

U.S. Department of Housing and Urban Development

State of New Mexico
Federal Funding and Stabilization and Affordability Subcommittee
June 30, 2026



HUD Mission

The mission of the U.S. Department of Housing and Urban Development is to foster strong communities by supporting access to quality, affordable housing, expanding the housing supply, and unlocking homeownership opportunities for the American people. The Department is committed to furthering the promise of self-sufficiency in every American while promoting economic development to revitalize rural, tribal, and urban communities across the country.



HUD – REGION 6: LEADERSHIP



**HUD Secretary
Scott Turner
Washington, D.C.**



**HUD Assistant Deputy
Secretary, Field Policy
and Management
Joseph DeFelice
Washington, D.C.**



**HUD Regional
Administrator,
Southeast Region
Ashlea Quinonez
Fort Worth, TX**

HUD – REGION 6: FIELD OFFICES



States and Regional/Field Office:

- **Arkansas (Little Rock)** – population ~3.1 million
- **Louisiana (New Orleans)** – population ~ 4.6 million
- **New Mexico (Albuquerque)** – population ~ 2.1 million
- **Oklahoma (Oklahoma City)** – population ~ 4.1 million
- **Texas (Fort Worth Regional Office)** – population ~31.7 million

Opportunity Zones



OPPORTUNITY ZONES: OVERVIEW



Private-Public Partnerships: Place-based tax incentive for both private investment and place-based policy for local, state and federal resources for Governor's designated low-income census tracts



QOF Equity Raised: Qualified Opportunity Funds raised over \$100 billion making it the largest economic development program in US history



OZ Coverage: In 2020, in just two short years after enactment, close to 50% of OZ census tracts had seen QOF investments, NMTC took 18 year to reach this coverage

Opportunity Zones Accomplishments

- The most successful community revitalization and economic development tool in U.S. history
- Over \$100 billion invested in communities
- Investments in commercial and industrial real estate, hospitality, housing, public infrastructure, energy developments along with business start-ups and expansions
- Over 400,000 housing units built because of the OZ incentive
- Federal, state, and local grant and program alignments
- Thousands of QOFs created
- Investments in thousands of projects and businesses

Opportunity Zones Tax Benefits

Tax Deferral

- **Tax Deferral:** Delay payment of taxes on capital gains rolled into a Qualified Opportunity Fund (QOF) that invests in a designated Opportunity Zone
- **Partial Exclusion of Tax Deferral:** A discount (step-up in basis adjustment) for calculating the tax owed on the deferred capital gain

Tax Exclusion

- **Exclusion of Additional Gains:** No tax liability due on additional capital gains for qualifying investments in OZ held for 10 or more years

Two Scenarios

- **Original Use:** ground-up development or a start-up business in a designated OZ census tract
- **Substantial Improvement:** for existing asset like real estate, “significant” or double the “basis” in the building (not land) must be improved over a 30-month period

OPPORTUNITY ZONES: INTRODUCTION

Non-QOF versus QOF Investment Example

	NON-QOF INVESTMENT	QOF INVESTMENT	DIFFERENCES
ORIGINAL CAPITAL GAIN	\$1,000,000	\$1,000,000	
TAX RATE	30%	30%	
- TAX ON ORIGINAL CAPITAL GAIN	(\$300,000)	Deferred	Defer tax on Capital Gains
= INVESTABLE AMOUNT	\$700,000	\$1,000,000	\$300,000 more to invest
<i>after tax</i>			
X COMPOUNDED HYPOTHETICAL ANNUAL RETURN	8%	8%	
= APPRECIATION	\$811,247	\$1,156,925	\$345,678 more in asset value growth
<i>over 10 years</i>			
- TAX ON APPRECIATION	(\$243,374)	\$0	\$243,374 less in taxes paid
<i>after 10 years</i>			
- LONG-TERM CAPITAL GAINS TAXES PAID	\$0	(\$270,000)	\$30,000 less in taxes paid (includes 10% discount, paid later)
<i>on original gain</i>			
= FINAL VALUE	\$1,207,873	\$1,888,925	\$681,052 increase in value
<i>after 10 years, net of taxes paid</i>			

Hypothetical example provided for informational purposes only.

