

Housing New Mexico MFA

Economic & Rural
Development & Policy
Committee

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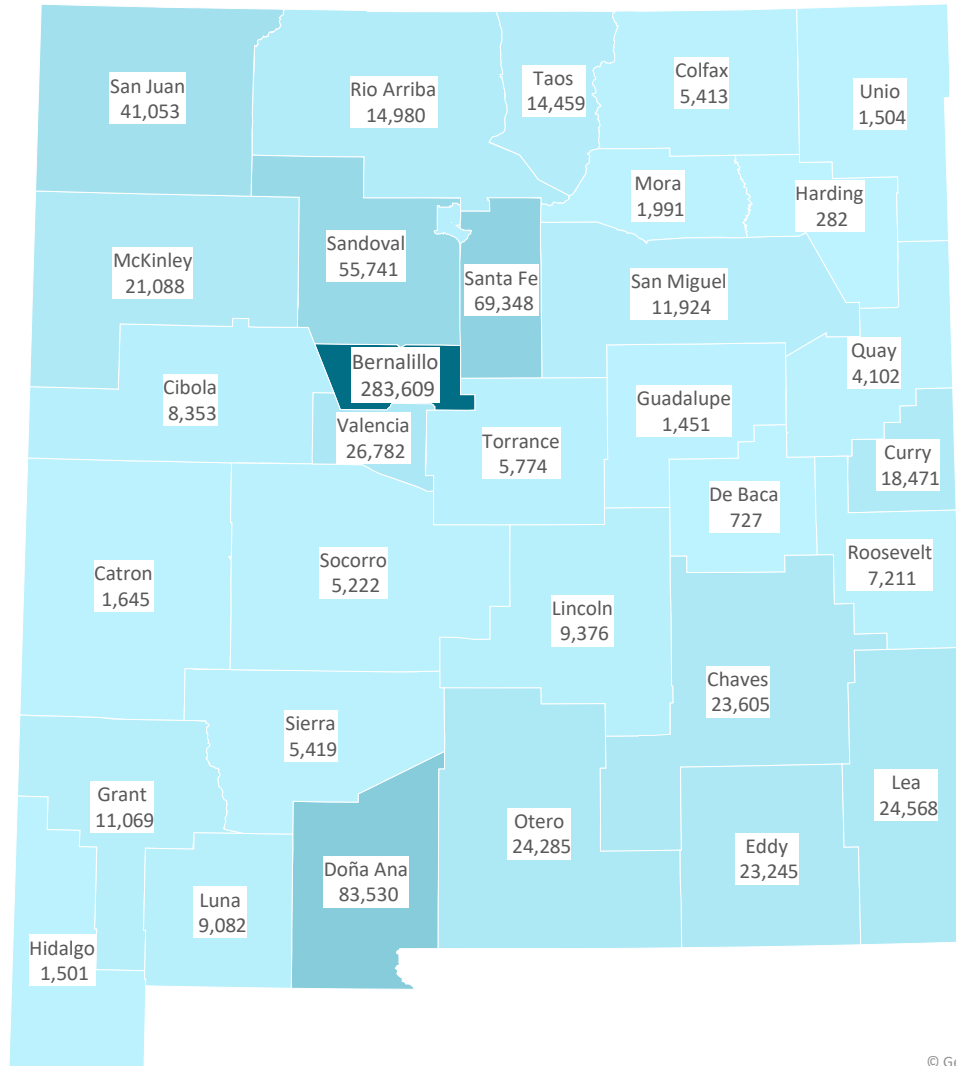
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A hand holding a key in front of a smiling couple in front of a house. The background is a blurred image of a man and a woman smiling, with a house and a blue sky in the distance. The hand is in the foreground, holding a silver key on a ring. The overall scene is bright and positive, suggesting a successful real estate transaction or the start of a new home.

Needs

Housing Needs in Rural New Mexico

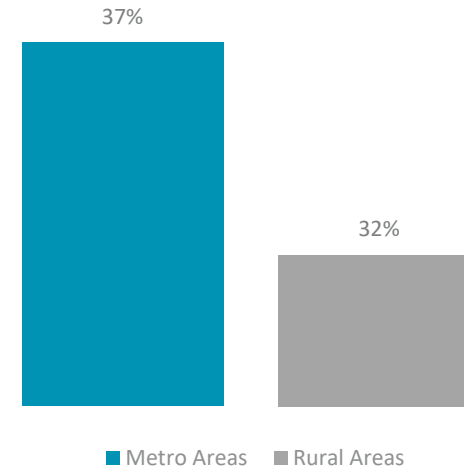
Number of Housholds by County



	Median Home Sale Price	Median Rent
Metro Areas	\$350,00	\$1,087
Rural Areas	\$234,725	\$807

