

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**.

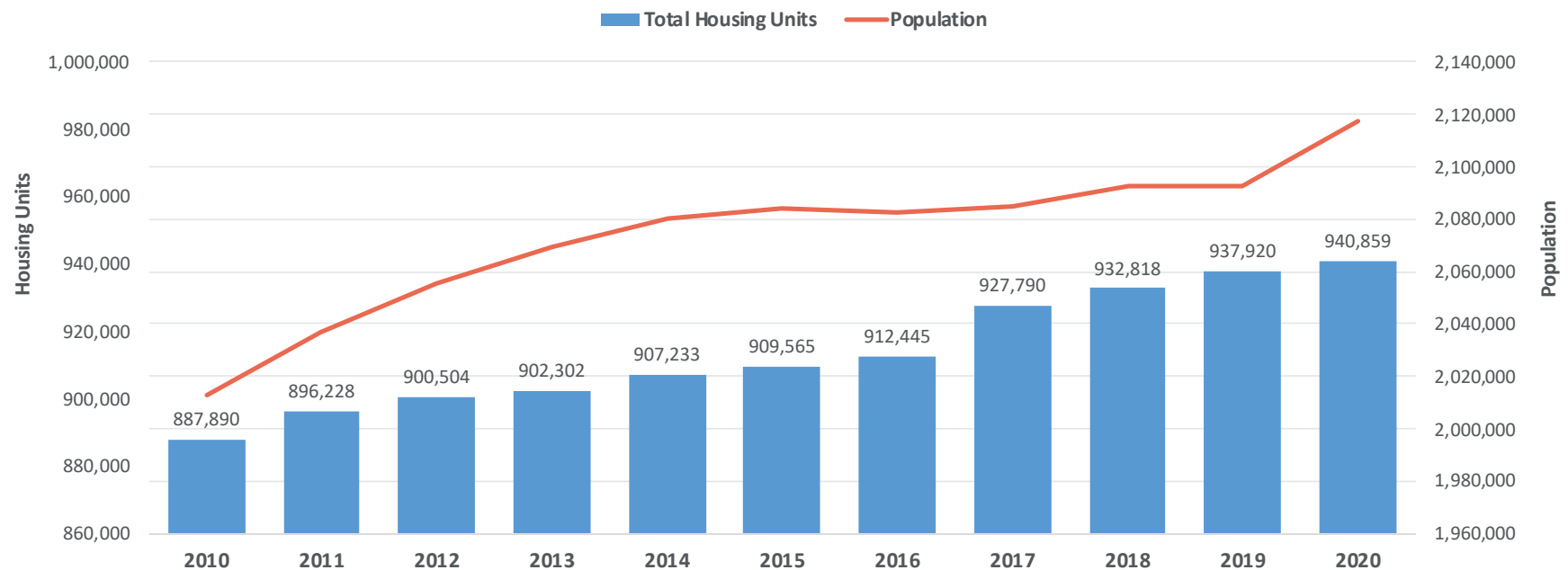
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HOUSING COMPOSITION

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



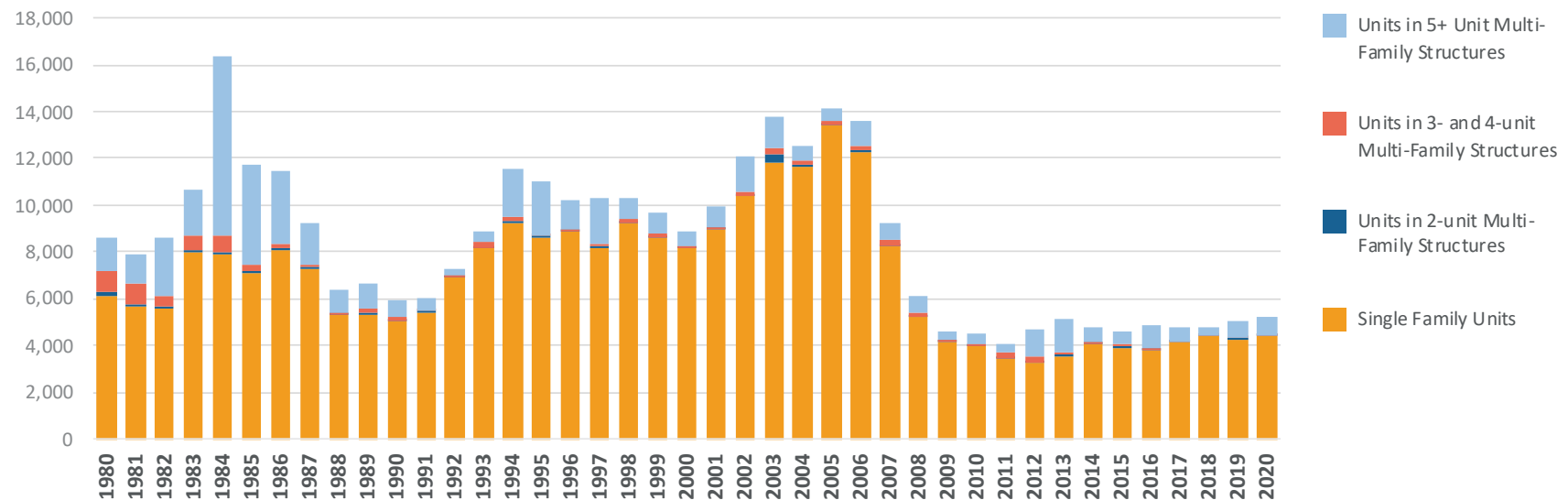
Source: 2020 Decennial Census, ACS 5-year estimates (various years), and Root Policy Research.