What Types of Projects Qualify?

- Community and Economic Development
 - Housing
 - Commercial (Office and Retail) Real Estate
 - Hospitals
 - Hospitality
 - Industrial and Manufacturing
 - Farming
 - and many others
- Operating Businesses
- Not “Sin” Businesses

OPPORTUNITY ZONES: TIMELINE

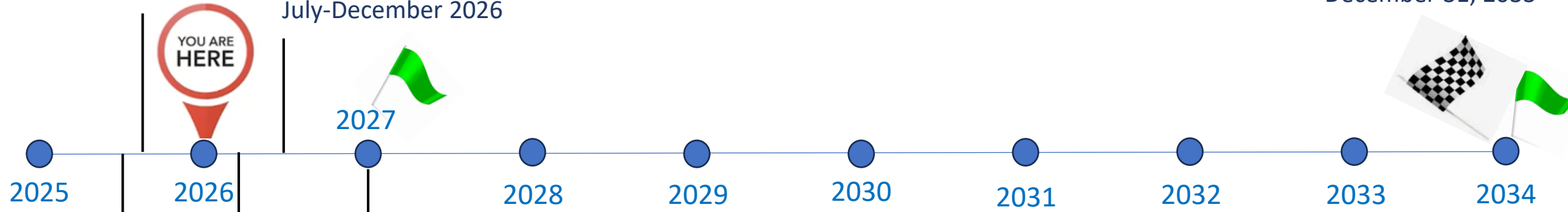


OZ 1.0 Census Tracts
Expire / 2 Year Overlap
with OZ 2.0 Census
Tracts

OZ 1.0 Rural Areas
September 2025

**OZ 2.0 Census Tract
Designation Period**
July-December 2026

**OZ 2.0
Recognition Date**
December 31, 2033



**Census 2025
5-Year Data
Release**
January 29, 2026

**New OZ 2.0
Designations
Take Effect**
January 1, 2027

**New OZ
Designations**
2036, 2046, and
every 10 years

**The One Big
Beautiful Bill**
July 4, 2025

New IRS Regulations

OPPORTUNITY ZONES: HUD PROGRAM ALIGNMENTS

OZ are Built for Private-Public Partnerships

- OZ tax incentive is a place-based tax incentive for both private investment and place-based policy for local, state and federal resources to support the community capital stack for real estate and businesses needs
- Public funding may precede QOF equity, partner with QOF equity, or follow QOF equity

HUD Competitive Notice of Funding Availability (NOFA) and OZ Preference Points

- Many HUD grants now contain OZ preference points for proposed grant activities in Opportunity Zones
- Other federal agencies are also beginning to re-align grants and program for Opportunity Zones

FHA Housing Funds Can Support OZ Housing Developments and Sub-Rehabilitations

- Federal Housing Administration (FHA) insured loans can support new multifamily housing development and sub-rehabilitations in designated Opportunity Zones
- Many housing developments include both FHA-insured loans and QOF equity in the capital stack
- Rental Assistance Demonstration (RAD) conversions that include FHA-insured loans or other debt also may include QOF equity in the capital stack

HUD PIH Funds Grants Can Incorporate OZ Planning and Attracting QOF Capital

- PIH Choice Neighborhoods Implementation grants have incorporated Opportunity Zones plans and needs into their neighborhood transformation plans

OPPORTUNITY ZONES: HUD NOFO'S & PREFERENCE POINTS

HUD Grants with OZ Benefits (Preference Points, Priority Consideration or Rating Factor