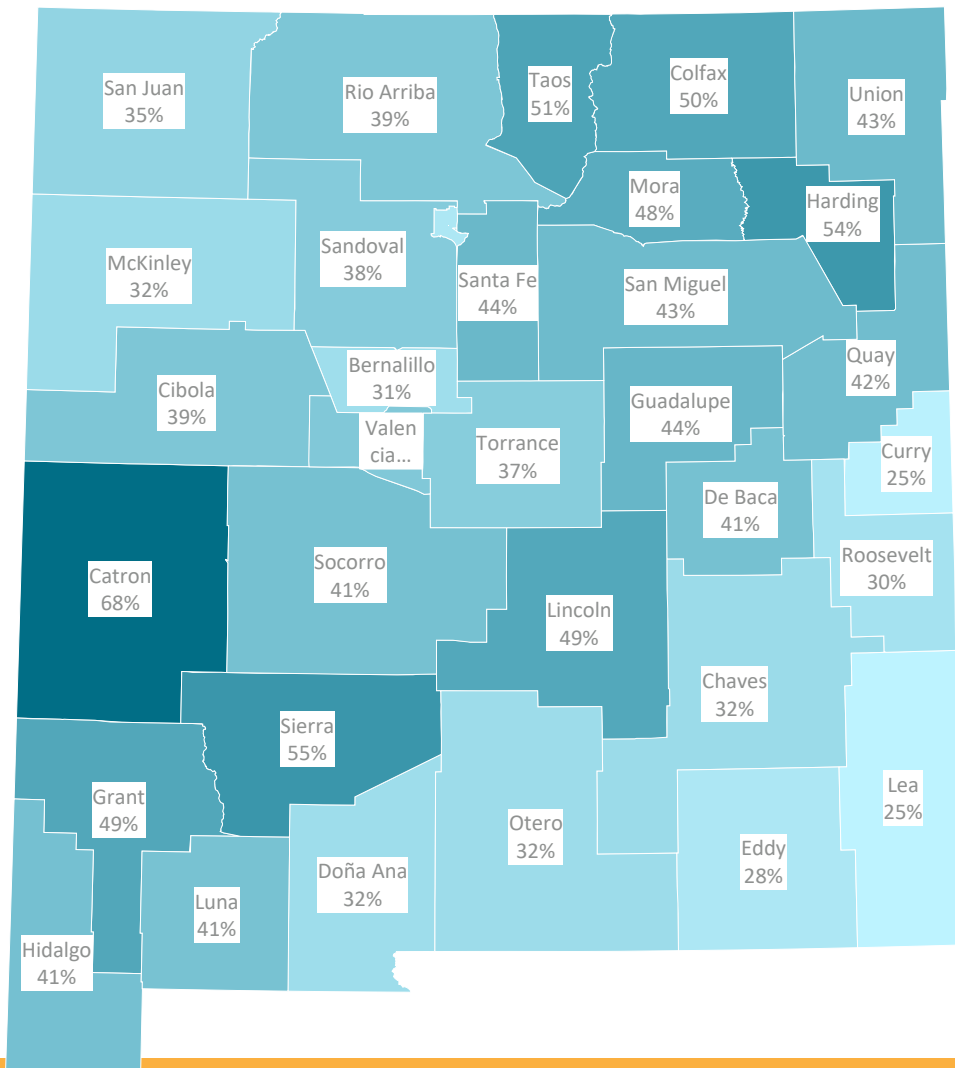
Of the 825,021 households in New Mexico, 47% reside in rural areas. For this presentation, “rural areas” refers to all counties excluding Bernalillo, Doña Ana, and Santa Fe.

