

# Housing New Mexico MFA

Planning, Zoning &  
Administrative Efficiencies to  
Advance Housing  
Development

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# Advancing Housing Development

## Subsidy

Federal

State

Local

## Planning & Zoning Modernization

Increasing or incentivizing diverse housing options, density, and new construction.

## Administrative Efficiencies

Streamlining administrative processes, including permitting and approvals.



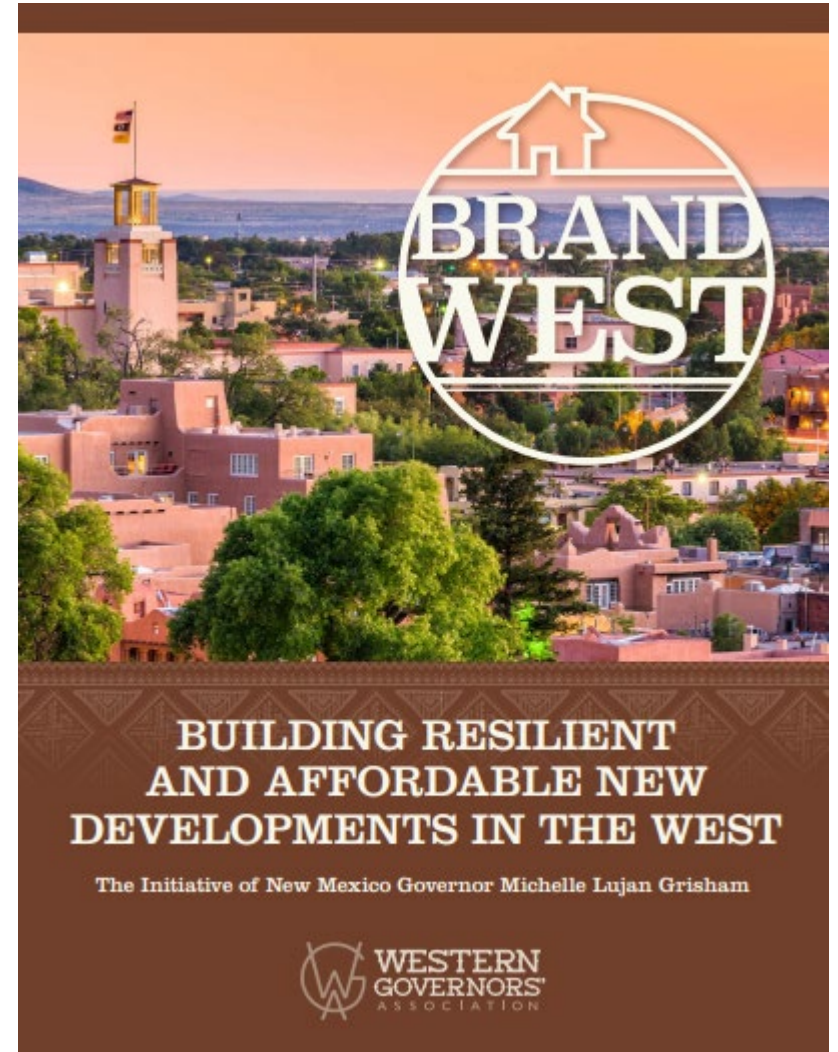
Housing New Mexico staff at the groundbreaking for Somos Apartments, a 59-unit development in Albuquerque, New Mexico. Housing New Mexico provided \$17.8 million in financing to the project.

# Bi-Partisan Consensus

Gov. Michelle Lujan Grisham, joined by leaders from other western states, published a report in June titled “**Building Resilient and Affordable New Developments in the West**,” that proposes government solutions to make housing more affordable across the region.

The “BRAND” report findings are consistent with the recommendations proposed in the “**New Mexico Housing Strategy**,” including:

- Take state policy action to boost residential construction workforce, such as partnerships with technical education and training providers, streamlined licensing.
- Advocate for concrete changes to state law to reduce regulatory barriers to housing development.
- Streamline the local and state residential inspection processes to make the system more efficient, practical, and timely.





# Planning & Zoning Modernization Strategies

## Promote Density and Diverse Options

- Allow accessory dwelling units (ADUs), duplexes, triplexes or fourplexes in areas historically limited to single-unit dwellings.
- Allow multi-unit dwellings in areas historically limited to triplexes or fourplexes.
- Allow multi-unit dwellings or mixed-use developments in areas zoned for office, retail, or commercial uses, as well as in transit, employment, and commercial areas, or other population centers.
- Eliminate or reduce off-street parking, minimum lot size, setback, building height limits, and aesthetic requirements.