	Agency	FY25 Benefit	Released	Expected # of Awards	Estimated Total Program Funding (Grants.gov)	Award Ceiling (Grants.gov)	Recent Deadline	Open	Funding Opportunity Number
U.S. Department of Housing and Urban Development (HUD)									
Addressing the Housing Affordability Crisis Research Grant Program	HUD / PDR	OZR	6/24/2025	10	\$10,000,000	\$2,000,000	7/25/2025		FR-6900-N-29R
Application Instructions for the Indian Community Development Block Grant (ICDBG) Imminent Threat (IT) Program	HUD / PIH	N/A	4/18/2025	6	\$5,000,000	\$1,500,000	9/30/2026	X	FR-6900-N-74
Capital Improvements for At-Risk/Receivership/Substandard/Troubled PHAs	HUD / PIH	N/A	2/25/2026	5	\$11,500,000	\$250,000	4/28/2026		FR-6900-N-81
Choice Neighborhoods Implementation Grants for Fiscal Year 2025	HUD / PIH	OZPP	12/9/2025	4	\$75,000,000	\$26,000,000	3/9/2026		FR-6900-N-34
Community Development Block Grant Program for Indian Tribes and Alaska Native Villages	HUD / PIH	OZPP	9/9/2025	50	\$70,000,000	\$2,000,000	12/10/2025		FR-6900-N-23
Comprehensive Housing Counseling (CHC) and the Housing Counseling Training (HCT) NOFO (FY2025)	HUD / Housing	OZR	3/26/2026	175	\$56,100,000	\$3,000,000	5/26/2026	X	FR-6900-N-33
Fair Housing Initiatives Program Education and Outreach Initiative	HUD / FHEO	OZPP	7/29/2025	58	\$8,450,000	\$1,300,000	8/21/2025		FR-6900-N-21-A
Fair Housing Initiatives Program - Fair Housing Organizations Initiative (FHOI)	HUD / FHEO	OZPP	7/29/2025	8	\$3,700,000	\$1,880,000	8/21/2025		FR-6900-N-21-B
Fair Housing Initiatives Program - Private Enforcement Initiative (PEI)	HUD / FHEO	OZPP	7/29/2025	24	\$10,116,793	\$425,000	8/21/2025		FR-6900-N-21-C
Fair Housing Initiatives Program - Education and Outreach Initiative - Test Coordinator Training	HUD / FHEO	OZPP	7/29/2025	1	\$500,000	\$500,000	8/21/2025		FR-6900-N-71-A
FY 2024 and FY 2025 Continuum of Care Competition and Renewal or Replacement of Youth Homeless Demonstration Program	HUD / CPD	N/A	7/31/2024	8500	\$3,617,000,000	\$25,000,000	2/9/2026		FR-6800-N-25
FY 2025 Continuum of Care Competition and Youth Homeless Demonstration Program Grants NOFO	HUD / CPD	OZPP	11/13/2025	7000	\$3,918,000,000	\$25,000,000	2/25/2026		FR-6901-N-25
FY 2025 Rural Capacity Building for Community Development and Affordable Housing Grants (RCB)	HUD / CPD	OZR	5/6/2026	5	\$6,000,000	\$3,500,000	7/6/2026	X	CPD-2600-DC-0008
Housing Policy Research Grant Notice of Funding Opportunity	HUD / PDR	OZR	4/30/2026	10	\$8,000,000	\$1,500,000	6/1/2026	X	PDR-2600-DC-029M
Housing-Related Hazards and Lead-Based Paint Capital Fund Program	HUD / LHCHH	N/A-PZ	3/6/2026	40	\$65,000,000	\$7,500,000	5/4/2026		FR-6900-N-68
Indian Housing Block Grant Competitive Program (IHBG-COMP) for FY2025	HUD / PIH	OZPP	9/4/2025	35	\$150,000,000	\$7,500,000	1/15/2026		FR-6900-N-48
Jobs Plus NOFO for Fiscal Year 2025	HUD / PIH	OZPP	8/12/2025	15	\$21,600,000	\$3,700,000	12/29/2025		FR-6900-N-14
Lead Hazard Reduction Grant Program	HUD / LHCHH	OZPP	6/30/2025	50	\$364,500,000	\$7,000,000	8/14/2025		FR-6900-N-13
Lead Hazard Reduction Capacity Building Grant Program	HUD / LHCHH	OZPP	1/8/2026	5	\$4,445,850	\$2,500,000	2/26/2026		FR-6900-N-31
Project Rental Assistance Program of Section 811 Supportive Housing for Persons with Disabilities FY 2026	HUD / Housing	N/A	5/11/2026	16	\$158,000,000	\$9,875,000	7/13/2026	X	HSG-2600-DC-0053
Resident Opportunity and Self-Sufficiency Service Coordinator (ROSS-SC) Program – Fiscal Year 2025	HUD / PIH	N/A	9/26/2025	114	\$40,000,000	\$816,750	1/20/2026		FR-6900-N-05
ROSS Rapid Response Program	HUD / PIH	N/A	1/26/2026	20		\$112,500	1/26/2027	X	PIH-ROSS-26-001