Housing Cost Burdened Households

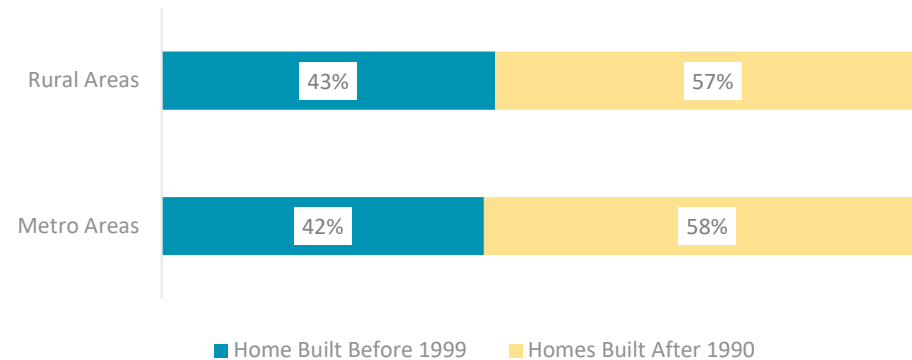


Housing Needs in Rural New Mexico

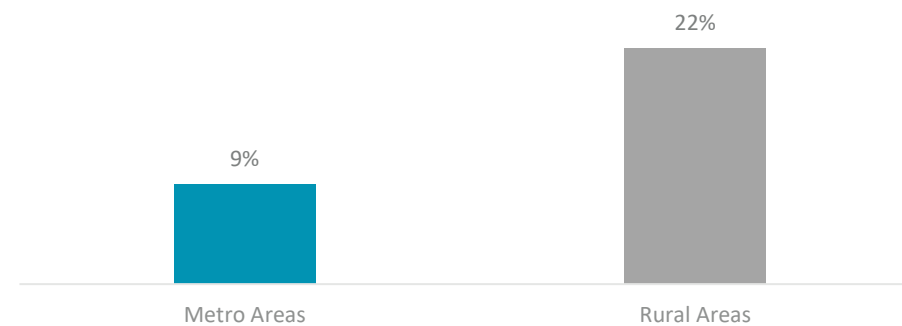
Share of Households With Seniors by County



Age of Housing Stock



Manufactured Homes as a Share of Occupied Housing Stock



A hand holding a key in front of a smiling couple in front of a house. The background is a blurred image of a man and a woman smiling, with a house visible behind them. The overall scene is bright and positive, suggesting a successful real estate transaction or a new home ownership.

Programs

How Housing New Mexico Addresses Needs

Create More
Housing

Preserve and
Improve Existing
Housing

Create
Homeownership
Opportunities

Create Stable
Housing
Environments



East Paraje Apartments, a 20-unit development in Laguna Pueblo. Housing New Mexico provided \$7.8 million in financing to the project.

Create More Housing

Housing New Mexico administers financing programs to build affordable rental and ownership housing throughout the state.

- 9% Low Income Housing Tax Credit
- 4% Low Income Housing Tax Credit
- Affordable Housing State Tax Credit
- Home Investment Partnerships
- National Housing Trust Fund
- New Mexico Housing Trust Fund – Multifamily
- New Mexico Housing Trust Fund – Single Family
- Primero
- Zero Interest Home Builder



Housing New Mexico staff and partners at the ribbon cutting for Vista de Socorro, a new 32-unit affordable multifamily rental community with seven units reserved for households experiencing homelessness, or are at risk of homelessness, or have a disability

Preserve and Improve Existing Housing

Weatherization Assistance Program



Energy saving measures and home repairs for health and safety reasons are provided at no cost to occupants.

Homeowner Improvement Program/HOME Rehabilitation



Rehabilitation and essential improvements of homes owned by low- and moderate-income households.

Restoring Our Communities



Acquisition, rehabilitation, and resale of single-family properties.

Create Homeownership Opportunities

First Mortgage Programs

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 Programs

FirstDown

- Exclusively for first-time homebuyers.
- 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.

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.

Create Stable Housing Environments

Long-Term Housing Vouchers

- Section 8 project-based vouchers
- Section 811 special needs vouchers
- Linkages Vouchers for people with serious mental illness

Rental Assistance

- Short-Term Rental Assistance - Up to 3 months
- Medium Term Rental Assistance - 4 to 24 months
- Security Deposits and Application Fees
- Housing Search & Placement
- Housing Stability Case Management

