimate the mortality rate for a cohort of street youth and found that homeless youth in San Francisco experience a mortality rate over ten times that of the state's general youth population.[9]

How Housing Affects Mental and Physical Health

Mental health. Housing instability is linked to poor mental health outcomes. Foreclosure, for instance, has been found to have negative impacts on physical and mental health.[10] A study focusing on low-income urban mothers—a population at high risk of eviction— found that compared to mothers who were not evicted, mothers who were evicted in the previous year experienced more material hardship, were more likely to suffer from depression, reported worse health for themselves and their children, and reported more parental stress. It also found evidence of lasting impacts: Mothers experienced significantly higher rates of material hardship and depression than peers for at least two years after their eviction.[11]

Physical health. It has long been recognized that living environments have impacts on health. Researchers have studied and analyzed the ways in which housing factors affect people's health and concluded that housing is one of the social determinants of health.[12]

Studies have shown that environmental factors within the home impact health outcomes of residents. For example, children are particularly vulnerable to the toxic effect of lead and can experience profound and permanent health complications due to brain and nervous system developmental problems.[13] This is largely a concern in homes built before 1978, which are more likely to contain lead-based paint and lead in the plumbing systems.

Indoor allergens and damp housing conditions—such as water leaks, poor ventilation, dirty carpets, and pest infestation—play an important role in the development and exacerbation of respiratory conditions including asthma.[14] In 2010, the nationwide cost of preventable hospitalizations for asthma was $1.9 billion.[15] Currently, an estimated 8.4% of adults and 5.8% of children under age 18 years have asthma.[16]

The importance of weatherization efforts will continue to grow as populations age. Cold indoor conditions have been associated with poorer health, including an increased risk of cardiovascular disease. Increased mortality from cardiovascular disease in winter is partly explained by increased blood pressure caused by cold exposure[17] and extreme low and high indoor temperatures have been associated with increased mortality.[18]

More recently, the importance of housing in public health has been highlighted by the COVID-19 pandemic. Social distancing and social isolation are important public health measures that depend on people having access to safe and secure housing.[19] A study analyzing trends in the early months of the pandemic found a strong association between poor housing condition—measured in terms of overcrowding, high housing cost, incomplete kitchen facilities, or incomplete plumbing facilities— and COVID-19 cases and deaths. The study found that a 5% increase in the share of households with poor housing conditions was associated with a 50% higher risk of COVID-19 incidence and a 42% higher risk of COVID-19 mortality.[20]

How Housing Affects Economic Growth and Public Sector Costs

Housing affordability problems continue to grow as house prices and rents grow faster than incomes, and these high housing costs can crowd out spending in other necessities. In 2017, among low-income households, cost-burdened households spent 13% less on food, 40% less on healthcare, and 23% less on transportation compared to households with housing they could afford. Comparatively, severely cost burdened households spent 37% less on food, 77% less on healthcare, and 60% less on transportation.[21]

During economic downturns low-income households with excessive cost burdens—over 50% of income— are also more likely to experience material hardship, including food insecurity, difficulty paying bills, and foregoing needed medical care.[22]

Government spending. There is strong evidence that high housing costs negatively impact the national economy. One study, for instance, covered 220 cities and almost 50 years of American growth and found that high housing prices lead to labor misallocations that have lowered the country's GDP by 9.5%.[23]

Researchers have also provided evidence that unaffordable housing slows growth in local employment. A study looking at U.S. metropolitan areas and counties from 1980 to 2000 found that a one-unit increase in the housing affordability ratio—measured as the ratio of housing prices to income—reduces employment growth by about ten percentage points over ten years. Researchers involved in the study noted that policies that increase housing affordability without reducing local amenities will make a region more attractive to both workers and firms and will lead to faster employment growth.[24]

Costs of homelessness. Housing instability further threatens wellbeing when it leads to homelessness. Low income and lack of affordable housing are the major reasons for homelessness, and homeless persons are more likely to become ill, have greater hospitalization rates, and are more likely to die at a younger age than the general population.[25]

Having a safe place to stay can improve health and decrease health care costs. The Housing First model, in which chronically homeless people with a diagnosis of a behavioral health condition receive supportive housing, has been shown to be cost-effective. In Seattle, a study using a quasi-experimental design comparing Housing First participants[a] relative to wait-list controls between 2005 and 2007 found a total cost rate reduction of 53% for housed participants relative to wait-list controls over the first 6 months of the

