

Housing New Mexico | MFA

Resources and Programs

Prepared for MFA
Legislative Oversight
Committee

May 18, 2026



Contents

Housing Development

- Rental Housing
- Single Family

Homeownership

- First Mortgage
- Downpayment Assistance

Housing for Vulnerable Populations

- Homeless Shelter Operations & Emergency Assistance
- Rental Assistance
- Recovery Housing
- State Funded Housing Vouchers
- Federally Funded Housing Vouchers
- Landlord Incentives

Housing Preservation

- Weatherization
- Home Rehabilitation
- Restoring Our Communities

Housing Innovation

Funding Sources

- Funding Sources Overview
- New Mexico Housing Trust Fund
- State Fiscal Year 2027 Funding

Housing Development



Rental Housing Development

Housing New Mexico is the state's "one-stop shop" for affordable housing development financing.

- Underwriting
- Loan Closing
- Construction Monitoring
- Long-Term Asset Management

Funding Programs

Low Income Housing Tax Credit

Gap Financing

- New Mexico Housing Trust Fund
- HOME Investment Partnerships
- National Housing Trust Fund

Preservation Loan Fund



Rental Housing Development

What is “LIHTC”?

- The Tax Reform Act of 1986 created the LIHTC program to incentivize public-private partnerships for the development of affordable housing.
- The Treasury Department administers the program via a designated Housing Credit Agency. For New Mexico, this agency is Housing New Mexico.
- The credit is a dollar-for-dollar tax reduction for 10 years.
- Credit amount is based on the cost of acquiring, constructing or rehabilitating affordable housing developments.
- Investors purchase credits at slightly less than the dollar value to offset federal tax liability.
- Equity from the sale of credits reduces the need for debt, allowing developers to charge lower rents.

LIHTC developments must serve residents earning no more than 80% of area median income (AMI), with a focus on those earning no more than 60% of AMI.

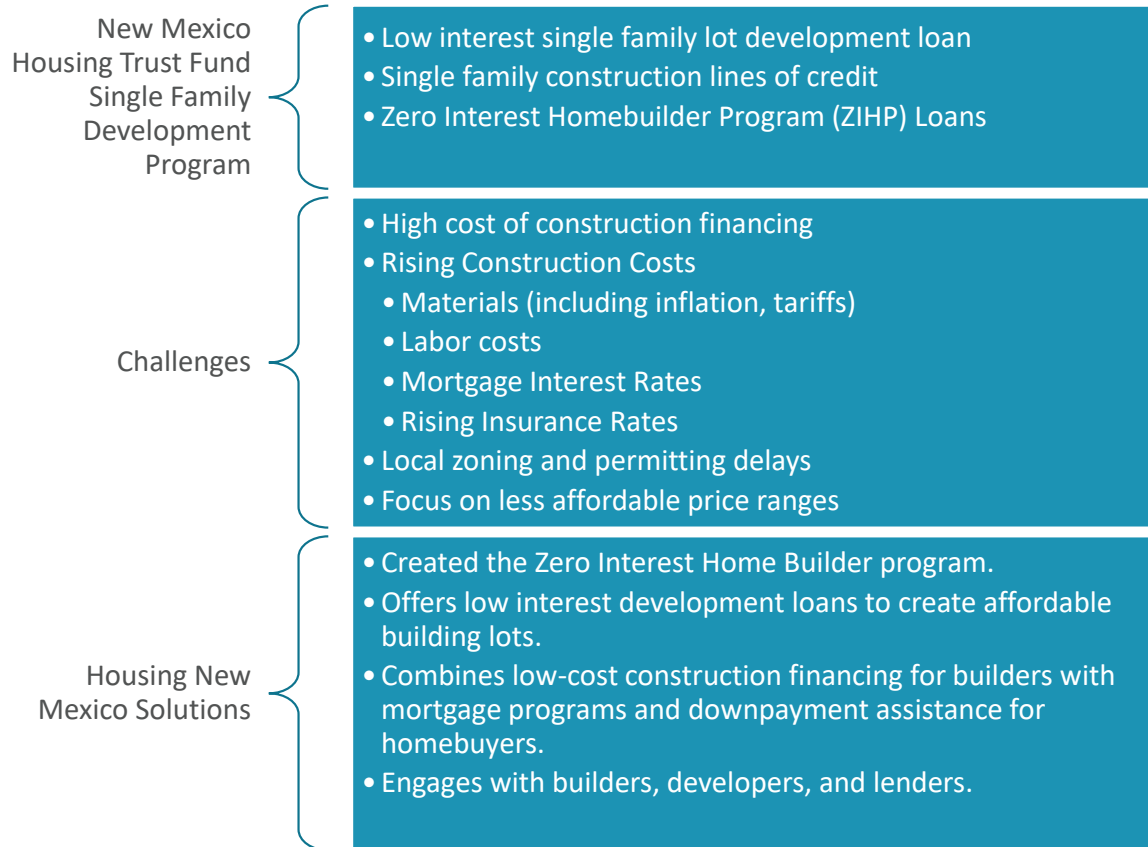
LIHTC developments must continue to serve low-income residents for a minimum of 30 years.