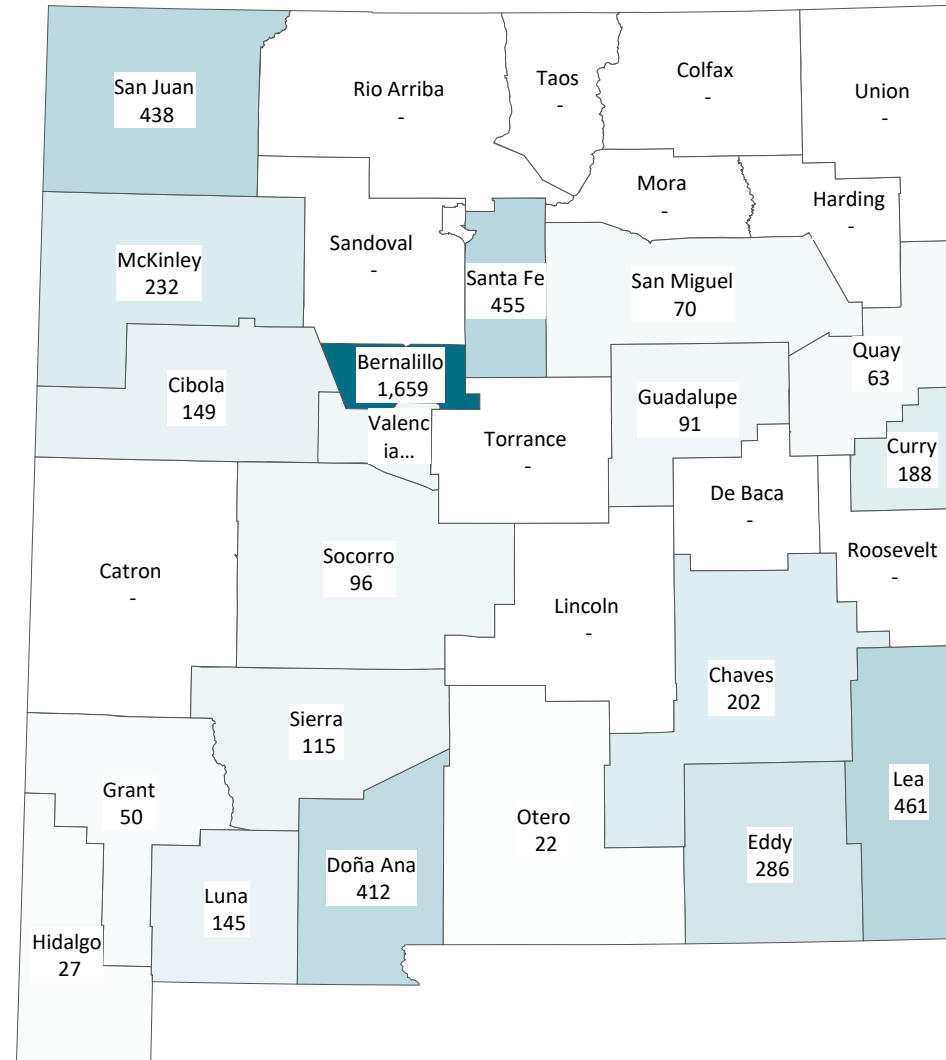
Homeless Shelter Support and Services

- Day-to-day physical operation of emergency shelters

Landlord Incentives

- Funding for damages for landlords who rent to voucher holders
- Funding for property rehabilitation for landlords who rent to voucher holders

