

BACKGROUND INFORMATION

Unhoused people in New Mexico increased by 11 percent from 2009 to 2022, and by 48 percent from 2022 to 2023, according to the federal Housing and Urban Development Department (HUD). In Albuquerque, unhoused people increased by 83 percent, or over 1 thousand people, between 2022 through 2023. The New Mexico Department of Health determined in 2022, 10,500 people were unhoused primarily in Bernalillo, Doña Ana, and Santa Fe counties. HUD reported that up to 40,000 rental units are needed for low-income renters statewide.

Historically, housing has been a local issue funded through local government or the federal government. Recently the state of New Mexico has taken a larger role in addressing housing needs. Over the last three years, the Legislature has appropriated over half a billion dollars to address housing needs across the state. The executive initially identified a housing and homelessness advisor to serve in the governor's office and subsequently established an Office of Housing at the Workforce Solutions Department (WSD).

For the most part, nonrecurring appropriations are being spent. However, a \$2 million appropriation to the Department of Finance and Administration and WSD for consulting and strategic planning to end homelessness has not been expended at all. Activity at the local level is bringing about new housing units ranging in cost from \$36 thousand per unit (Farolito Senior Community) to over \$350 thousand per unit (Wells Fargo Tower project).

The City of Albuquerque has added over 5,500 units over the past few years for multiple income levels and in multiple settings including transitional housing through the Gateway Center. Bernalillo County in collaboration with YES Housing Inc. has also added multiple mixed use housing units. Cost per unit have ranged from \$36 thousand to \$336 thousand depending on the building complexity.

Unhoused Youth. The 2026 LFC program evaluation, *Reconnecting Disconnected Youth*, reported about 32 thousand youth in New Mexico are neither working nor in school, costing the state an estimated \$623 million a year.

Even as the state has appropriated over \$500 million for housing in the last three years, housing remains an identified need. Youth who are disconnected are more likely to have housing instability. According to the 2026 WSD survey of those not currently participating in the labor force, housing was the most selected barrier and solution regarding entry into the labor force. Gateway Center in Albuquerque is able to support approximately 200 youth at any given time.

Additionally, the state and federal government fund multiple housing programs for youth through the Mortgage Finance Authority, the Children, Youth, and Families Department (CYFD), and WSD. Some providers of employment and training also help with housing, such as Youth Development Inc., which created over 100 housing stability plans for individuals in FY25. CYFD spent \$4.6 million in FY25 on transitional housing services, serving 120 youth. Forty-five individuals are currently waiting for transitional housing from CYFD. As multiple agencies are

AGENCY: Workforce Solutions Department, YES Housing Inc, City of Albuquerque, Bernalillo County

DATE: May 20, 2026

PURPOSE OF HEARING: Status of 2025/2026 Housing Appropriations and Albuquerque Gateway Center

WITNESS: Linda Huval, Director Office of Housing, Workforce Solutions Department; Gilbert Ramirez, Director of Health, Housing, and Homelessness, City of Albuquerque; Cindy Chavez, County Manager, Bernalillo County; Chris Baca, CEO, YES Housing Inc.

PREPARED BY: Cally Carswell, RubyAnn Esquibel, Ella Hatfield, Carlie Malone, Isabella Storms

EXPECTED OUTCOME: Informational

In March 2026, Albuquerque opened a \$17 million transitional living facility for unhoused youth.

The facility serves youth ages 18 to 24 and provides housing, case management, and life skills training. Currently, the facility can house 41 youth and will be able to house 91 after the planned subsequent phases are complete.

The city has contracted with Youth Development Inc. (YDI) for \$2.3 million to provide these services. Because YDI is also the central and northern workforce boards' WIOA Youth provider, there is an opportunity to connect these youth to workforce training.

Source: ABQ Journal

responsible for housing assistance, the state will need a clear understanding of where and how money is being spent and if it is working to reduce housing instability. WSD is currently assessing the state's youth housing assistance programs through a \$2 million federal grant, which is supplemented by a housing appropriation from the government results and opportunity (GRO) fund. The assessment will review the state's data and evaluation of youth housing, as well as its training and assessment processes for providing youth housing assistance. Subsequent appropriations and policy decisions should be informed by the assessment's findings, due in spring 2027.