- **22 HUD Competitive Grants Released (As of May 11, 2026)**
 - 12 have/had Opportunity Zones Preference Points
 - 3 had Opportunity Zones inclusion in criteria
- **Energy, HHS, and Transportation (2 with OZPC) now have some competitive grants with OZ language**

Work and Dignity Coalition



WORK AND DIGNITY COALITION

HUD Moves to Restore Self-Sufficiency and Dignity to Those Living in Public Housing

- Sought feedback on proposed rule to provide all public housing authorities (PHAs) and Section 8 project-based rental assistance (PBRA) owners flexibility to implement work requirements and time limits for non-elderly, non-disabled work-capable adults in HUD-funded housing.
- Given the success of Moving To Work (MTW) PHAs in implementing work requirements, time limits, or both, HUD's proposed rule gives direct flexibility to all PHAs and Owners to implement a work requirement of up to 40 hours per week and/or time limits of two years or more for non-disabled, non-elderly adults ages 18 to 61.
- PHAs and Owners can designate who within a household is subject to the work requirements and how to apply the work requirements. Importantly, PHAs and Owners that implement work requirements and/or time limits will be required to offer supportive services to facilitate self-sufficiency, to assist individuals in fulfilling policy requirements.



WORK AND DIGNITY COALITION

- Rooted in a simple principle; housing assistance was never intended to be a lifetime benefit for work-able individuals, rather it should be temporary and help launch recipients into a life of self-sufficiency.
- Nearly 50 percent of non-elderly, non-disabled HUD-assisted households reported zero earnings in 2024.
- Evidence shows that nearly 90 percent of able-bodied Section 8 voucher recipients will spend more than five years on subsidized housing, and half will spend more than fifteen years.
- Simultaneously, millions of American families remain on waiting lists across the country.



WORK AND DIGNITY COALITION

Launch of the Work and Dignity Coalition

- Bringing together PHAs and partners committed to promoting work, accountability, and economic independence.
- This coalition is designed to
 - Recognize and elevate agencies already leading in this space
 - Create a network for sharing best practices
 - Support PHAs interested in implementing work-focused policies
 - Demonstrate, at scale, that these approaches are effective



Foster Youth to Independence



FOSTER YOUTH TO INDEPENDENCE

- The Foster Youth to Independence (FYI) initiative is about ensuring that a young person's first steps into adulthood are grounded in security, dignity, and possibility.
- The program offers housing vouchers to local public housing authorities (PHAs) for young adults under the age of 25 who have aged out of the foster care system.
- President Donald J. Trump signed the Fostering the Future for American Children and Families Executive Order.
- Buy-in and support from child welfare agencies, localities, public housing authorities, faith-based organizations, and nonprofit service providers are vital to making this program a success.
- Important that local leaders connect youth to the FYI program, encourage public housing authorities in their community to participate, and assist in connecting those agencies with supportive services available to young adults in New Mexico.