Project-Based Housing Vouchers by County



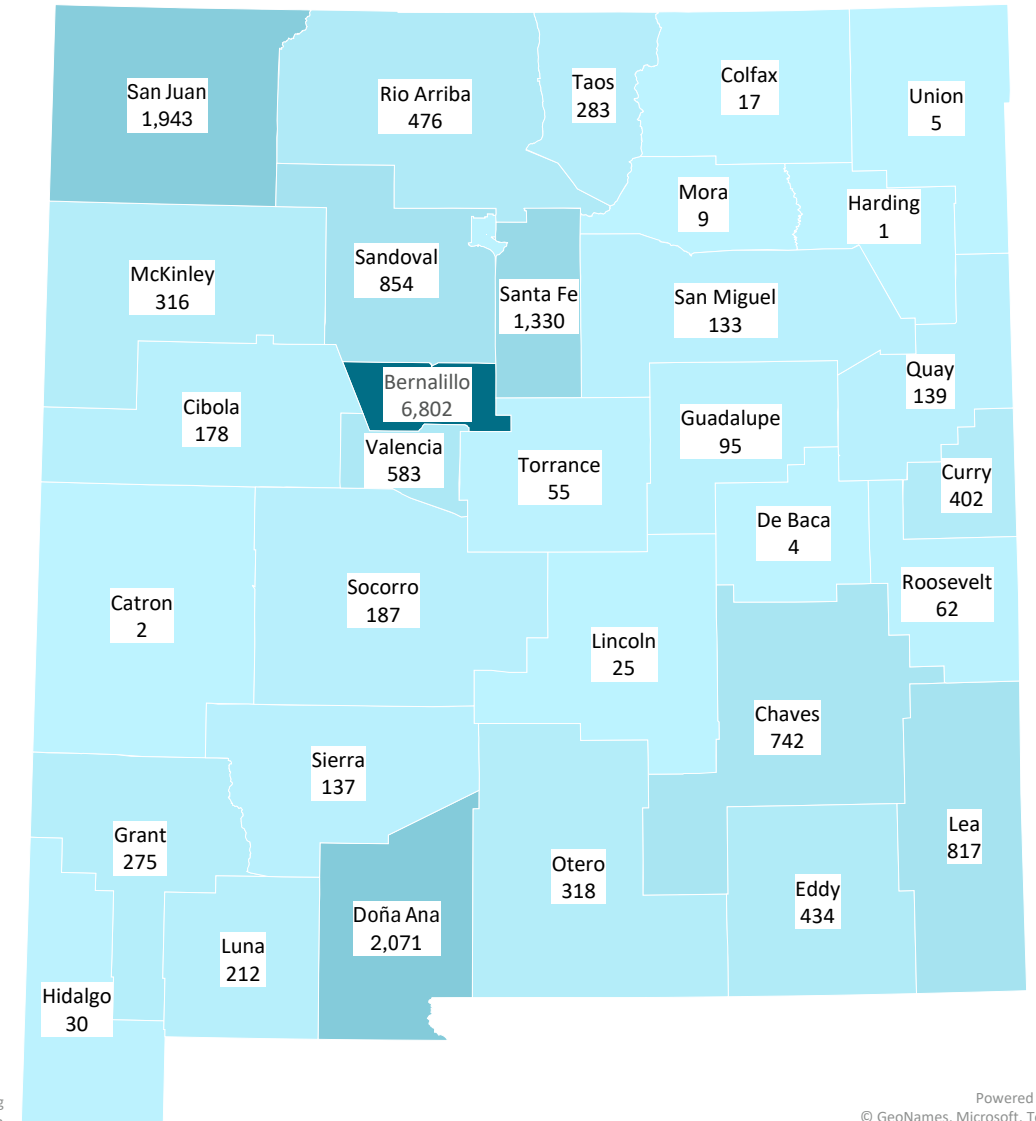
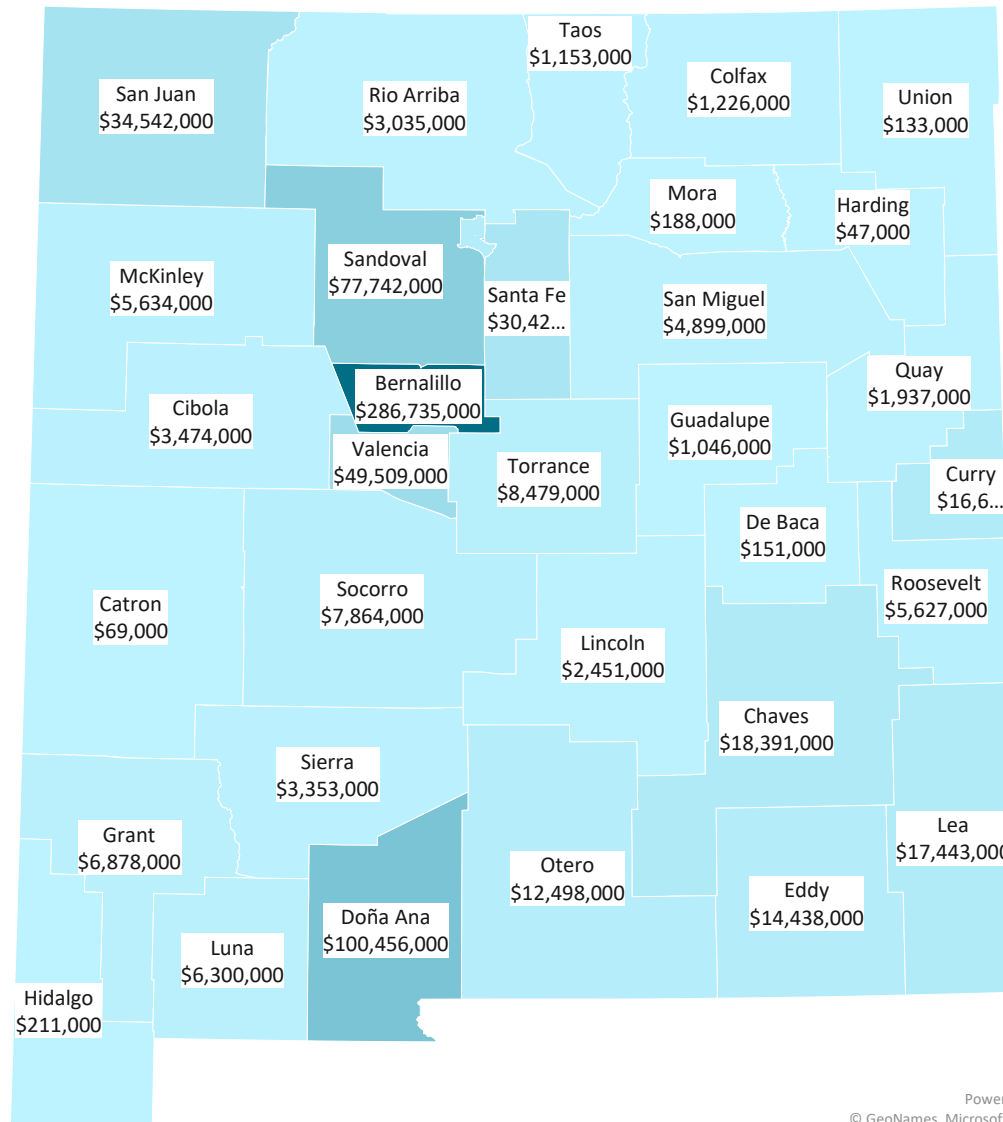
Housing New Mexico administers nearly 5,300 federally funded housing vouchers through the Section 8 and Section 811 programs, of which 52% are in rural communities.