City of Albuquerque

Based on models in Miami, Denver, and San Antonio, Albuquerque created a Health, Housing and Homelessness Department to build a coordinated system with medical respite, detox, housing services, and partnerships with treatment providers. Also, Albuquerque Community Safety Department (ACS) is a 24/7 emergency alternative to 911 where civilian teams respond to behavioral health, substance use, and unhoused-related calls. ACS has taken over 150,000 calls, diverting the Albuquerque Police Department so it could focus directly on public safety.

Housing Forward ABQ added 5,000 housing units over the past few years, but reports 13,000 to 28,000 units are needed, including low-income housing.

Sol Housing and Greater Albuquerque Housing Partnership received \$6.1 million in federal HUD and American Rescue Plan Act (ARPA) funds for the 70-unit Somos mixed use housing and commercial space, including 59 units of affordable housing. This represents a cost of \$87 thousand per unit. The partnership also used \$3 million in ARPA funds for Farolito Senior Community with 82 units for all income levels. This represents a cost of \$36 thousand per unit. The average building cost per square foot in Albuquerque ranges from \$120 to \$600 per square foot depending on the complexity of the project.

Albuquerque Gateway Center. The Gateway Center houses contractors who operate multiple modalities. The Center includes a medical respite unit with 40 beds. The unit served 48 people in FY25.

The Gateway Center also includes: a first responder area to drop off people overnight and connect them to social services; a 50-bed medical sobering unit for individuals to get sober and receive treatment; a family location to serve 64 families with 827 people served in FY25; 46 recovery pallet homes for 24 months of substance use disorder services; and housing for young adults ages 18 to 25 with wrap-around services. Also, Gateway West is the state's largest shelter serving up to 660 people per night, with 3,354 admissions in FY25.

Bernalillo County

Bernalillo County experienced a 100 percent increase in unhoused people from 2022 through 2024. Bernalillo County and the City of Albuquerque are collaborating to move 1,000 people off the streets and into housing.

BernCo Builds Communities is an initiative targeting affordable housing, affordable housing expansion/renovation, and transitional housing. Bernalillo County requested \$150 million in funding for affordable housing for 2,138 residents and transitional housing for 1,050 residents. This represents a cost of \$70 thousand per unit.

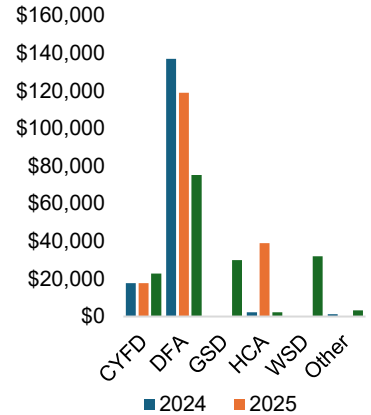
The Wells Fargo Tower project was approved using \$35 million in project revenue bond allowing receipt of federal/state tax credits to develop 60 one-bedroom, and 40 two-bedroom units. This represents a cost of \$350 thousand per unit.

YES Housing Inc.

YES Housing, Inc. was founded in 1990 with the mission of building and revitalizing communities with quality, affordable housing, accessible social services, and a dedication to being positive agents of change within the community. Currently, the agency is working on two major projects. Calle Cuarta in the North Valley includes 60 living units, four live-work units, four retail units, and 21 town homes. The housing is available for renters earning below 80 percent of the area median income.

West Mesa Ridges is a \$43 million project partially funded with \$8 million from the Housing Forward ABQ fund. The project is adding 128 one-to-three-bedroom units available for people earning 60 percent or less of the area median income. This represents a cost of \$336 thousand per unit.

Housing-Related Appropriations 2024-2026
(in thousands)



Note: DFA= Department of Finance and Administration, GSD=General Services Division. Fund transfer and programs for seniors not included.
Source: HB2, 2024-2026

Workforce Solutions Department

In April 2025, the governor announced the Office of Housing within the Governor’s Office would move to the Workforce Solutions Department (WSD). In FY25 and FY26, the Legislature appropriated over \$150 million to the Department of Finance and Administration (DFA) to support housing projects statewide. The appropriations included a \$110 million special appropriation to support housing (including affordable and transitional housing and homelessness assistance programs), \$19.7 million in GRO-D funding for statewide homelessness initiatives, \$13.5 million in capital outlay funding for housing projects statewide, and \$9 million in other special appropriations for housing activities. With the governor’s announcement, WSD took responsibility for administering these housing appropriations in FY26.

