



New Mexico Housing Trust Fund

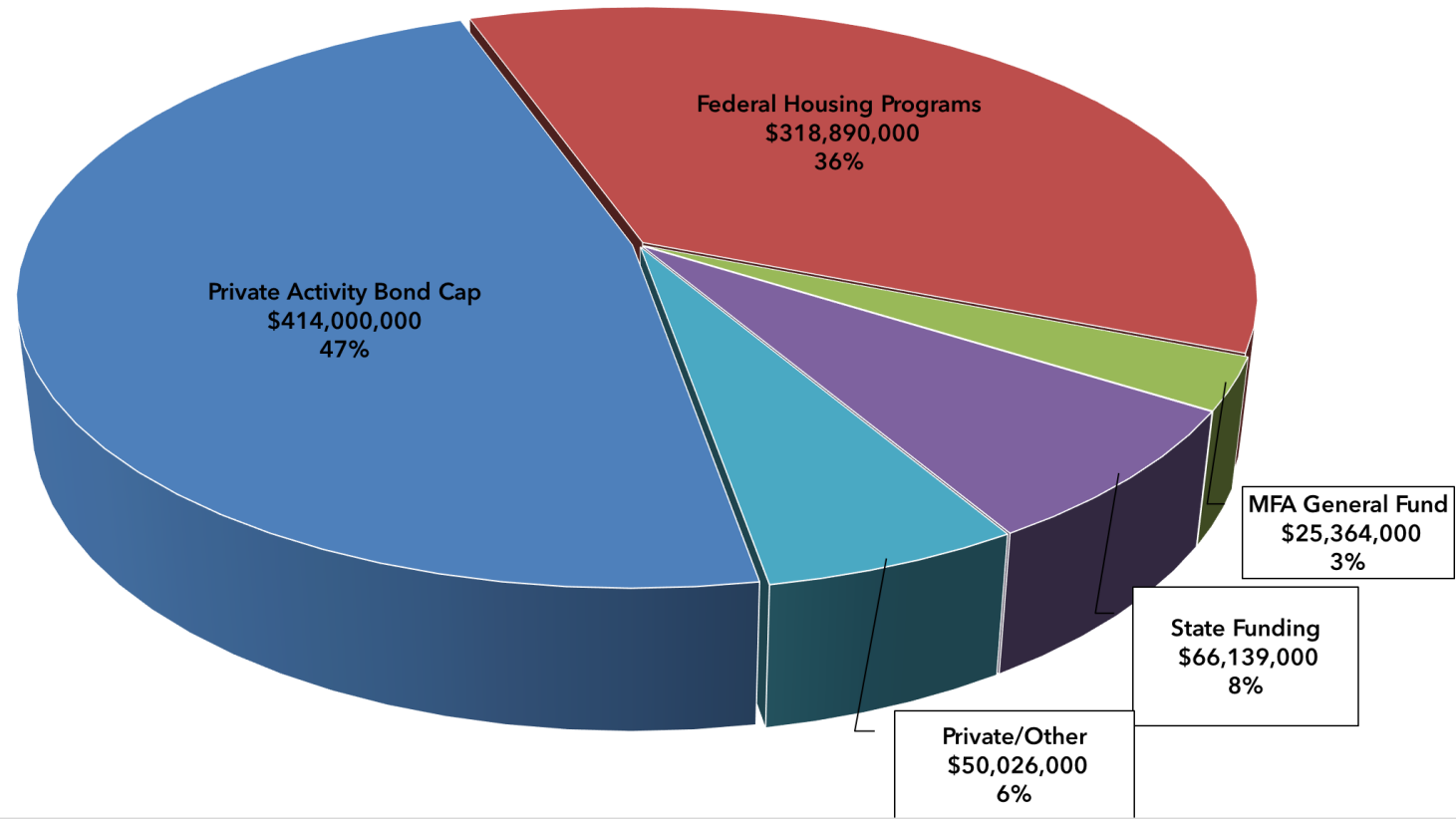
Program and Planning Update

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MFA's Resources

MFA leads the state in affordable housing production and programs by drawing on a diverse portfolio of resources, including private activity bond capacity, federal housing programs, MFA general fund, state funding, and private sources. **The NMHTF currently accounts for 8% of MFA's resources.**



