

Housing New Mexico MFA

Affordable Housing Act

Sonja Unrau

Assistant Director

Policy & Planning
Department

Robyn Powell

Senior Director

Policy & Planning
Department



What is the Affordable Housing Act (AHA)?

Constitutional Amendment 4 – Passed in General Election of 2004, created the Affordable Housing Act (Section 6-27-3 NMSA 1978): Exempts government donations to affordable housing from the Anti-Donation Clause of the New Mexico State Constitution

Eligible Donors:

- The State of New Mexico
- Counties
- Municipalities
- School Districts or Post-Secondary Educational Institution

Eligible Donations to Affordable Housing Projects:

- Land or an existing building
- Provide or pay for infrastructure
- Provide financing (pay for the cost of acquisition, development, construction, financing, operating or owning)
- Abatement of locally-imposed fees

What isn't the AHA?

The AHA does not supersede other regulation or statute, such as the New Mexico Administrative Code, State Board of Finance rules, local government ordinances or resolutions, and capital outlay rules. The scope of the AHA is limited to allowing for the affordable housing exception to the anti-donation clause and governing the requirements for the exception.

The AHA does not regulate procurement of qualified grantees to receive donations for affordable housing. Local governments must follow their procurement policies and procedures in selecting a qualified grantee that will receive a donation for an affordable housing project or program. Capital outlay funds for affordable housing projects or programs are also subject to a local government's procurement process.

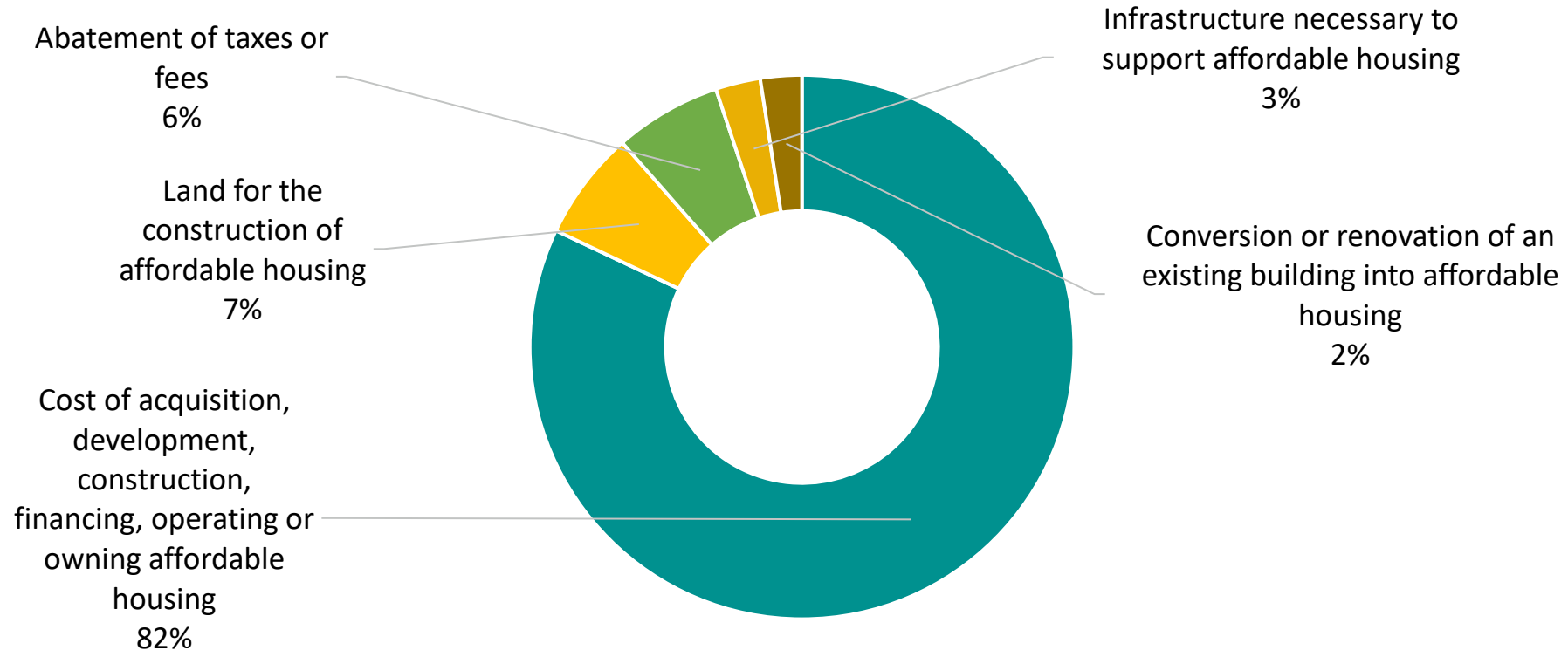
The AHA does not regulate how federal funds are used for affordable housing.