A hand holding a key in front of a smiling couple in front of a house. The hand is in sharp focus, holding a silver key. The couple in the background is blurred, smiling. The house behind them is also blurred. The overall scene is bright and sunny.

Production and Impact

Production

In fiscal year 2024, Housing New Mexico provided more than \$793 million for affordable housing, assisting more than 18,980 families. Of those assisted, **46% reside in rural areas**, consistent with the state's population distribution.



Impact in Rural Communities

Before

After



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 Homeowner 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.

Economic Impact of Affordable Housing

Job Creation

- Affordable housing construction generates jobs in construction and related industries, boosting local employment.

Increases Local Spending

- More local purchasing of goods/services
- Increased economic activity
- Measurable contributions to local and national GDP growth

Long-Term Tax Revenue

- Increase tax revenues for local governments
- Expand the municipal tax base

Supports Workers & Local Economy

- Affordable units ensure workers can live near jobs, strengthening workforce stability and productivity.

National Association of Home Builders Calculator estimates of Housing New Mexico 2025 affordable housing development impact:

	Units Developed	Economic Impact	Jobs Supported
Rural Areas	518	\$136.5 million	1,670
Metro Areas	985	\$259.6 million	1,180
Total	1503	\$395.2 million	2,850

National Association of Home Builders Calculator considers the direct and indirect impact of construction activity and induced effect of spending income and tax revenue.

A hand in the foreground holds a silver key on a ring, pointing towards the camera. In the background, a man and a woman are smiling and looking towards the camera. They are standing in front of a brick house with a white window frame. The scene is brightly lit, suggesting a sunny day.

2026 Legislative Priorities

New Mexico Housing Trust Fund – \$135 Million

The New Mexico Housing Trust Fund (NMHTF) was established in 2005 by the legislature to fund the acquisition, building, rehabilitation, preservation, and financing opportunities to address the affordable housing needs of low- and moderate-income New Mexicans

Housing New Mexico as the Trustee of the NMHTF, has established programs and partnerships to deploy NMHTF funds to meet the continuum of housing needs by:

- building rental and homeownership housing,
- supplying downpayment assistance,
- rehabilitating aging housing stock,
- funding homelessness and homelessness prevention programs,
- and investing in innovative affordable housing projects.