Production Metrics

| Impact Area | Housing Continuum Segment | YTD Total Production | | YTD New Mexico Housing Trust Fund Production | |
|----------------------|---------------------------|----------------------|--------------|--|--------------|
| | | Units/Households | Expenditures | Units/Households | Expenditures |
| | Homelessness | 5,252 | \$5,463,389 | | |
| | Linkages | 327 | \$2,921,347 | | |
| Production | Rental Development | 936 | \$12,595,533 | 137 | \$2,325,000 |
| Preservation | Homeowners | 2,410 | \$29,303,533 | 159 | \$514,668 |
| Homeownership | Homeownership | 1,280 | \$10,402,570 | 372 | \$7,987,731 |

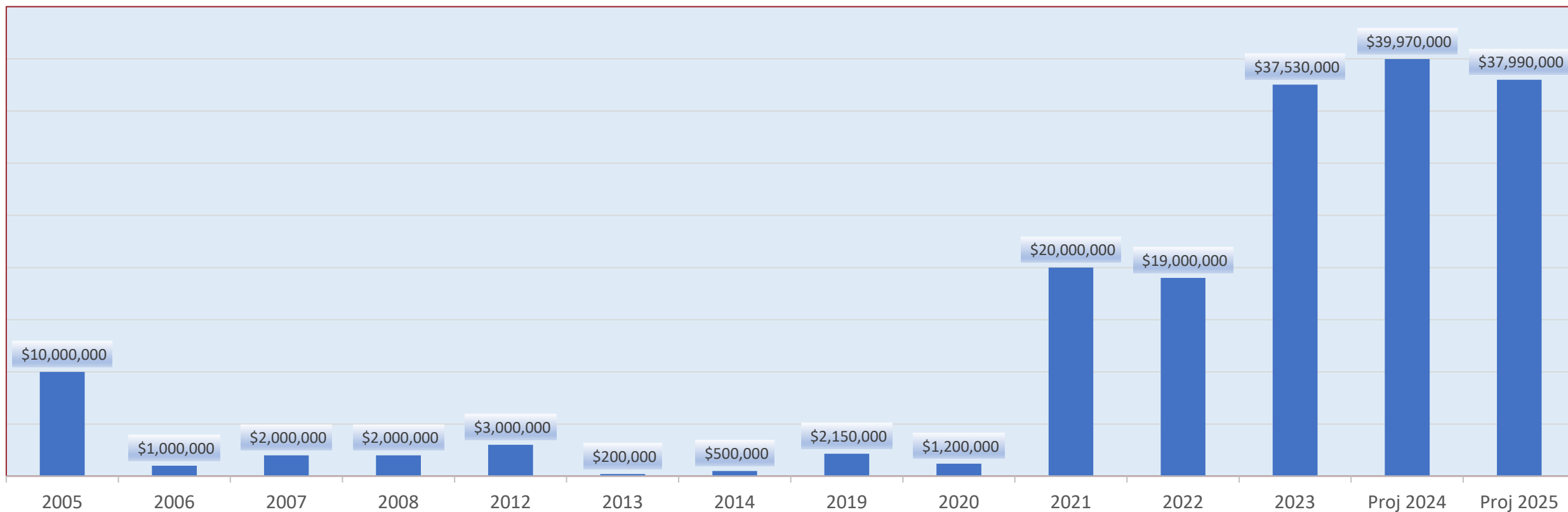
Economic Impact of
284 new construction
units

\$33,208,120 direct and
indirect impact during
construction

454 jobs created with
125 local long-term
jobs

State Appropriations

State Appropriations to the New Mexico Housing Trust Fund





Update on Recent One Time Appropriations (2021-2023)