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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.

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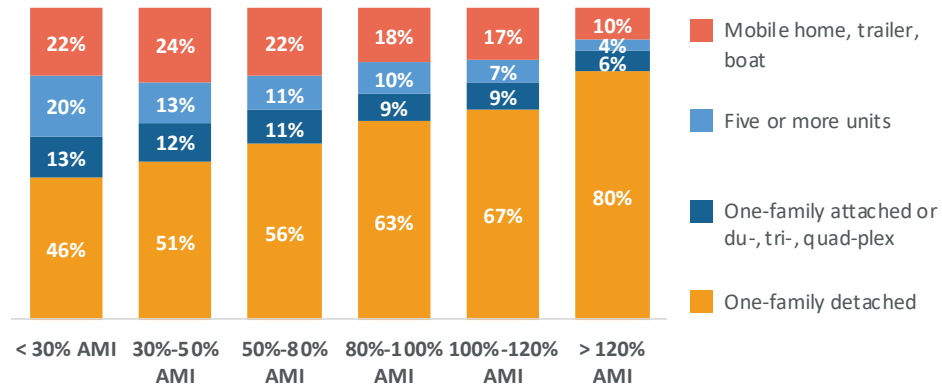
Housing Type Occupied by Income, 2019

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.

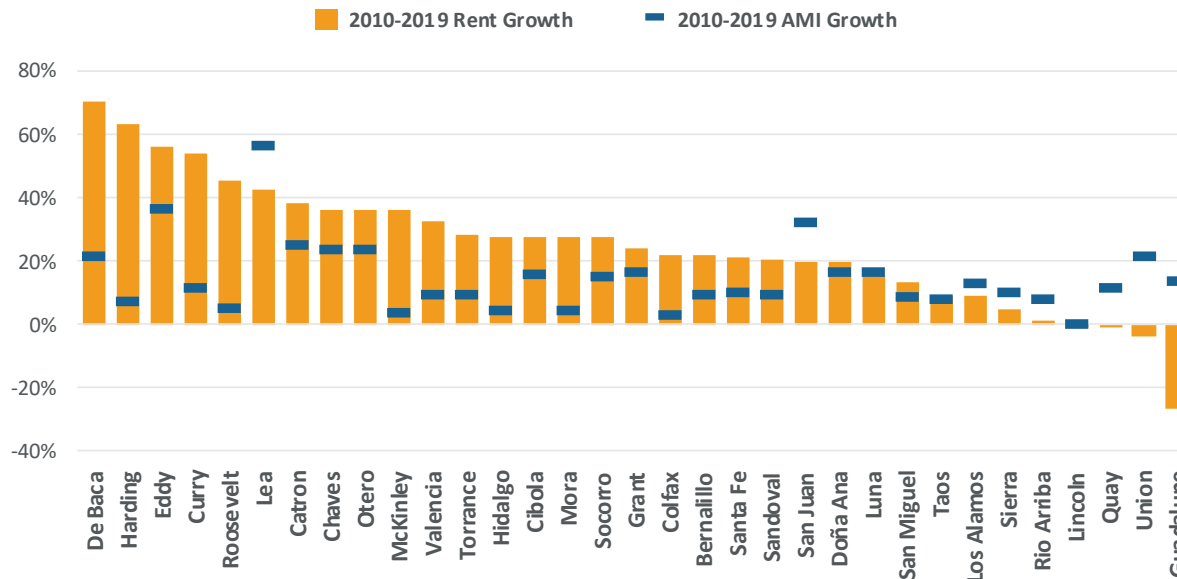


HOUSING COST

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.