Housing Affordability

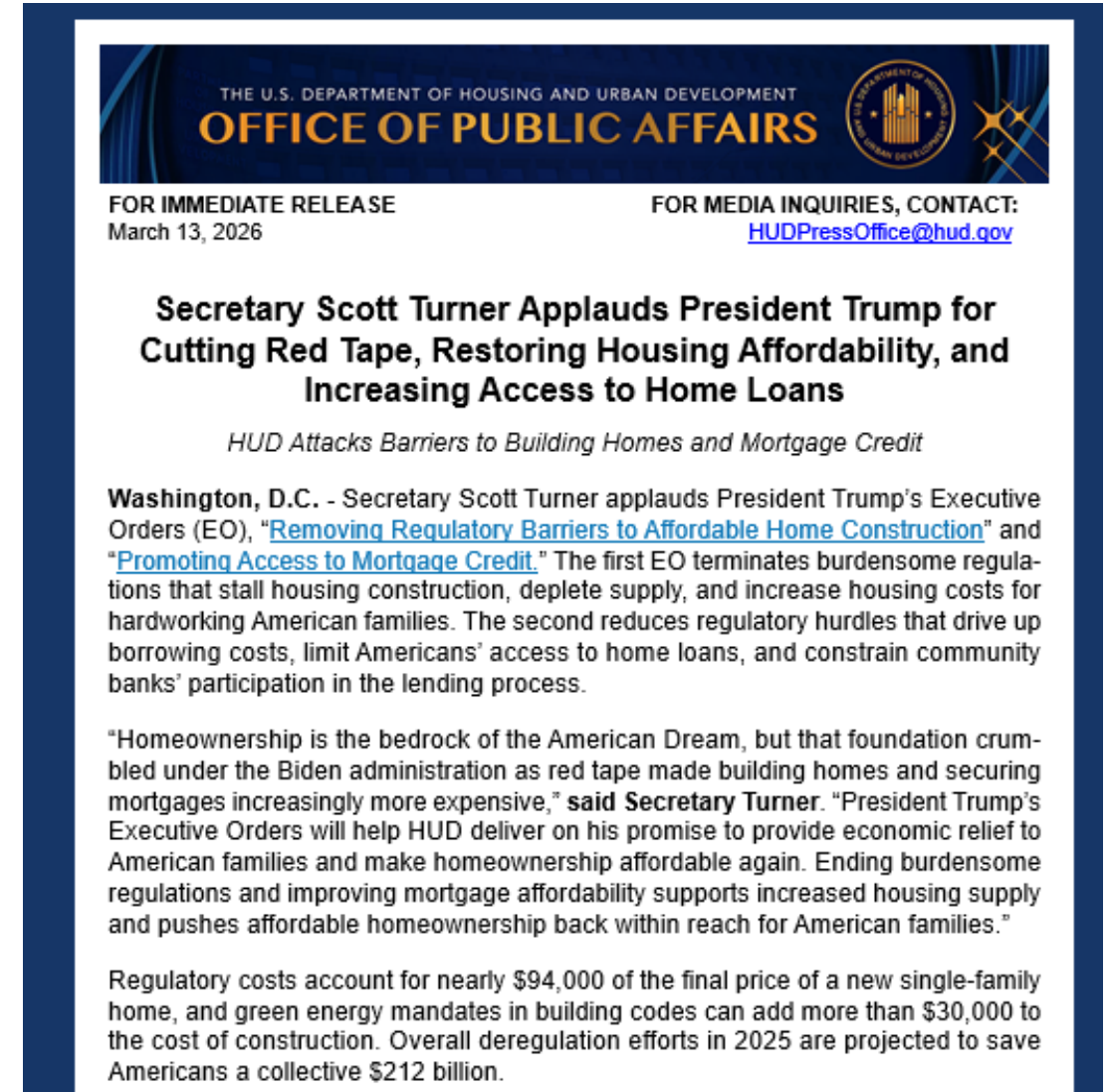


HOUSING AFFORDABILITY: WHITE HOUSE EXECUTIVE ORDER



The screenshot shows the White House website's header with navigation links: MENU, THE WHITE HOUSE WASHINGTON, SEARCH, EWS, GALLERY, LIVESTREAM, INVESTMENTS, SAVE AMERICA, WH WIRE, and CONTACT. The main content area features the Presidential Seal and the text: PRESIDENTIAL ACTIONS, REMOVING REGULATORY BARRIERS TO AFFORDABLE HOME CONSTRUCTION, Executive Orders | March 13, 2026. Below the header, the text reads: "By the authority vested in me as President by the Constitution and the laws of the United States of America, it is hereby ordered:" followed by Section 1. Purpose: "The American dream of homeownership depends on a dynamic housing market in which a varied inventory of new homes is built and renovated each year. Layers of unnecessary regulatory barriers, slow permitting processes, and onerous mandates at all levels of government have delayed construction, restricted development, and driven up the costs of new housing. These constraints have made housing less affordable for many Americans."

[“Removing Regulatory Barriers to Affordable Home Construction”](#) and [“Promoting Access to Mortgage Credit.”](#)



The graphic features the HUD Office of Public Affairs logo and the text: THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT OFFICE OF PUBLIC AFFAIRS. It includes the release date: FOR IMMEDIATE RELEASE March 13, 2026, and contact information: FOR MEDIA INQUIRIES, CONTACT: HUDPressOffice@hud.gov. The title is: Secretary Scott Turner Applauds President Trump for Cutting Red Tape, Restoring Housing Affordability, and Increasing Access to Home Loans. The subtitle is: HUD Attacks Barriers to Building Homes and Mortgage Credit. The main text reads: "Washington, D.C. - Secretary Scott Turner applauds President Trump's Executive Orders (EO), [“Removing Regulatory Barriers to Affordable Home Construction”](#) and [“Promoting Access to Mortgage Credit.”](#) The first EO terminates burdensome regulations that stall housing construction, deplete supply, and increase housing costs for hardworking American