| Certified Use | State Capital Outlay (21-F5028) | | State Capital Outlay (21-F2406) | | State Capital Outlay (22-G2445) | | Coronavirus State and Local Fiscal Recovery Fund I (21-F3513) | | Coronavirus State and Local Fiscal Recovery Fund II (22-G1019) | | Anticipated Impact (Units/HseHolds) |
|---|---------------------------------|----------------|---------------------------------|----------------|---------------------------------|--------------|---|----------------|--|----------------|-------------------------------------|
| | Allocation | Expenditures | Allocation | Expenditures | Allocation | Expenditures | Allocation | Expenditures | Allocation | Expenditures | |
| Homelessness/Transitional | | | | | | | \$2,900,000.00 | \$- | | | 54 |
| Down payment assistance | | | | | | | | | \$7,575,000.00 | \$7,445,246.29 | 372 |
| Single family emergency repairs, accessibility, energy efficiency improvements and rehabilitation | | | | | \$892,547.55 | \$709,936.25 | \$4,823,053.00 | \$669,069.45 | | | 779 |
| Rental and single-family development | \$2,000,000.00 | \$2,000,000.00 | \$3,000,000.00 | \$2,950,000.00 | \$8,107,452.45 | \$- | \$6,929,973.00 | \$1,800,000.00 | \$2,000,000.00 | \$- | 1584 |
| Administrative Expenses | | | | | | | \$346,974.00 | \$25,252.98 | \$425,000.00 | \$44,993.31 | - |
| Total | \$2,000,000.00 | \$2,000,000.00 | \$3,000,000.00 | \$2,950,000.00 | \$9,000,000 | \$709,936.25 | \$15,000,000.00 | \$2,494,322.43 | \$10,000,000.00 | \$7,490,239.60 | 2,789 |

Leverage of State Investment

Housing Development

| |
|--|
| State Investment \$79.2 million |
| Leverage Obtained \$879 million |
| 11 to 1 Return on Investment |
| 5,366 units built or rehabilitated |

Homeownership

| |
|--|
| State Investment \$8.0 million |
| Leverage Obtained \$63 million |
| 8 to 1 Return on Investment |
| 372 households made homeowners |

Weatherization and Rehab

| |
|---|
| State Investment \$1.3 million |
| Leverage Obtained \$14 million |
| 14 to 1 Return on Investment |
| 754 units weatherized 79 units received emergency repairs |

Recurring Funding

Senate Bill 134 (2022 Regular Session)

- Allocates 2.5% of severance tax bond capacity to the NMHTF.
- Requires MFA to certify uses to State Board of Finance.
- Requires that any unexpended balances revert to the severance tax bonding fund within one year of project completion and that unencumbered balances revert within three years of bond issuance.