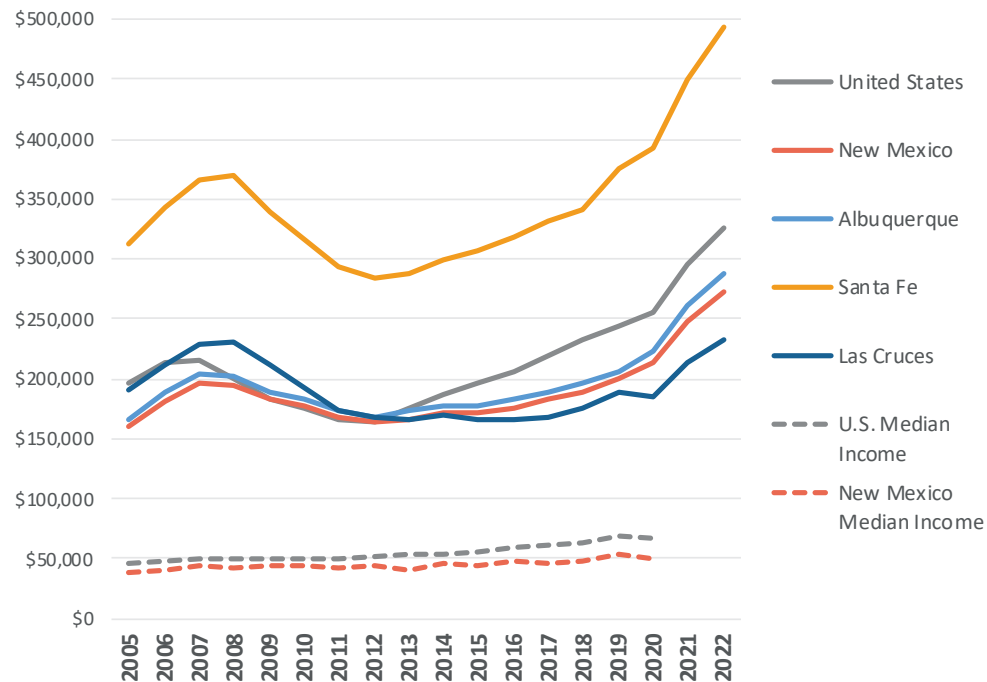
Rent and AMI Growth by County, 2010-2019



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

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Typical Home Value and Median Income



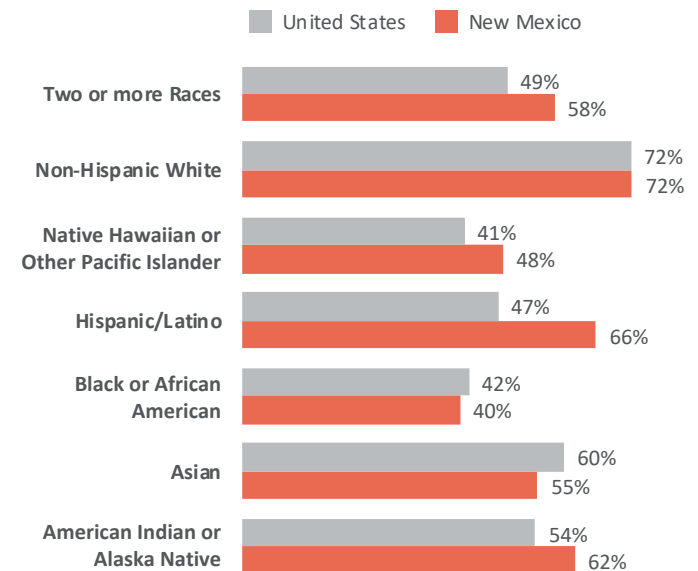
Note: Data for 2022 represents the typical home value for the month of January only.

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.