Credits may be recaptured by the IRS if the project does not comply with the affordability restrictions.

Gap Financing Programs

Program	Terms
New Mexico Housing Trust Fund <i>State</i>	<ul style="list-style-type: none"> • 40-year permanent term • 40-year amortization • 1% to 5% interest rate • Fully amortized
HOME Investment Partnership <i>Federal</i>	<ul style="list-style-type: none"> • 40-year permanent term • 40–80-year amortization • 0% interest rate • Principal only repayment
National Housing Trust Fund <i>Federal</i>	<ul style="list-style-type: none"> • 30+ year permanent term • Non-amortizing • Cash flow or fixed annual payment of \$500 repayment

Single Family Housing Development



Homeownership



First Mortgage

FirstHome

- A mortgage loan for individuals or families who have not owned a home in the past three years.

HomeForward

- A mortgage loan for individuals or families who have owned a home in the past three years or who do not qualify for Housing New Mexico's FirstHome loan program.

Downpayment Assistance

FirstDown

- Exclusively for first-time homebuyers.
- Fixed-rate second mortgage loan program that provides down payment and closing cost assistance for first-time homebuyers who are purchasing a home in the state of New Mexico.
- FirstDown must be combined with the FirstHome program. Multiple repayment term options and affordable interest rates provide the homebuyer with a budget-friendly monthly payment.
- Provides up to 4% of the home sale price to assist with down payment and closing costs.

FirstDown Plus

- A third mortgage exclusively for first-time homebuyers.
- Fixed-rate \$10,000 third mortgage loan program that provides down payment for first-time homebuyers who are purchasing a home in the state of New Mexico.
- FirstDown Plus must be combined with the FirstHome (first mortgage) and FirstDown (second mortgage) programs.

HomeNow

- A down payment and closing cost second mortgage loan that is available to available to first-time homebuyers who have lower household incomes.
- The loan has a 0% interest rate and may be forgiven after 10 years if certain conditions are met.

HomeForward

- Borrower does not have to be a first-time homebuyer.
- Fixed-rate second mortgage loan with a 10 or 15- year term that provides funds up to 3% of the sales price that can be used toward the borrowers down payment.
- HomeForward DPA must be combined with the HomeForward First Mortgage program.

First Mortgage

FirstHome

- A mortgage loan for individuals or families who have not owned a home in the past three years.

HomeForward

- A mortgage loan for individuals or families who have owned a home in the past three years or who do not qualify for Housing New Mexico's FirstHome loan program.

Downpayment Assistance

FirstDown

- Exclusively for first-time homebuyers.
- Fixed-rate second mortgage loan program that provides down payment and closing cost assistance for first-time homebuyers who are purchasing a home in the state of New Mexico.
- FirstDown must be combined with the FirstHome program. Multiple repayment term options and affordable interest rates provide the homebuyer with a budget-friendly monthly payment.
- Provides up to 4% of the home sale price to assist with down payment and closing costs.

FirstDown Plus

- A third mortgage exclusively for first-time homebuyers.
- Fixed-rate \$10,000 third mortgage loan program that provides down payment for first-time homebuyers who are purchasing a home in the state of New Mexico.
- FirstDown Plus must be combined with the FirstHome (first mortgage) and FirstDown (second mortgage) programs.

HomeNow

- A down payment and closing cost second mortgage loan that is available to available to first-time homebuyers who have lower household incomes.
- The loan has a 0% interest rate and may be forgiven after 10 years if certain conditions are met.

HomeForward

- Borrower does not have to be a first-time homebuyer.
- Fixed-rate second mortgage loan with a 10 or 15- year term that provides funds up to 3% of the sales price that can be used toward the borrowers down payment.
- HomeForward DPA must be combined with the HomeForward First Mortgage program.