FY25-FY26 Housing Appropriations Transferred from DFA to WSD					
Appropriation	Fiscal Year	Total	Expended	Encumbered	Balance
Nineteen million seven hundred thousand dollars (\$19,700,000) for statewide homelessness initiatives	FY25 – FY26 (GRO-D)	\$19,700.0	\$9,005.8	\$9,723.8	\$970.4
To support housing, affordable housing, transitional housing and the expansion of housing services providers that facilitate behavioral health services and substance abuse recovery, homelessness	FY26	\$110,000.0	\$61,445.6	\$45,854.2	\$2,700.2

assistance and prevention for persons with behavioral health needs, for expenditure in fiscal year 2026, including up to eighty million dollars (\$80,000,000) for programs in the city of Albuquerque and Bernalillo county to be shared equally and ten million dollars (\$10,000,000) for programs in the city of Las Cruces and Dona Ana county.					
To the local government division for grants to local governments to support a direct-to-housing encampment response, with streamline housing placements, on-campsite services from outreach workers, housing navigators and case managers, ongoing closed-campsite maintenance and an intensive focus on closure and cleaning of campsites.	FY26	\$5,000.0	\$2,555.9	\$1,543.6	\$900.5
For consulting and strategic planning to support innovative models to end homelessness.	FY26	\$2,000.0	\$1,471.0	\$529.0	\$ -
For housing assistance personnel and programs.	FY26	\$2,000.0	\$701.2	\$222.4	\$1,076.4
Thirteen million five hundred thousand dollars (\$13,500,000) for housing projects statewide	2025 Capital Projects	\$13,500.0	\$786.8	\$707.4	\$12,005.8

In August 2025, WSD issued a tentative allocation of these housing appropriations (see Attachment 1). The allocation, totaling \$117.4 million throughout the state, directed \$61.5 million to projects in Bernalillo County, \$21.8 million to projects in Albuquerque, and \$11.2 million to projects in Las Cruces. Among the projects in Bernalillo County and Albuquerque, various Gateway entities were slated to receive about \$20 million, \$10 million was allocated to the redevelopment of the Wells Fargo building into residences, and other funding was intended for various income-restricted development projects. Projects in Hobbs, Santa Fe, Taos, and Silver City were also included in the allocation. WSD issued a request for proposal for the remainder of the available funding, although accepted projects have not been published to date.

The Legislature continued to support housing activities in the FY27 budget, providing special appropriations of \$30 million to fund housing, affordable housing, transitional housing, homelessness initiatives, and the expansion of housing services statewide and \$5 million for rental assistance. The Legislature also appropriated \$26.6 million in capital outlay funding to WSD for housing and homelessness projects statewide and \$2 million in government results and opportunity (GRO) funding for FY27-FY29 to support Office of Housing operations at WSD.

Housing NM/Mortgage Finance Authority

Mortgage Finance Authority, also known as Housing New Mexico, is a quasi-governmental entity that provides financing to provide affordable housing to low- and moderate- income New Mexicans. Housing New Mexico (HNM) administers more than 35 state and federal programs including down payment assistance, housing development and innovation, homelessness prevention and transitional housing. The housing trust fund (HTF) is the primary source of funding for the agency, which was created in 2005 to provide flexible funding to produce

additional homeownership opportunities in the state. The HTF may be used to finance the development of subdivision building lots and/or the construction of homes that will provide affordable housing primarily for individuals or households of low or moderate income. As of 2022, the HTF now receives a 2.5 percent annual STB earmark. Housing New Mexico’s appropriations in FY 2026 totaled \$101.6 million, with \$50.6 million from the HTF earmark and \$50 million from special appropriations.

According to HNM’s *NM Housing Strategy 2026* update, housing funding between 2022 and 2025 has done the following: supported the creation of 1,000 affordable housing units; rehabilitated and made weatherization improvements to 800 homes in poor condition; helped 2,400 qualified low to moderate income households achieve homeownership; ensured that 3,200 households avoided homelessness, and 5,700 household avoid eviction; assisted 3,700 homeless and at-risk individuals receive needed services; and Housing New Mexico has financed 20,822 income-restricted units statewide. HNM states that of the \$167 million in allocations to the NMHTF since July 2023, 100% is encumbered (designated for use), 85% is awarded (contractually committed), and 45% is expended, as of December 31, 2025.

