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The Las Cruces Model: (a Case Study in Public-Private Solutions to Housing and Homelessness)

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Background- Public Private Partnerships

Homelessness and housing shortages continue to impact many New Mexicans. Although the Legislature invested more than \$700 million for housing in the last five fiscal years, systems are lagging for strategically targeting funds, coordinating housing development and construction, and measuring the impact and results.

The City of Las Cruces is an example of how public-private partnerships have enabled a stronger approach to housing and homelessness issues. The city's role in purchasing and developing property for nonprofit organizations and allowing them to operate independently has developed an operational model resulting in improved operations and outcomes.

The "Las Cruces Model"

The "Las Cruces Model," memorialized by the Thornburg Foundation, demonstrates how public-private partnerships between the city and nonprofit organizations have effectively delivered services to the populations they have served for over 30 years.

- The city's support has enabled five nonprofit alliance organizations to collaboratively address multiple housing, health, and food security issues. The city owns the main campus where the organizations are housed, but each organization is independently run. Beginning in 2025, the alliance organizations are no longer required to pay rent to the city, as long as their public service is monetarily equal to the market rental value.
- By keeping the organizations separate, each nonprofit can produce its own revenue and produce high-quality services. This has enabled the campus to create a holistic approach to housing insecurity services including a soup kitchen, a family shelter, a health center, and early childhood education services.
- Though each operation is run separately with its own board of directors, centralized leadership from the Mesilla Valley Community of Hope and strong collaboration allow the

group to unify as a singular aligned entity. The aggregate annual budget of all five organizations is \$13 million.

- The City of Las Cruces has developed a sustained public-private partnership with nonprofit service providers to deliver services to unhoused individuals. Under this arrangement, alliance organizations operate with minimal or no rental costs, while the city benefits from a reduced administrative burden they would otherwise bear in directly operating these services. The city delegates operations and programming for wraparound services to the nonprofit organizations.
- The city also supplements funding for health-related public services provided by the nonprofit organizations. The city has additionally supported these organizations by securing substantial federal and state housing grants.
- Further, the city used regulatory and zoning tools to enable service delivery and expansion. The city applied planned unit development (PUD) flexible zoning designations to alliance organization sites, with subsequent boundary expansion to accommodate growth. The city adopted a revised development code to expand allowable residential development for affordable housing, removing several administrative zoning barriers that had previously constrained project delivery.

Community of Hope Campus Operations

Initiating a centralized campus in Las Cruces to provide wraparound services to people experiencing homelessness began in 1991. Today, Community of Hope is a 12-acre operation with five buildings that house multiple nonprofit organizations.

- Mesilla Vally Community of Hope is the largest partner organization on the campus and provides a day and night shelter, case management, tent shelters, and operates the Mano y Mano day labor programs which help unhoused individuals gain employment.
- Amador Health Center provides primary care, behavioral health services, substance use disorder treatment, pharmaceutical services, and dental services to any child or adult without enrollment restrictions.
- Casa de Peregrinos is a food bank located on the Community of Hope campus that serves over 37 thousand individuals a year. Casa de Peregrinos also operates a mobile food panty for food insecure families thought Doña Ana County.



Photo: Mesilla Vally Community of Hope

- El Caldito soup kitchen serves hot meals six days a week and offers take-away lunches on Saturdays. The soup kitchen serves about 150 thousand individuals annually.
- Jardin de los Niños is an early childhood education program located on the Community of Hope campus that offers after school programming and day care for any child six weeks to 10 years of age.

Amador Crossing Supportive Housing Project

- Las Cruces, in partnership with Mesilla Valley Community of Hope, has served as the developer and owner of the Amador Crossing project, a 50-unit supportive housing program with services provided by Mesilla Valley Community of Hope.
- The project will serve individuals and families experiencing or at risk of homelessness, individuals with severe mental illnesses, and low-income families earning between 50 percent and 80 percent of the area's median income.
- Rents on the units will be capped/set at the federal fair market rent amounts, not open market rates. The fair market rent in Las Cruces is \$975 a month for a one-bedroom unit.
- The city indicates the revenue generated from rents will help fund property management, operating costs including capital reserves and on-site case management services.
- The city secured over \$16 million in state and local funding and reports the project's construction is fully funded, and supportive services are partially funded. The city is currently seeking a grant to cover solar panels and battery and generators to supply backup power.
- In August 2026, the Las Cruces city council appointed High Desert Housing to manage the Amador Crossing development. High Desert Housing will receive up to \$50 thousand annually to manage the Amador Crossing supportive housing development.

Amador Crossing Sources of Funding

(in millions of dollars)

Funding Source	Amount
FY24-25 Capital Outlay	\$6.7
City Funding	\$4.0
Housing New Mexico	\$3.5
Office of Housing	\$2.0
Total	\$16.2

Source: City of Las Cruces