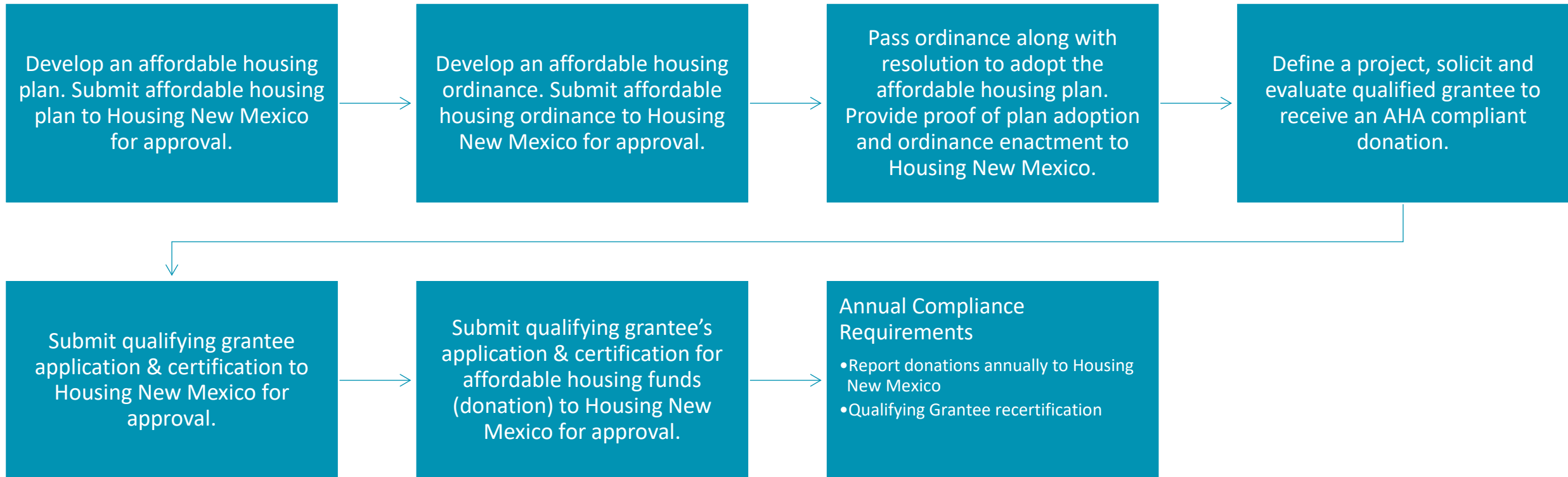
A mural adorns Three Sisters Apartments in Las Cruces, New Mexico, a 70-unit affordable housing development that opened its doors in May 2025.

AHA Donations to Date

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



Achieving AHA Compliance



Affordable Housing Plan

Affordable
Housing Plan
Components:

Community and Housing Profile – Demographics
& Housing Market Statistics

Housing Needs Assessment - Existing &
Projected Housing Needs

Land Use and Policy Review – Analysis of Land
Use & Construction Constraints

Goals, Policies, and Quantifiable Objectives –
Identification of Resources & Actions Needed to
Expand Affordable Housing Opportunity

Draft plan



Submit plan
to Housing
New Mexico
for review
and approval



Adopt plan
via resolution



Luminaria Senior Community, a 92-unit new construction rental housing development in Albuquerque, was completed in 2022.

Affordable Housing Ordinance

Affordable housing ordinances are the local enabling legislation to permit the exception to the anti-donation clause.

Ordinance must be drafted by local government, submitted to and approved by Housing New Mexico, and approved version passed by local government, with a copy of recorded Ordinance sent to Housing New Mexico.

The ordinance establishes local rules for affordable housing donation but must be at least as restrictive as the Affordable Housing Act.

The ordinance must define the process for selecting a qualified grantee, define income limits and affordability periods for donations.

Housing New Mexico can provide a template ordinance.

Qualifying Grantees

Qualified grantees are entities eligible to receive donations under the Affordable Housing Act.

- A qualified governmental housing agency
- Any type of for-profit or non-profit organization that has among its purposes significant activities related to providing housing or services to low- or moderate-income persons or household
- A qualified individual

Making Affordable Housing Awards

Local governments must **select a qualified grantee**, and **evaluate a proposed project or program**, to receive an affordable housing donation/award (funding, land, infrastructure) through a process that is consistent with its procurement code and funding source regulation.

Request for Proposals

- An RFP is a solicitation document issued by a government agency when they want organizations to submit detailed proposals to carry out a specific project or provide certain services.
- RFP = detailed instructions for what's needed and how to apply (the “playbook”).

Notice of Funding Availability

- A NOFA is a public announcement that funding is available. It's usually broader than an RFP and serves as the official notice to potential applicants that they can apply for funding.
- NOFA = announcement that funding is available (the “heads up”).

Affordable Housing Program

- A program with guidelines on how and to whom funding may be awarded – typically used to make affordable housing awards to individuals.
- Impact fee abatement for affordable housing developments.
- Home rehabilitation program.

Affordability Period

If the fair market value of any Housing Assistance Grant, or the total amount of Affordable Housing Funds which have been awarded, loaned, donated, or otherwise conveyed to the Qualifying Grantee is:	Then the Affordability Period must be not less than:
\$1 to \$14,999	5 years
\$15,000 up to and including \$40,000	10 years
From \$40,000 up to and including \$100,000	15 years
Greater than \$100,000	20 years

The Governmental Entity and/or Housing New Mexico, in its discretion, may increase the Affordability Period in any contract, note, mortgage, loan agreement, land use restriction agreement, restrictive covenant agreements.

In the discretion of Housing New Mexico, weatherization funds from the State, and/or any other similar conveyances where an Affordability Period is not practical, may not necessarily be subject to the Affordability Period requirements. **However, any such conveyances may be subject to recapture on some pro-rated basis as determined by the Governmental Entity and/or MFA.**

Questions?

Affordable Housing Act

Sonja Unrau

Assistant Director

Policy & Planning
Department

Robyn Powell

Senior Director

Policy & Planning
Department