[a] The Housing First program removes the requirements for sobriety, treatment attendance, and other barriers to housing entrance.

program, with total cost offsets[b] for Housing First participants averaging $2,449 per person per month after accounting for housing program costs.[26] In Denver, a similar program found a 40% reduction in shelter stays, a 34% reduction in police interactions, a 40% reduction in arrests (40%), and a 27% reduction in jail days among participants.[27]

Keeping families housed is a fiscally sound choice; one study comparing public costs for people in supportive housing to similar people that are homeless in Los Angeles found that providing services for homeless persons can be up to five times more expensive than the costs of supportive housing services. Housing plus supportive care was found to lead to a 79% reduction in public costs for housed residents.[28]

How Housing Affects Economic Mobility and Stability

Employment stability is closely tied to housing stability. Among low-income workers, forced moves are associated with job loss. A study comparing observationally identical workers found that the likelihood of being laid off was between 11 to 22 percentage points higher among workers who experienced a preceding forced move.[29] This is particularly concerning given that the probability of finding employment decreases as the length of time unemployed increases and communities with a higher share of long-term unemployed workers also tend to have higher rates of crime and violence.[30]

Availability of housing in stable neighborhoods is key for economic mobility. A robust body of research has shown that counties with less concentrated poverty, less income inequality, better schools, and lower crime rates tend to produce better outcomes for children in low-income families. Using a larger sample of over 7 million families, researchers found that low-income children who are exposed to better neighborhoods exhibit larger rates of intergenerational mobility. In better neighborhoods, children are also more likely to have higher earnings, higher college attendance rates, and lower rates of teenage births.[31] [32]

Availability of housing is important for economic prosperity. A balanced housing market can alleviate poverty concentrations, which are costly for the community overall—neighborhoods with poverty rates over 20% encourage negative outcomes for individuals like crime, leaving school, and longer duration of poverty spells.[33]

Having an adequate housing supply that allows for the transition from renter to homeowners is important for economic stability. Homeownership is considered one of the most common methods of wealth building, particularly for low- and moderate-income households. The paydown of a mortgage principal can act as savings that allows a family to build wealth, to support retirement and/or pass down to the next generation.

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[b] Cost of services included jail bookings, days incarcerated, shelter and sobering center use, hospital-based medical services, publicly funded alcohol and drug detoxification and treatment, emergency medical services, and Medicaid-funded services.

Homeownership can also provide economic stability, as it can serve as a type of protection against inflation and involuntary displacement.

Among older adults, research on homeownership has found that owning a home can help reduce financial risk in retirement. Home equity plays an important role in retirement savings and is one of the largest components of net worth. Although homeowners often don't access the equity directly, they take advantage of the rent-free use of their property.

Home equity is the principal source of savings for most American households. This is especially true for BIPOC households and households in the lower segments of the income distribution. Ownership serves to protect households from the financial risk of rising rents. Numerous studies show that homeowners have more wealth and accumulate wealth faster than non-homeowners. Financially, the returns to purchasing a home are strong, typically matching the stock market on an after-tax basis.

In the long term, homeownership is associated with strong wealth accumulation, particularly for those borrowers who have the ability to maintain homeownership during economic fluctuations. [34]

This form of wealth accumulation also has implications for economic mobility. Children with mothers who own a home have shown to be more likely to own a home themselves and have higher educational attainment than their peers whose mothers did not own a home.[35] Furthermore, homeownership is associated with lower material hardship. During the Great Recession, homeowners were less likely to experience inability to pay bills, unmet medical or dental needs, and food insufficiency—even when comparing families with the same incomes, income instability, liquid assets, age, race, and education.[36]

How Housing Affects Environmental Quality

When it comes to resistance of higher density development, the benefits of development are often overlooked. For example, a study found that compared to lower-density development, higher density development generates less stormwater runoff and less impervious cover, and ensures more space is retained for watershed services, compared to lower density development.[37] Denser development also reduces the amount of water used in lawn irrigation[38] and increases water quality by reducing the per capita runoff volume and pollutant load.[39]

According to research by the Center for Housing Policy increasing density in places with good transportation access to job centers can help add to the ridership base for public transit and reduce transportation costs, commute times, and increase air quality for working families.[40] Multi-family and attached housing consume less energy than single family detached homes, data show that an average multifamily unit uses half the energy of an average single family detached home.[41]

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