Housing New Mexico staff and partners at the ribbon cutting for Vista de Socorro, a 32-unit development in Socorro, New Mexico. Housing New Mexico provided \$3.8 million in financing to the project.

# Encouraging “Middle Housing”

The term “middle housing” refers to housing that is between single-family homes and larger apartment buildings. Middle housing can include duplexes, triplexes, fourplexes, townhouses, cottage clusters, accessory dwelling units (ADUs), courtyard apartments, and other similar housing.

Beyond expanding housing options in neighborhoods, middle housing has many advantages:

- Provides options that are accessible to both renters and owners at more income levels;
- Has a scale and appearance that can fit in well within neighborhoods
- Helps meet the needs of a more diverse and inclusive cross-section of the community;
- provides choices for households of different age, size, and income
- Supports walkable neighborhoods.



East Paraje Townhomes, a 20-unit development in Laguna Pueblo, New Mexico. Housing New Mexico provided \$9.3 million in financing to the project.



## Streamlining Permitting & Approvals

- Eliminate or reduce impact fees for housing development projects.
- Improve review times, including through the use of third-party contractors.
- Improve permitting efficiency through technology solutions.
- Allow public comment on zoning and land use plans rather than specific developments.
- Improve technical resources so that the public can better understand policy and processes.



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.

# Local Government Action – Las Cruces

After 4 years of extensive planning and public engagement, in February 2025, the City of Las Cruces adopted “Realize Las Cruces,” a comprehensive update to its development code.

## Planning & Zoning Modernization

- Allows for multi-unit dwellings in all neighborhood zoning districts, up to 16 dwelling units per acre.
- Increases density in the urban core from 20 dwelling units per acre to 60 dwelling units per acre.
- Allows for multi-unit and/or mixed-use developments in commercial retail zones, and along the mixed-use corridors, neighborhood centers, and town centers.
- Allows for ADUs in all neighborhood districts.
- Removes minimum lot size for more flexibility within density and lot width regulations.
- Allows tiny houses in any neighborhood districts, only imposing a minimum lot width.
- Reduces setbacks in all zoning districts, while maintaining minimum separation between buildings on adjacent lots.

## Administrative Efficiencies

- City staff updated a technical manual.
- City staff maintain inspections and provides results within 48 hours.
- The City is exploring ways to streamline the permitting process by altering the current online permitting software.



A mural adorns Three Sisters Apartments in Las Cruces, New Mexico, a 70-unit affordable housing development that opened its doors in May 2025. Housing New Mexico provided \$16.8 million in financing to the project.



# Local Government Action – City of Albuquerque

## 2017

- Upzoned most Corridors to mixed-use zoning.
- Eliminated most aesthetic/material requirements.
- Reduced set-backs and minimum house size.

## 2022

- Attempted to eliminate parking minimums for workforce housing, but Council did not pass.
- Attempted to allow for at least a duplex where a single-unit dwelling is permitted, but Council did not pass.
- Attempted to eliminate building height limits for multi-family, but Council did not pass.
- Allowed detached ADUs citywide.

## 2025

- Multi unit dwellings allowed within ¼ mile of Premium Transit and Main Street Corridors
- Eliminated building height limits for multi-family within ¼ mile of Premium Transit and Main Street corridors.



Housing New Mexico staff and partners at the groundbreaking for Farolito Senior Community, a 72-unit development in Albuquerque, New Mexico. Housing New Mexico provided \$16.2 million in financing to the project.



## Fall 2025

- Will propose eliminating parking minimums for housing in Corridors and requiring 1 parking space per dwelling for workforce housing citywide.
- Will propose to increase building height limits in all Corridors.
- Will propose other up-zoning initiatives.

## Administrative Efficiencies

- Expedited review to all housing within ¼ mile of Corridors.
- Low impact fees
- Free ADU plan sets that are pre-approved.
- “FastTrax” review since 2012, which is an option to pay for an expedited review through a 3rd party contractor.
- In 2025, the City implemented ABQ-PLAN, new case tracking software that will eventually help with permitting efficiency. Council is currently considering providing additional funds to help with other efficiency improvements.