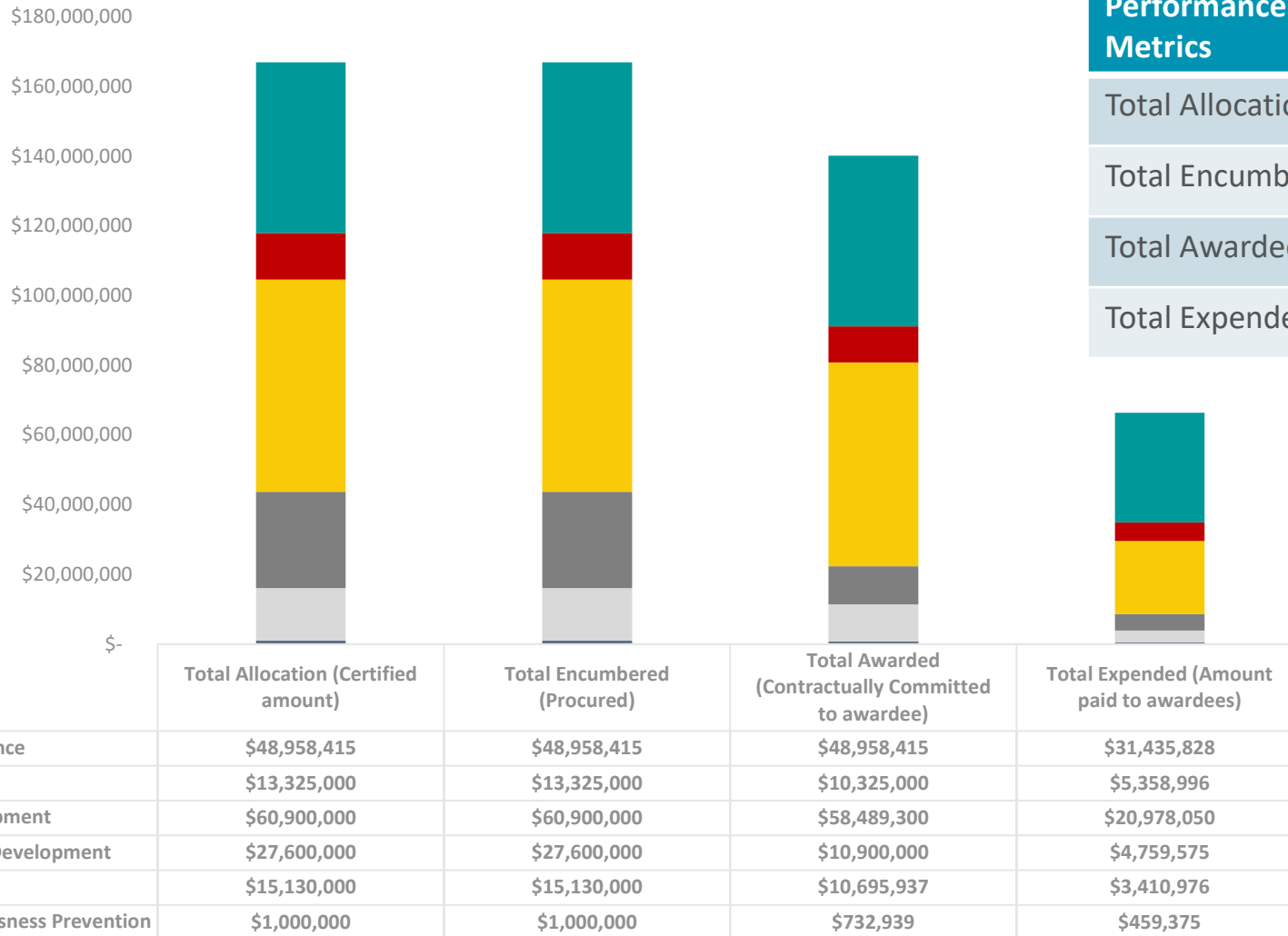
A newly constructed home within El Toro, a 36-unit single-family development in Roswell, New Mexico. Housing New Mexico provided \$3 million in financing to the project.

New Mexico Housing Trust Fund – \$135 Million

Impact of \$135 Million Appropriation on the NMHTF	Assumptions		State Fiscal Year 2027 (July 1, 2026)	
	Investment Cost		Assistance Target	Investment Cost
Down Payment Assistance*	\$10,000	per borrower	2,000	\$20,000,000
Rental Housing Development*	\$50,000	per unit	1,400	\$70,000,000
Single Family Housing Development*	\$150,000	per unit	500	\$75,000,000
Home Rehabilitation and Preservation for Veterans, Seniors, Disabled People, and other Special Populations	\$25,000	per unit	200	\$5,000,000
Homeless and Homelessness Prevention – Permanent Supportive Housing	\$50,000	per unit	100	\$5,000,000
Homeless and Homelessness Prevention – Homelessness Prevention	\$ 6,000	per household	1,000	\$6,000,000
Total NMHTF Demand			5,200	\$181,000,000
Estimated STB Allocation				\$44,763,415
Estimated Program Income				\$1,700,000
Funding Gap				\$134,500,000

*Funding for these uses is typically issued as a loan and generates program income. Historically NMHTF accounts for 10% of the total development cost for rental housing development. However, since federal leverage resources are maximized, increasing production will require substantial state funding to make up the gap. Single family development loans are structured as a revolving line of credit with funds recaptured and recycled upon sale of the home.