Housing Trust Fund Appropriations FY 2024-2027				
FY	Description of Programs	Anticipated # of Households Impacted	Total Awards Amount	Amount Expended
FY27	In FY27, the HTF received \$51.3 million from STB earmarks. Program awards have not yet been announced.			
FY26	In 2025, the HTF awarded funding for 16 projects across four categories of programs. The most appropriations made were for housing innovation and rental development. The largest single appropriation was for \$6.8 million for down payment assistance statewide (First Down Plus).	3,231	\$28,099,845	\$8,636,033
FY25 (Special Appropriations)	For 2025 special appropriations, 31 projects were awarded funding across nine categories of programs, including down payment assistance, housing development and innovation, homelessness prevention, and weatherization. Most appropriations were for gap financing, rental development, and housing innovation. The largest appropriation was \$8.4 million for First Down Plus down payment assistance.	2,975	\$47,055,642	\$21,304,876
FY25	In 2024, 10 projects were awarded across three categories, the most of which were for gap financing. The largest appropriation was \$14.5 million for down payment assistance.	1,800	\$34,620,000	\$29,370,552
FY24	In 2023, 32 projects were awarded funding across eight categories. The largest appropriations went to gap financing and down payment assistance, though \$37 million in awards was uncategorized (blank). The largest single appropriation was \$10.6 million for statewide down payment assistance.	2,237	\$37,530,000	\$28,704,168

New Mexico Finance Authority

In the 2024 session, the Legislature appropriated \$125 million to the Opportunity Enterprise Housing Development Revolving Loan Fund administered by the New Mexico Finance Authority. NMFA then stood up a program and policies to award funds, with the first funding round held in 2025. The NMFA Board has approved roughly \$90 million in loans for housing projects in five New Mexico counties since then. Of those, three projects with loans totaling \$10 million are unlikely to close. The Opportunity Enterprise Board is in the process of another funding round. It has received five affordable housing applications requesting \$15.6

million to support projects with total costs of \$98.7 million and 12 workforce housing applications to support projects with total costs of \$384.9 million. The table below shows the status of projects awarded funding from the program to date. The Legislature appropriated another \$20 million to the program in the 2026 session.

Projects Financed by Opportunity Enterprise Housing Development Revolving Loan Fund as of May 11, 2026

Borrower	Project	County	Amount Approved	Total Project Costs	Status
San Roque Apartments, LLC	Affordable Housing Infrastructure (137 Units)	Bernalillo	\$2,347,103	\$45,651,195	Will not close
YSM Development	80-Unit, For-Sale Workforce Housing	Taos	\$6,342,360	\$26,406,000	Will not close
Dharma Enterprises, LLC	11-Unit, Multi-Family Workforce Housing	Santa Fe	\$3,550,181	\$4,170,675	Closed
Inskies Investments, LLC	40-Unit, Multi-Family Workforce Housing	Bernalillo	\$4,000,000	\$4,712,530	Closing Scheduled
MidTown Santa Fe Productions QOF, LLFC	98-Unit, Multi-Family Workfoce Housing	Santa Fe	\$15,000,000	\$18,725,000	Closing Scheduled
Nueva Acequia 4, LLLP	Affordable Housing Infrastructure (106 Units)	Santa Fe	\$3,180,000	\$38,300,595	Closing Scheduled
Sendero Alamo, LLC	120-Unit, Multi-Family Workforce Housing	Otero	\$15,000,000	\$17,014,063	Closed
Spire Development (San Mateo Manor)	Affordable Housing Infrastructure (50 Units)	Bernalillo	\$1,015,000	\$15,942,955	Closed
Bella Luz Apartments 2022 LLLP	Affordable Housing Infrastructure (58 units)	Santa Fe	\$1,700,000	\$15,792,107	Will not close
Emergent Development-Soluna West LLC	52-Workforce Housing	Bernalillo	\$10,115,300	\$12,292,706	Closing Scheduled
Spire Development, Inc.- Plaza Luna	Affordable Housing Infrastructure (57 units)	Valencia	\$1,100,000	\$18,633,377	Closed
West Central, LLC	70-Unit, Workforce Housing	Bernalillo	\$15,000,000	\$20,325,612	Closing Scheduled
Cornerstone Capital LLC - The View	Affordable Housing Infrastructure (50 Units)	Bernalillo	\$12,682,400	\$15,942,955	Not yet scheduled
			\$91,032,344	\$253,909,770	

Source: NMFA

Department of Finance and Administration

In FY24, the Department of Finance and Administration (DFA) received appropriations of \$10 million in nonrecurring general funds for transitional housing for victims of domestic violence. Up to \$5 million was earmarked for facilities in the northwest. In FY25 the timeline for expenditure was extended through the end of FY26, and \$5 million was earmarked for fire and public safety facilities in Grants. This funding was extended again in FY26 though FY27.