families. The second reduces regulatory hurdles that drive up borrowing costs, limit Americans' access to home loans, and constrain community banks' participation in the lending process." A quote follows: "Homeownership is the bedrock of the American Dream, but that foundation crumbled under the Biden administration as red tape made building homes and securing mortgages increasingly more expensive," said Secretary Turner. "President Trump's Executive Orders will help HUD deliver on his promise to provide economic relief to American families and make homeownership affordable again. Ending burdensome regulations and improving mortgage affordability supports increased housing supply and pushes affordable homeownership back within reach for American families." The final paragraph states: "Regulatory costs account for nearly \$94,000 of the final price of a new single-family home, and green energy mandates in building codes can add more than \$30,000 to the cost of construction. Overall deregulation efforts in 2025 are projected to save Americans a collective \$212 billion."

HOUSING AFFORDABILITY: WHITE HOUSE EXECUTIVE ORDER

[Sec. 5. Facilitating New Residential Construction in Opportunity Zones.](#)

(a) The Secretary of the Treasury and the Secretary of Housing and Urban Development shall jointly evaluate Administration actions to better align programs and incentives with the Opportunity Zone tax incentives to expand investment in single-family home construction, including considering lawful mechanisms to link grants, financing tools, or other incentives with new or increased investment in Qualified Opportunity Funds engaged in the development and sale of single-family homes.

(b) The Secretary of the Treasury and the Secretary of Housing and Urban Development shall also assess opportunities to coordinate the Opportunity Zone incentives described in subsection (a) of this section with the New Markets Tax Credit under 26 U.S.C. 45D to promote single-family home construction in census tracts that qualify both as Qualified Opportunity Zones and as low-income communities for the purposes of the New Markets Tax Credit.