A home built by Greater Albuquerque Habitat for Humanity in southeast Albuquerque, New Mexico. This development was awarded \$674,682 through the New Mexico Affordable Housing State Tax Credit Program.

# What can the State do? Oregon Case Study

## House Bill 2001

- Oregon's House Bill 2001 (2019) required cities with 10,000+ population to allow duplexes in all areas where single-family homes are permitted and required cities with 25,000+ population must allow triplexes, fourplexes, and cottage clusters in single-family zones.
- Cities with 10,000+ population had two years to implement the changes and those with 25,000+ population had three years.
- If a city fails to adopt compliant development codes by the designated deadlines, the state's model code will automatically come into effect, preempting any existing local regulations for middle housing development.
- The bill also provided \$3.5 million for technical assistance to cities to implement the changes.



For-sale town homes in Portland, Oregon built after the passage of House Bill 2001



# What can the State do? Oregon Case Study

## The Approach

- Started by passing smaller bills to create political momentum and build large advocacy coalitions.
- Encouraged choice and focused on goals, rather than mandating action, and generating buy-in from local leaders by creating shared responsibility.
- Built a broad coalition of supporters with a strong reputation and credibility on the issue at both the state and local level.
- Ensured that local governments will receive the necessary support from the state to implement the legislation through funding, technical support, or both.

## Outcomes

- Resultingly, in Portland, Oregon's largest city, middle housing (duplexes etc..) is now the most prominent housing type being built in single-dwelling zones.
- Middle housing production has resulted in more affordable homeownership opportunities, with the average sales price of a new market-rate middle-housing unit \$250,000 to \$300,000 less than that of a new market-rate single detached house, mostly due to size.

# What can the State do? Montana Case Study

## “Montana Miracle”

- Senate Bill 382 – Land Use Planning Act requires cities of a certain size to adopt a selection of pro-housing policies.
- Senate Bill 245 – Zoning Near Transit and Job Centers mandates that cities of a certain size increase infill and density through upzoning.
- Senate Bill 323 – Parking Reform prohibits cities of a certain size from imposing minimum parking requirements for residential or mixed-use developments in many areas.



Infill development in Bozeman, Montana.



# What can the State do? Montana Case Study

## The Approach

- Focused advocacy on a “values argument” - Since housing development is highly restricted in the city boundaries, it will inevitably get pushed outward in to treasured open spaces without a change to regulation.
- Created a diverse coalition, including the Montana League of Cities and Towns, industry groups, homebuilders, student associations, tribal nations, local chambers of commerce, affordability advocates, environmental activists, and conservative organizations.
- Drew on data that demonstrated how strict local zoning regulations were contributing to Montana’s severe housing crisis.

## Outcomes

- Impacted cities have until May 2026 to update their land use codes, many of which are in the process of doing so.
- The Montana Miracle has been challenged in court by an association of homeowners who favor single-family residences, which claimed laws that increase the number of people able to live in a geographic space are unconstitutional. A state trial judge largely rejected the claims; an appeal is likely.

# Resources on Pro-Housing State Policy

- Pew: Restrictive Regulations Fuel New Mexico's Housing Shortage (January 2025)
  - <https://www.pew.org/en/research-and-analysis/articles/2025/01/21/restrictive-regulations-fuel-new-mexicos-housing-shortage>
- Governing: Most Western States Have Eased Zoning Rules to Promote Housing, New Mexico Stand Out as an Exception (February 2025)
  - <https://www.governing.com/urban/most-western-states-have-eased-zoning-rules-to-promote-housing>
- Metro Abundance: Three Lessons for Pro-Housing Reformers from the 'Montana Miracle' (October 2024)
  - <https://www.metroabundance.org/three-lessons-for-pro-housing-reformers-from-the-montana-miracle/>
- Urban Institute: Oregon Expanded Its Housing Options. How Can Other States Follow Suit? (November 2023)
  - <https://www.urban.org/urban-wire/oregon-expanded-its-housing-options-how-can-other-states-follow-suit>
- City of Portland: Portland sees significant production in middle housing resulting from recently adopted zoning changes (February 2025)
  - <https://www.portland.gov/bps/planning/rip2/news/2025/2/4/portland-sees-significant-production-middle-housing-resulting>



# Questions?

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*We Are Housing New Mexico*