Appropriation Year	Purpose	Original Appropriation	Expenditure	Balance
2024	For transitional housing and shelter facilities for victims of domestic violence.	\$10,000	1,007	763
2024	\$2 million for housing assistance personal and programs	\$2,000	\$1,700	\$130
2024	\$19.7 million for statewide homelessness initiatives.	\$19,700	\$19,200	\$100
2025	To the New Mexico mortgage finance authority for administering a credit worthiness program.	\$25,000	\$17,000	\$8,000
2025	For the New Mexico mortgage finance authority for the north central New Mexico economic development district for housing projects for senior citizens living in manufactured housing.	\$2,000	\$2,000	\$0
2026	For tribal housing projects and infrastructure, in consultation with the Indian affairs department.	\$5,000	\$0	\$5,000
2026	For the New Mexico mortgage finance authority to fund statewide expansion of housing, affordable housing, transitional housing, homelessness initiatives, housing services, downpayment assistance, interest rate buydown for for-sale housing, and \$500 thousand earmarked for administration of the Affordable Housing Act. Funds shall not revert at the end of FY27.	\$50,000	\$0	\$50,000

Health Care Authority

The Health Care Authority (HCA), Behavioral Health Services Division (BHSD), operates multiple state and federally funded housing programs.

Move In Assistance and Eviction Prevention Program (MIAEP). The MIAEP program assists qualified households with grants for rent, deposits, utilities, and other costs. Applicants must have a serious mental illness or substance use disorder and be homeless. MIAEP providers serve multiple counties, and the program serves approximately 544 households across the state.

Crisis Housing Program. The program provides temporary, transitional housing for homeless persons with serious mental illness being discharged from psychiatric centers, hospitals, jails, or other institutional settings. The program offers 120-day maximum stays in short-term housing with support services including life skills, income entitlements reinstatement assistance, employment, and support finding permanent housing. The program services approximately 45 to 50 beneficiaries annually.

Local Lead Agency (LLA). The LLA is a set aside housing/special needs program created in partnership with the Mortgage Finance Authority in 2009 and is associated with Low Income Housing Tax Credit (LIHTC) properties. LLA

provides special needs tenant screening, eligibility and referral, tenant advocacy services, and support services. There are 13 LLAs serving 19 counties and tribes with approximately 372 special needs housing units.

Linkages Supportive Housing Program. Linkages is a tenant-based permanent supportive housing program for homeless adults who are diagnosed with serious mental illness and are also functionally impaired. Linkages partners with the Mortgage Finance Authority/Housing New Mexico to administer rental assistance for extremely low-income households in eight sites with nine housing administrators. Linkages began in 2007 and serves approximately 350 households with rental assistance vouchers.

Oxford House New Mexico. Oxford House™ is self-run, self-supported housing for individuals recovering from substance use disorders and provides peer support and a structured living environment to achieve recovery. There are 17 locations in Albuquerque and Las Cruces with Oxford House programming serving approximately 156 men, women and children annually.

SSI/SSDI Access to Recovery (SOAR). BHSD began funding SOAR in FY21 using a model developed by the federal Substance Abuse and Mental Health Services Administration (SAMHSA) to assist people with Social Security Income and Social Security Disability Insurance (SSI/SSDI) eligible individuals navigate obtaining approval for disability income benefits administered by the Social Security Administration. SOAR promotes recovery and wellness through increased access to Social Security disability benefits for eligible individuals who are experiencing or at risk of homelessness, have a serious mental illness, medical impairment, and/or co-occurring substance use disorder.

Shelters. BHSD began funding homeless shelters in FY21 located in Valencia County, Santa Fe, and Gallup.