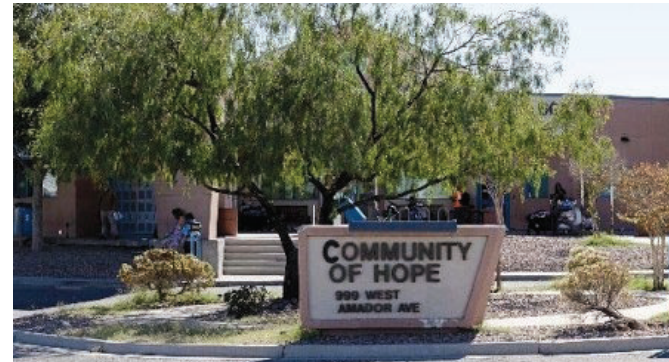
Housing for Vulnerable Populations



Homeless Shelter Operations & Emergency Assistance

Eligible Activities

- Day-to-day physical operation of emergency shelters
- Case Management
- Childcare
- Employment Assistance and Job Training
- Outpatient Health Services
- Legal Services
- Life Skills Training
- Mental Health Services
- Substance Abuse Treatment Services
- Transportation (insurance, maintenance, bus and train passes)
- Homelessness Data Base (Homelessness Management Information System)



Mesilla Valley Community of Hope in Las Cruces offers a wide range of emergency housing services, including a day-shelter and temporary overnight housing at Camp Home. The success of MVCH is rooted in its deep connection the community, including the City and local businesses.

Eligible Activities

- Short-Term Rental Assistance - Up to 3 months
- Medium Term Rental Assistance - 4 to 24 months
- Rental Arrears
- Utility Assistance & Deposits
- Security Deposits and Application Fees
- Housing Search & Placement
- Housing Stability Case Management
- Mediation to prevent loss of permanent housing
- Crisis Residential/Transitional Housing



The Barret Foundation in Albuquerque administers various housing program, including rental assistance through the “Emergency Solutions Grant,” which is HUD funding that Housing New Mexico awards to service provider agencies.

Recovery Housing Program

The Recovery Housing Program (RHP) provides the funds to develop housing or maintain housing and recovery services for individuals impacted by a substance use disorder.

Eligible activities include:

- Public Facilities and Improvements
- Acquisition of Real Property
- Lease, Rent, and Utilities
- Rehabilitation and Reconstruction of Single Unit Residential Buildings
- Rehabilitation and Reconstruction of Multi Unit Residential Buildings
- Rehabilitation and Reconstruction of Public Housing
- Disposition of Real Property
- Clearance and Demolition
- Relocation
- Expansion of Existing Eligible Activities to Include New Construction

Projects Funded

- Hozho Center for Personal Enhancement – Gallup
- TenderLove Community Center – Albuquerque
- New Mexico Re-Entry Center – Albuquerque
- Endorphin Power Company – Albuquerque



TenderLove Community Center – Recovery Housing Program

Linkages

- State-funded permanent supportive housing program that provides long-term rental assistance and supportive services to individuals with a serious mental illness diagnosis who are homeless or at risk of becoming homeless.
- The program is a partnership between the Healthcare Authority's Behavioral Health Services Division and Housing New Mexico and qualified housing and support services administrators.
- In 2025, the Legislature increased its investment in Linkages from \$5.2 million to \$10.2 million. This increase allowed for 150 additional families to receive housing vouchers and supportive services.



The Life Link, a Linkages service provider, covers the Santa Fe area.

Federally Funded Housing Vouchers

Section 8 Project Based Vouchers

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

Section 811 Project Based Vouchers

- Section 811 Project-Based Rental Assistance Program (Section 811 PRA) is to expand the supply of supportive housing that promotes and facilitates community integration for people with significant and long-term disabilities.



The Imperial Building in Albuquerque is among the Project-Based Section 8 properties in Housing New Mexico's portfolio.

Landlord Incentive Programs

Encouraging landlords to rent to vulnerable populations by providing funding for:

- Damages
- Vacancy loss
- Needed improvements
- Flexible funds for pet deposits, utility deposits, application fees, and past due fees
- Fair Market incentive payment to cover market rate differences

Rehab-2-Rental – Encouraging landlords to rent to voucher holders by offering \$25,000 to \$50,000 for home rehabilitation.

- Participating landlords must commit to renting to voucher holders for at least 5 years.
- Funding is issued as a forgivable loan.
- Funding for this program expires in June 2026.