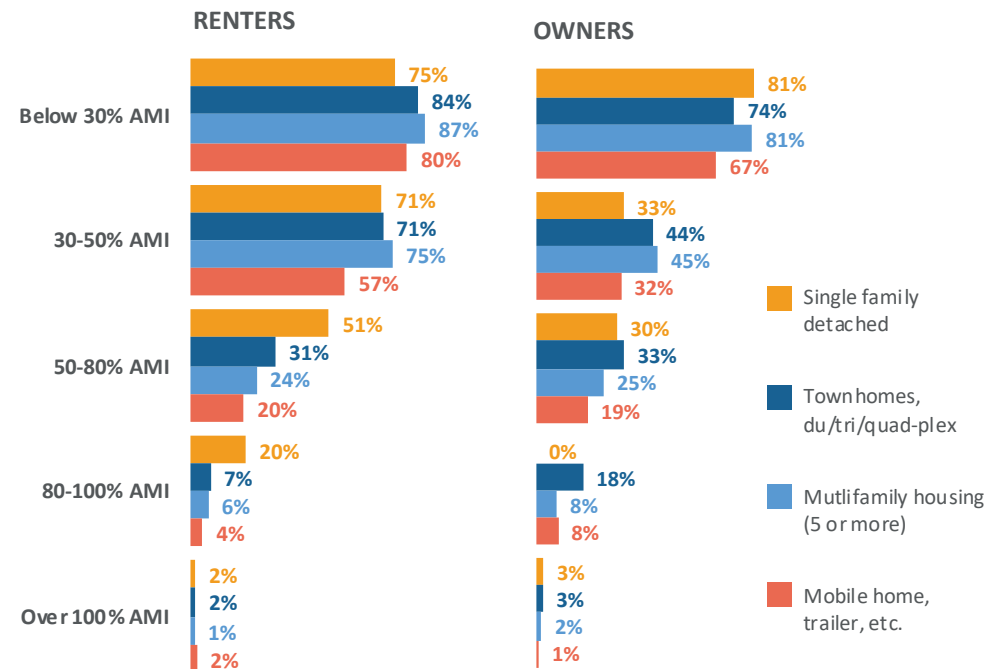
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CURRENT HOUSING NEEDS

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

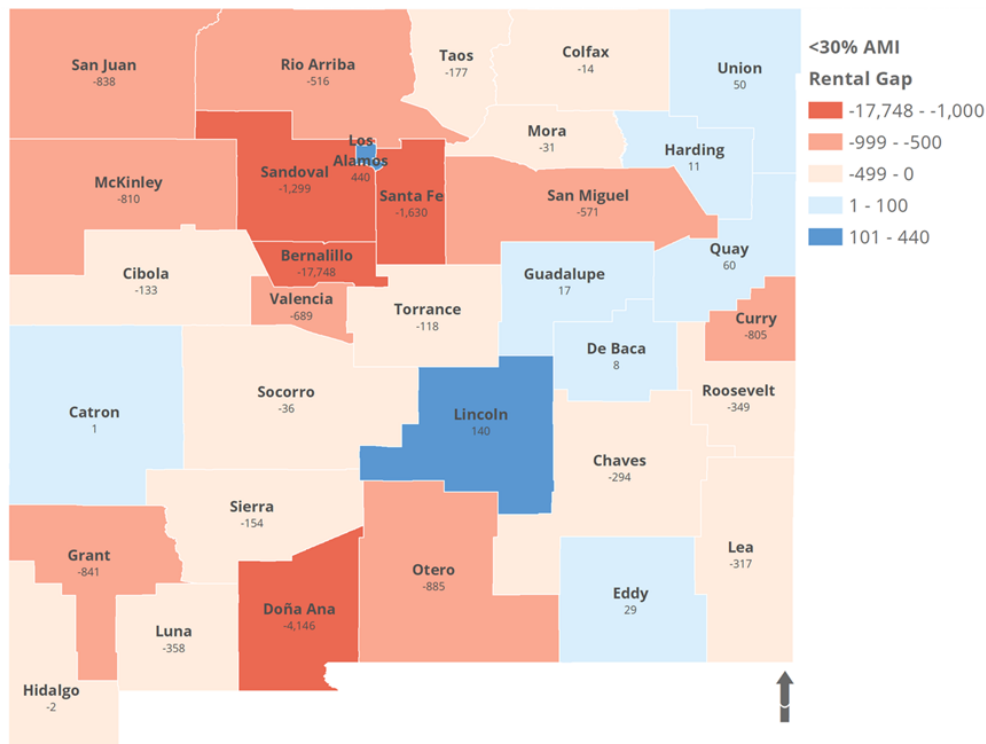
1 appropriately priced unit for every 10 renters

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

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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.