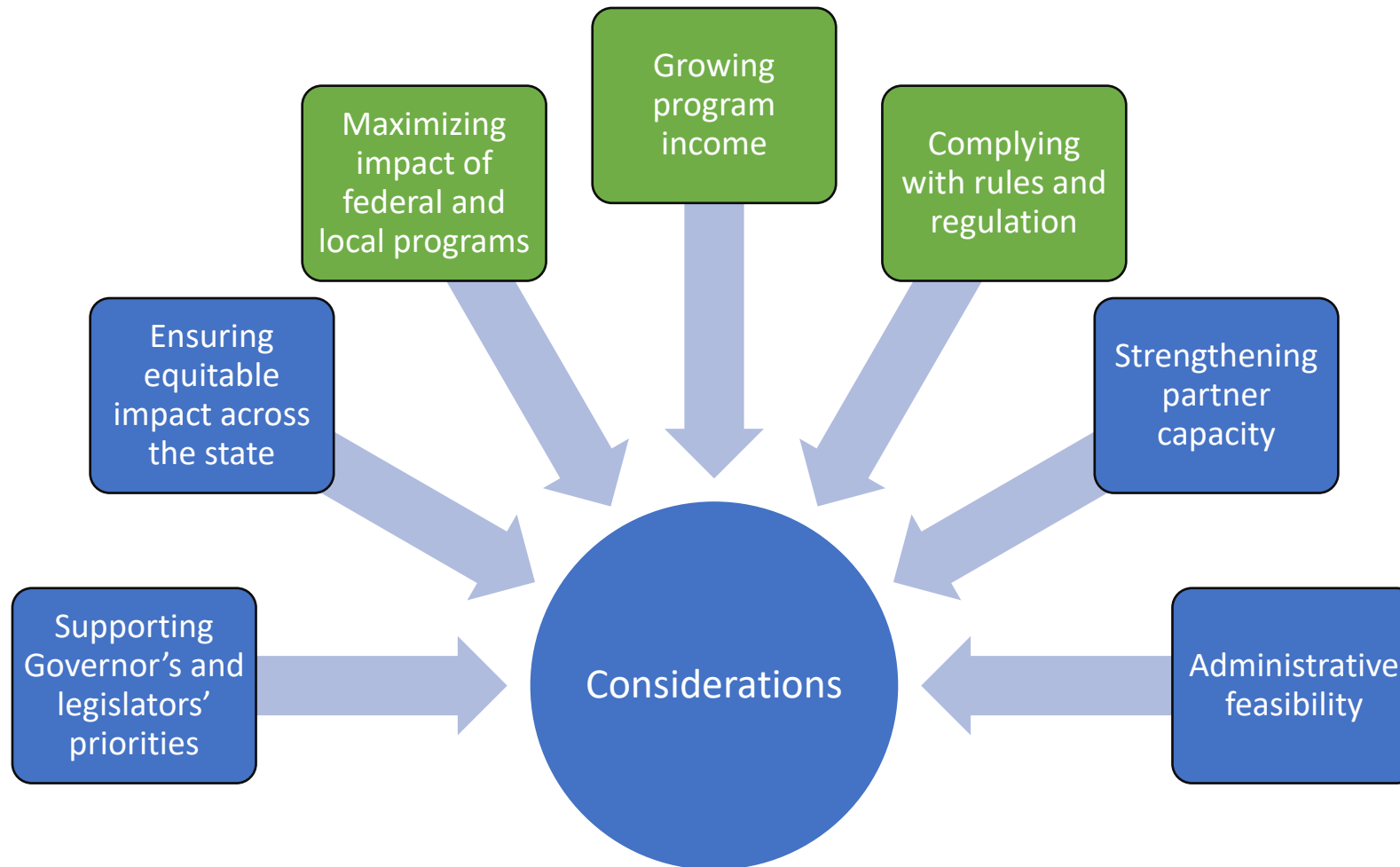
Senate Bill 381 (2023 Regular Session)

- Advanced the funding start date from state fiscal year 2024 to state fiscal year 2023.

Appropriation Amounts

- SFY 2024: \$37.53 million
- Projected SFY 2025: \$39.97 million
- Projected SFY 2026: \$37.99 million

Strategic Considerations



Strategic Framework

Housing New Mexico: A Call to Action

- **Producing housing** across the income continuum.
- **Preserving and improving existing affordable housing**, both privately and publicly owned, and **redeveloping** underutilized and vacant properties to increase supply and catalyze economic development.
- **Building homeownership opportunities** to retain the state's high homeownership rate, especially among low and moderate income, and racially and ethnically diverse, households.

Find the complete NM Strategy at <https://housingnm.org/the-new-mexico-housing-strategy> or scan the QR code:



Plan to Expend Recurring Funding

Production

\$19.63M (52%)

Gap Financing Loans

Primero

Single Family Development
Grant Program

Housing Innovation

Preservation & Redevelopment

\$6 M (16%)

Single-Family Rehab

Weatherization

Preservation Loan Fund

Restoring Our Communities

Homeownership

\$11.9 (32%)

40-Year Loan Modification

Down Payment Assistance

| Certified Use | Certified Use Allocation | Activity | Activity Allocation |
|---|--------------------------|---------------------------|---------------------|
| Down payment assistance | \$8,500,000 | TBD | \$8,500,000 |
| First mortgage; Affordable homeownership loan purchase | \$3,400,000 | 40-Year Loan Modification | \$3,400,000 |
| Single family emergency repairs, accessibility, energy efficiency improvements and rehabilitation | \$1,500,000 | Single-Family Rehab | \$1,000,000 |
| | | Weatherization | \$500,000 |
| Single family acquisition and rehabilitation | \$2,000,000 | Restoring Our Communities | \$2,000,000 |
| Rental and single-family development | \$22,130,000 | Gap Financing Loans | \$8,630,000 |
| | | Preservation Loans | \$2,500,000 |
| | | Primero | \$3,000,000 |
| | | Single Family Development | \$3,000,000 |
| | | Housing Innovation | \$5,000,000 |
| Total SFY 2024 Allocation | \$37,530,000 | | \$37,530,000 |

Impact of MFA Programs

Production

Additional appropriations have allowed MFA to continue to lead the state in affordable housing unit production, despite high-cost market conditions. Over the last five year per unit cost have increased 43% for new construction and 56% for acquisition rehab.