HOUSING AFFORDABILITY: WHITE HOUSE EXECUTIVE ORDER

- **Supporting One Million Homebuyers:** HUD directly supported homeownership for more than one million Americans, including more than half a million first-time homebuyers.
- **Banning Large Institutional Investors:** People live in homes, not corporations
- **Lowering Borrowing Costs:** Affordability depends on efficient financing.

Mortgage Rates:

- The typical mortgage payment is down overall from this time last year.
- Lower mortgage rates have helped improve buying power by about \$30,000 for a median-income household over the past year.
- The President's recent EOs demonstrate the administrations commitment to taking a **whole-of-government approach** to address affordability while keeping our **nation safe**.

HOUSING AFFORDABILITY: WHITE HOUSE EXECUTIVE ORDER

- **Removing Regulatory Barriers to Affordable Home Construction**
 - Directs agencies to rescind regulations that stall affordable housing construction/increase costs.
 - Provides incentives to state/local governments to adopt practices that speed up permitting, curtail “green” building codes, and reduce costly building mandates.
 - Encourages new home construction by aligning OZ incentives with single-family home development and New Markets Tax Credit programs.
- **Promoting Access to Mortgage Credit**
 - Cutting red tape that has reduced community banks’ participation in mortgage lending, limited competition among lenders that would lower mortgage rates, and made home loans harder to obtain for rural, low- and moderate-income, and first-time buyers.

HOUSING AFFORDABILITY: HUD RECENT ANNOUNCEMENTS

- **Secretary Turner Released Best Practices Report**
 - Encouraging local governments to cut costs, unlock more land and save time
- **HUD Announced Updates to Environmental Review Requirements for Multifamily Housing**
 - Streamline outdated and burdensome requirements for lenders and developers seeking FHA-insured financing

HOUSING AFFORDABILITY: HUD RECENT ANNOUNCEMENTS

- **New Federal Housing Administration Single Family Policy Changes**
 - Remove barriers and expand homeownership opportunities by:
 - Streamlining Appraisal Field Review Requirements
 - Expanding Flexibility under the Limited 203(k) Rehabilitation Mortgage Insurance Program
 - Modernizing FHA Mortgagee Approval and Quality Control
 - Eliminating the Duplicative Requirement for Lenders to Use the Important Notice to Homebuyers Form 92900-B
 - Clarifying Loss Mitigation Requirements Governing Trial Payment Plans

HOUSING AFFORDABILITY: HUD RECENT ANNOUNCEMENTS

- **HUD Proposal Would Spark Manufactured Home Innovation & Increase Supply**
 - Published a [proposed rule](#) in the *Federal Register* that would update the definition of a manufactured home and support innovative opportunities for multi-story manufactured housing. Under the proposed rule, the new definition of a manufactured home, as noted in the Manufactured Home Construction and Safety Standards, commonly known as the HUD Code, would allow upper floor sections to be transported and constructed without a permanent chassis.

HOUSING AFFORDABILITY: HUD RECENT ANNOUNCEMENTS

- **FY 26 Pathways to Removing Obstacles Housing (PRO Housing) Notice Of Funding Opportunity (NOFO)**
 - The application deadline is August 3, 2026 at 11:59:59pm ET
 - HUD's PRO Housing program rewards communities that have taken steps to remove regulatory barriers to building and preserving homes by providing funding to further expand affordable housing, particularly homeownership opportunities and housing located in Opportunity Zones and rural communities.
 - HUD is issuing this Fiscal Year 2026 (FY26) PRO Housing NOFO under the authority of the Consolidated Appropriations Act, 2026, which provided \$50 million for competitive grant funding for state and local governments, metropolitan planning organizations (MPOs), and multijurisdictional entities. The Appropriations Act requires HUD to award grants using the Community Development Block Grant (CDBG) framework.