HCA/BHSD Housing Funding				
FY25	General Fund	Federal Funds	OSF (Opioid Settlement)	FY25 Total
	\$ 9,360,423.7	\$1,303,096.1	\$ 2,195,590.3	\$ 12,859,110.0
FY26	General Fund	Federal Funds	OSF (Opioid Settlement)	FY26 Total
OpBud	\$ 8,715,966.0	\$ 726,672.0	\$ 2,182,900.0	\$ 16,268,519.0
Special Appropriation	\$ 4,642,981.0			
FY27	General Fund	Federal Funds	OSF (Opioid Settlement)	FY27 Total
	\$ 8,715,966.0	\$ 360,593.0	\$ 7,288,000.0	\$ 16,364,559.0

ATTACHMENT 1: WSD Tentative Office of Housing Allocations Pending Final Agreements

Tentative Office of Housing Allocations
Pending final agreements

Row Labels	2025 GRO Appropriation Z19D016	FY26 Capital Outlay for Statewide Housing Projects	FY26 Housing Support (110M) Z15040	Grand Total
Bernalillo County		\$3,000,000	\$58,542,837	\$61,542,837
Poblana Place Apartments			\$17,850,517	\$17,850,517
Sombre del Oeste			\$1,500,000	\$1,500,000
Tierra Linda			\$6,000,000	\$6,000,000
Wells Fargo Building			\$10,000,000	\$10,000,000
West Mesa Ridge A			\$3,500,000	\$3,500,000
West Mesa Ridge B			\$10,000,000	\$10,000,000
Comfort Inn Hotel			\$7,172,320	\$7,172,320
Aldea del Rio		\$3,000,000		\$3,000,000
Home Repair			\$1,020,000	\$1,020,000
Rapid Rehousing			\$1,500,000	\$1,500,000
City of Albuquerque	\$4,050,000		\$17,789,604	\$21,839,604
Gateway @ Gibson First Responder Receiving Area Operations			\$1,289,736	\$1,289,736
Gateway @ Gibson Men's Housing and Treatment Navigation Center	\$1,350,000			\$1,350,000
Gateway @ Gibson Men's Housing and Treatment Navigation Center Expansion	\$1,350,000			\$1,350,000
Gateway @ Gibson Roof Repair			\$2,971,865	\$2,971,865
Gateway @ Gibson Women's Housing And Treatment Navigation Center Expanded Operations	\$1,350,000			\$1,350,000
Gateway Shared Costs			\$1,162,500	\$1,162,500
Gateway West Capital			\$400,000	\$400,000
Gateway West Operations			\$6,103,003	\$6,103,003
Young Adult Housing and Treatment Navigation Center			\$862,500	\$862,500
Juniper Flats			\$5,000,000	\$5,000,000
City of Hobbs			\$860,000	\$860,000
Habitat for Humanity development			\$860,000	\$860,000

Tentative Office of Housing Allocations
Pending final agreements

Row Labels	2025 GRO Appropriation Z19D016	FY26 Capital Outlay for Statewide Housing Projects	FY26 Housing Support (110M) Z15040	Grand Total
City of Las Cruces			\$11,175,000	\$11,175,000
Amador Crossing			\$1,725,000	\$1,725,000
Arcadia 4 Subdivision			\$3,250,000	\$3,250,000
Peachtree Phase I			\$4,300,000	\$4,300,000
Pedrena Senior Apartments			\$400,000	\$400,000
Skylark Subdivision			\$1,400,000	\$1,400,000
Landlord Risk Mitigation Fund			\$100,000	\$100,000
City of Santa Fe	\$1,200,000		\$4,490,000	\$5,690,000
Pete's Place Emergency Shelter Improvements	\$200,000			\$200,000
Pete's Place Operations	\$1,000,000			\$1,000,000
Las Estrellas Land Purchase			\$4,490,000	\$4,490,000
Northwest New Mexico Council of Governments			\$300,000	\$300,000
Down Payment / Closing Cost assistance for Gallup Housing Authority development			\$300,000	\$300,000
PED	\$7,800,000			\$7,800,000
Family Stabilization Pilot Project at Albuquerque, Santa Fe and Las Cruces Public Schools	\$7,800,000			\$7,800,000
Taos County		\$5,200,000		\$5,200,000
Workforce Housing - Infrastructure		\$5,200,000		\$5,200,000
Town of Silver City			\$3,000,000	\$3,000,000
Cornerstone Apartments			\$3,000,000	\$3,000,000
Grand Total	\$13,050,000	\$8,200,000	\$96,157,441	\$117,407,441