Housing New Mexico and City of Albuquerque staff at a press release for the Landlord Engagement Program.

Housing Preservation



Weatherization – NMEnergy\$mart

- Housing New Mexico’s Energy\$mart weatherization assistance program (WAP) provides energy-saving retrofits and home modifications at no charge to eligible low-income homeowners and renters.
- WAP reduces energy costs for low-income households by increasing the energy efficiency of their homes, while ensuring health and safety.
- WAP has created an industry, producing new jobs and technologies, all while helping the most vulnerable families across the country.
- Households with a disabled member, children, seniors, and a high energy burden are prioritized.

Mechanical

- Repair or replace heating and/or cooling system.
- Install duct and heating pipe insulation.
- Install programmable thermostats.
- Repair or replace water heaters.
- Install water heater tank insulation.
- Insulate water heating pipes.
- Install solar water heating systems.

Health & Safety

- Complete combustion appliance safety testing.
- Repair/replace vent system or ensure combustion gas draft safely outside.
- Install mechanical ventilation to ensure adequate indoor air quality.
- Assess fire hazards. Install smoke and carbon monoxide alarms.
- Evaluate mold/moisture hazards.

Building Shell

- Install wall, floor, ceiling, attic and/or foundation insulation.
- Perform air sealing.
- Repair/replace primary window/doors.
- Install storm windows/doors.
- Install window sealing, solar screens/window louvers and awning.
- Repair roof and wall leaks prior to attic or wall insulation.

Electric Base Load

- Install motor controls.
- Install efficient light sources.
- Replace refrigerators and freezers with energy efficient models.



Homeowner Rehabilitation Overview

Housing New Mexico's Homeowner Rehabilitation Program provides funding for the rehabilitation and essential improvements of homes owned and occupied by households earning no more than 80% Area Median Income. Rehabilitation work must primarily focus on items needed to bring the home into compliance with state and county code including:

- Code compliance requirements
- Health & safety issues
- Substandard conditions
- Structural requirements
- Sanitation requirements
- Mechanical systems requirements
- Safety requirements
- Resource efficiency and Healthy Homes Standards
- ADA improvements

Qualified homeowners receive rehabilitation assistance in the form of a zero percent (0%) interest, deferred payment forgivable loan. After the completion of the rehabilitation, homeowner must maintain occupancy and ownership for a period up to 15 years and is subject to repayment provisions. Rehabilitation assistance ranges from \$60,000 to \$200,000.

Before



After



Audrey's home, located in a remote part of Union County, posed immediate health and safety risks for her and her three children. Without a functioning bathroom, the family relied on a neighbor's property just to shower. Through the Home Improvement Program, Housing New Mexico completed a full rehabilitation of the home, providing the family with safe, secure housing where they can thrive. During the process, a hidden gas leak was discovered—one that had been unknowingly causing health issues such as persistent headaches. The issue was fully addressed, with all new gas lines installed and brought up to code, ensuring the family's long-term safety.

Restoring Our Communities

Housing New Mexico has developed the Restoring Our Communities (ROC) program to help meet New Mexico's need for affordable housing units while assisting communities in reducing vacant and abandoned properties that reduce values within the community.

- Provides funding for acquisition and rehabilitation of vacant or abandoned properties to increase affordable housing units in New Mexico, and
- Creates and preserves affordable housing and provides affordable housing opportunities for low to moderate and middle-income homebuyers.

The program provides funding for the acquisition, rehabilitation, and resale of single-family properties with a goal to increase homeownership opportunities for low to moderate and middle-income households up to 150% Area Median Income (AMI).



These “before” and “after” show a home in Albuquerque that was vacant and abandon. The property was purchased, rehabilitated, and resold by Homewise through the ROC program. The home sold to a first-time homebuyer who had been saving for a home for years.

Housing Innovation Program

The Housing Innovation Program is a resource to address housing needs that are currently not being served through other Housing New Mexico programs and an opportunity for eligible applicants to fund a community tailored housing solution. Through the program, Housing New Mexico looks to assist underserved populations, to cultivate new partnerships, and to fund projects that may be scalable.

Examples of past awards include funding for a roof repair and replacement program, homeless shelter expansion, accessibility improvements for senior homeowners, and scattered sight transitional housing for participants of a workforce integration program.



DreamTree shelter in Taos received Housing Innovation for an extensive rehabilitation and expansion. DreamTree serves as a hub for northern New Mexico's homelessness services.