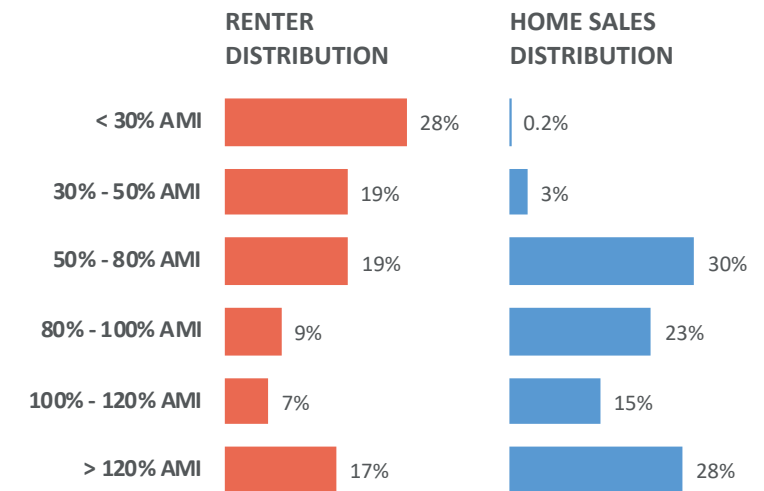
Rental Gap for Households Below 30% AMI by County, 2019



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.

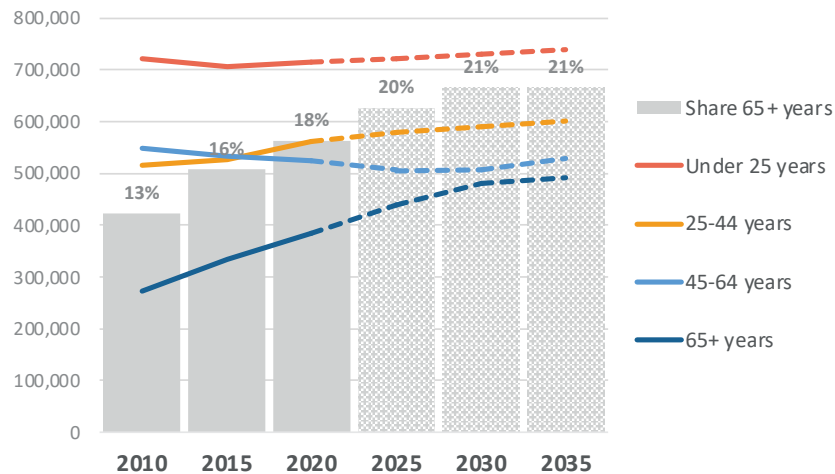
- The New Mexico Coalition to End Homelessness (NMCEH) estimates the number of New Mexicans experiencing homelessness at between 15,000 and 20,000—with **9,000 children and youth experiencing homelessness**. This number is much larger than that reported in annual “point in time” counts, which identify 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 **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 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.

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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.

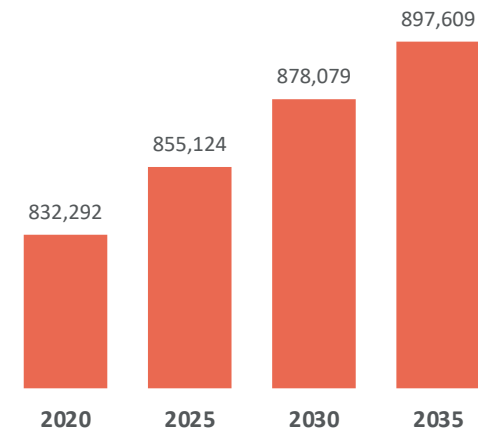
Household Projections, 2020 to 2035

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 2025 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.

	Total	PERCENT OF AMI					
		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
Dofia 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

	Total	PERCENT OF AMI					
		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
Dofia 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
Dofia 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.

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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



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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.

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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.

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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.

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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.

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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.

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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.

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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.

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- 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.

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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.

EXECUTIVE SUMMARY

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.