The increase in available NMHTF has supported MFA in achieving historic uses of the of the 4% Low Income Housing Tax Credit(LIHTC) program. 2023 4% LIHTC projects are projected to yield more than 700 units, 540 of which are new construction.

Preservation & Redevelopment

MFA is using additional funding to expand the Department of Energy Weatherization to service more Tribal areas.

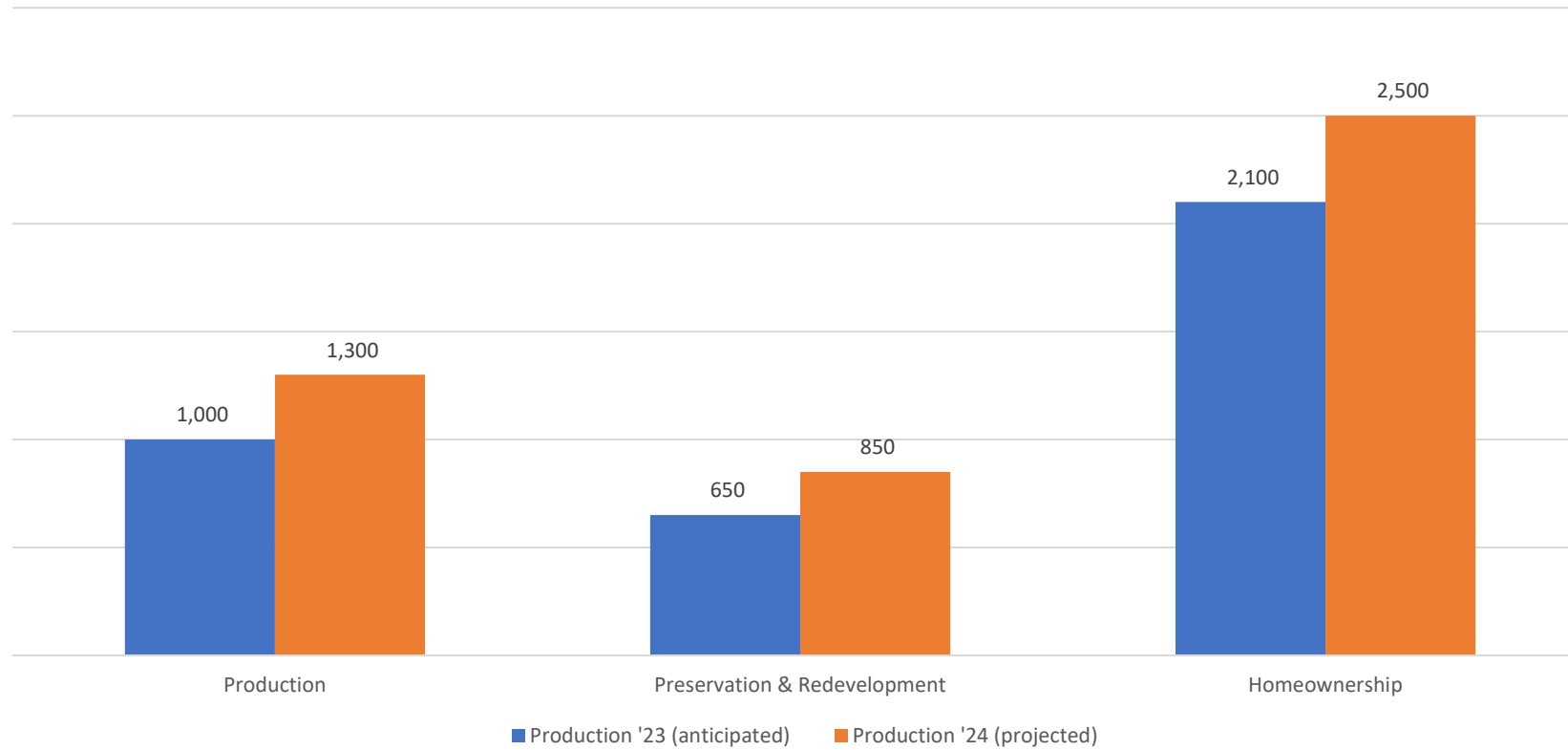
The flexible funding has enabled MFA to develop the Restoring Our Communities program, an acquisition/rehabilitation/resale initiative aimed at taking advantage of vacant properties for the purpose of revitalization.