New Mexico Housing Trust Fund – \$135 Million



Performance Metrics	Dollar Amount	Percentage
Total Allocation	\$166,913,415	100%
Total Encumbered	\$166,913,415	100%
Total Awarded	\$140,101,591	84%
Total Expended	\$66,402,800	40%

Since receiving its first re-occurring appropriation to the NMTHF in July of 2023, Housing New Mexico has awarded 84% of funds and expended 40%.

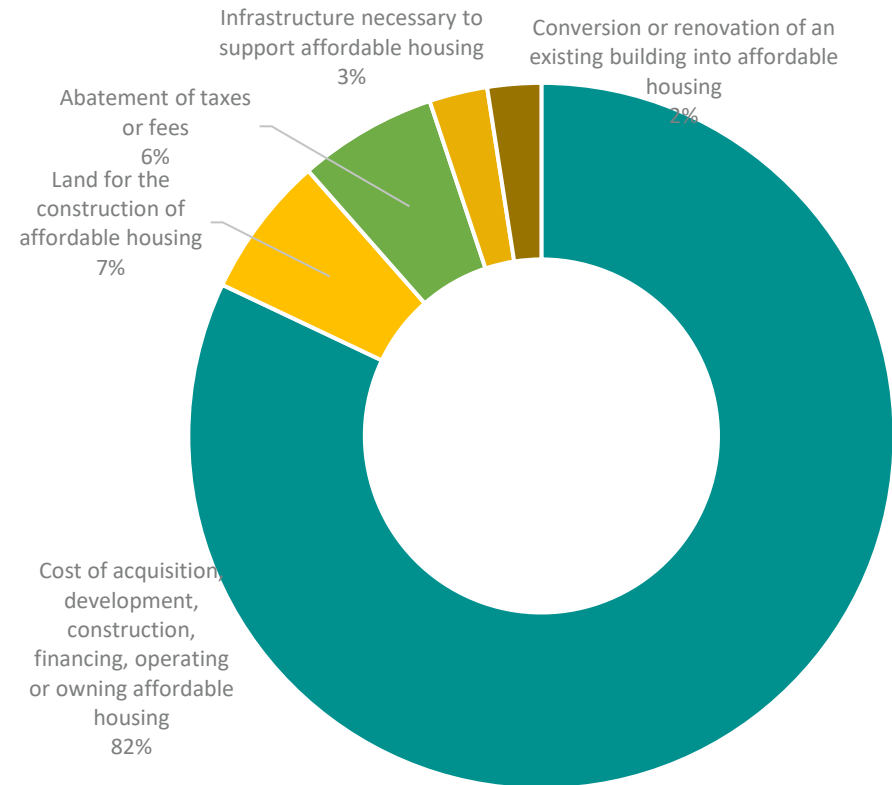
Affordable Housing Act- \$500,000

The Affordable Housing Act (AHA) was signed into law in 2004. Like the Local Economic Development Act (LEDA), it is an exemption to the state’s Anti-Donation clause. The AHA permits the state and local governments to contribute public funds, land, buildings and other resources to create and preserve affordable housing. Housing New Mexico is charged with rulemaking authority and oversight of the Act but receives no funds for these purposes.

This appropriation will enable Housing New Mexico to

- 1) 1) oversee the Affordable Housing Act, including review and approval of plans and ordinances,
- 2) 2) provide direct technical assistance to local governments in the drafting of an affordable housing plan and affordable housing ordinance, and
- 3) 3) offer planning and implementation grants to local governments on an as-needed basis.

**Affordable Housing Act Donations Made Since 2004:
\$117.9 Million**



Reduced Interest Mortgage Program – \$200 Million

This funding would support a program that provides homeownership opportunities for lower income, working families by decreasing the affordability gap between the cost of a median priced home and the income level required to afford a median priced home.

By significantly lowering the interest rate of on the loan amount, the payment will be significantly less than the same home being purchased at market interest rates.

This funding request will be used to provide below market rate interest first mortgages, downpayment and closing cost assistance, and associated loan origination and servings fees to low-and-moderate income homebuyers.

Home purchase prices have steadily out pace gain in earnings, making it more difficult than ever for low-and-moderate income borrowers to purchase a home. The state’s median household income increased 22.2% (from \$48,059 to \$62,125) from 2018 to 2023, while the median home price increased 72.5% (from \$200,000 to \$345,000). Resultingly, it's estimated that only 13.5% of renters could afford the median priced home in their county.

Impact to Households			
Rate	Loan Amount	Total Payment (PITI)	Required Income
State Rate 3%	\$260,671	\$1,624.00	\$64,960
MRB Rate 6%	\$260,671	\$2,087.00	\$83,500
Market Rate 6.25%	\$260,671	\$2,130.00	\$85,200

Questions?

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