Homeownership

MFA will increase funding to expand homeownership opportunities to low- and moderate-income households through deeper downpayment assistance.

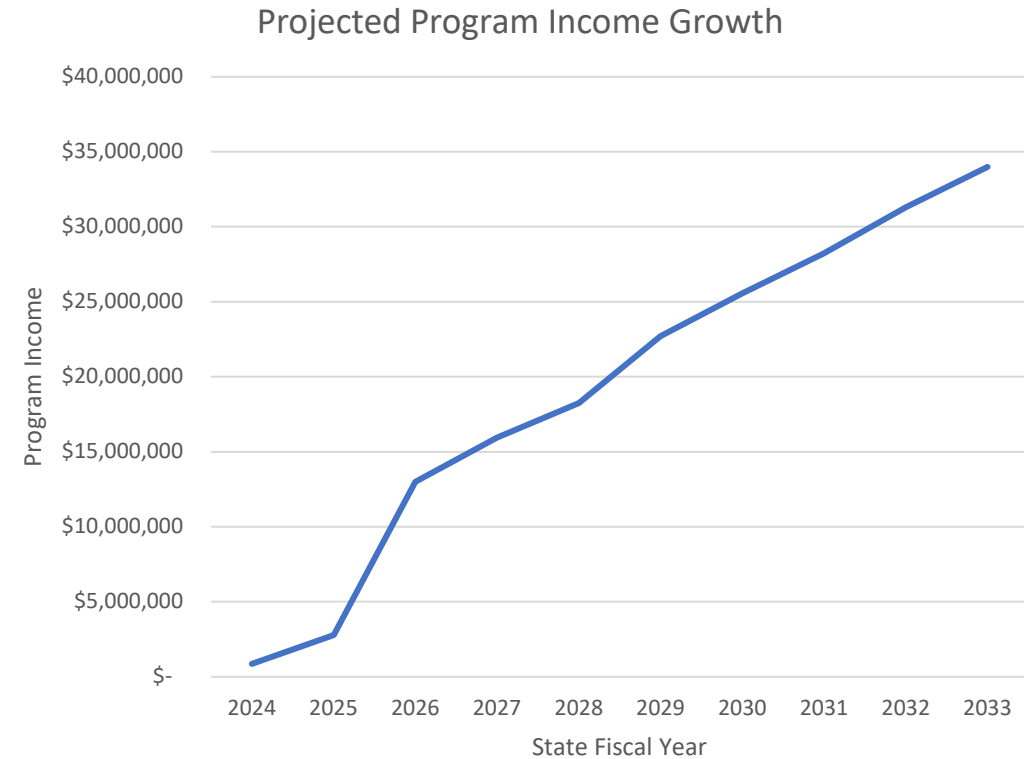
Projected Production Increase

Projected Impact of SFY '24 NMHTF on MFA Production



Projected Program Income

In funding loan programs with the NMHTF, MFA will be able to grow program income to invest back into NMHTF activities. Program income is “washed” of severance tax bond requirements and can be used for any allowable NMHTF activity, not just those capital in nature. Program income must be committed before committing severance tax bond allocations.



MFA's Approach

Nimble

Created a flexible single-family development program to address supply challenges.

Developed the Housing Innovation Program to fund community-tailored solutions.

Modified income limits and launched a deep downpayment assistance program to respond to changing market conditions.

One stop-shop

Leverages federal and state resources for maximum impact.

Minimizes duplicative efforts through polices such as the Universal Rental Housing Development Application.

Ensure statewide reach with programs that serve urban, rural, and Tribal communities. Launching a "direct services" model for home rehabilitation and emergency repairs.

Engaged

Continues to engage legislators, partners, state and local governments, trade organizations in decision making.

Launched a widely circulated quarterly newsletter and regular press releases.

Questions or
Comments?

Thank you!



MFA

Housing New Mexico