Homelessness Supports and Affordable Housing

Summary

The cost of homelessness and housing insecurity is most acutely borne by New Mexicans who struggle to secure their basic needs to find and keep shelter. Society also bears costs: The federal government has long reported an individual experiencing homelessness costs taxpayers as much as \$50 thousand per year in medical expenses, public safety, and other public services. New Mexico has performed relatively well in providing emergency shelters for people experiencing homelessness compared with other states. However, the state faces ongoing challenges in addressing the root causes of homelessness and transitioning individuals and families to more stable, permanent housing. In the last two years, New Mexico's Legislature has made unprecedented levels of funding available for new homelessness and affordable housing initiatives that fill critical gaps in funding and programs. The state's enhanced investment would benefit from guardrails to ensure state money enhances federal and local funding rather than supplanting these resources. Targeted appropriately, these dollars could further support the low-income and at-risk populations who need housing assistance and alleviate shortages in the state's affordable housing supply.

This policy spotlight builds on a January 2023 staff memorandum to the Legislative Finance Committee. The report covers

- Trends in homelessness and housing insecurity,
- Existing administration and funding for homelessness supports and affordable housing, and
- A discussion of how the state can prioritize new state funding.

Homelessness supports and affordable housing fast facts:

- Preliminary estimates for 2023 indicate a significant uptick of about 48 percent in homelessness, and available data suggest an increasing need for affordable housing.
- Emergency shelter capacity has more than doubled since 2016, whereas the supply of affordable rental units has declined by 50 percent since 2020.
- Since 2000, rent in New Mexico has increased by 80 percent, while wages have grown by 57 percent. Almost half of all renters are cost-burdened, paying more than 30 percent of their income for housing. Virtually all renters with household incomes under \$20 thousand are cost-burdened, according to the U.S. Department of Housing and Urban Development standards.
- New Mexico stands to lose 5 percent of its 29 thousand publicly assisted rental units over the next five years and double that in 10 years as affordability commitments expire or the condition of units deteriorates.

May 23, 2023



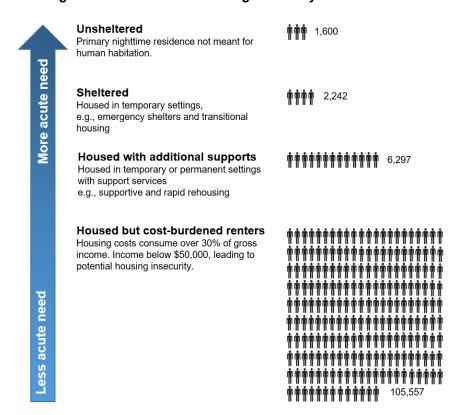


Housing Needs are Most Acute for Those Transitioning from Homelessness and Low-Income Renters

Through federal, state, local, and private efforts, New Mexico offers a variety of residential programs and housing supports for people exiting homelessness. Based on data reported by the U.S. Department of Housing and Urban Development (HUD), the state is performing relatively well in providing emergency shelters for people experiencing homelessness compared with other states. However, the state faces ongoing challenges in addressing the root causes of homelessness and transitioning individuals and families to more stable, permanent housing. The dwindling supply of affordable rental units also increases housing insecurity for the state's low-income renters.

Housing insecurity ranges from individuals living unsheltered to cost-burdened low-income renters.

Figure 1. Continuum of Housing Insecurity in New Mexico



Note: HUD has not yet published the 2023 data reported by the New Mexico Coalition to End Homelessness (NMCEH).

Sources: NMCEH for 2023 point-in time and housing inventory counts and the U.S. Census American Community Survey, 2021, 1 year estimates, most recent year available for cost burden.

CORRECTION November

2023: The original publication of this report showed rental and leasing earnings as reported by the St. Louis Federal Reserve Economic Data on Chart 6. page 8. Those numbers included land rental costs and were not reflective of rental housing. The corrected Chart 6. instead uses median rent as reported by the U.S. Census Bureau's American Community Survey (2010 to 2021) and the decennial Census (2000.) No gross rents were measured by the Census Bureau for 2001-2009 nor 2020.

Cost Burden is a HUD Measure for Tracking Housing Insecurity

HUD defines housing costburdened households as those who pay over 30 percent of their gross income on housing. The original threshold, established by the Fair Housing Act of 1968, was 25 percent, which Congress raised to 30 percent in 1981. In New Mexico, about half of all renters are cost-burdened, and nearly all renter households with an income below \$20 thousand are cost-burdened.

Source: HUD

Educational Impacts of Housing Insecurity

In the 2022 school year, New Mexican students experiencing housing insecurity were more likely to be chronically absent than their housed peers (59 percent compared with 40 percent), and far fewer students met proficiency standards in English language arts (16 percent compared with 34 percent) and math (10 percent compared to 25 percent).

Ultimately, fewer of these students go on to graduate than their housed peers (54 percent compared to 74 percent in 2019), leading to lower future earnings and an estimated lifetime cost to the economy of \$337 thousand from lower tax contributions, higher reliance of social services, and higher rates of criminal activity.

Sources: NM Public Education Department and LFC files

Each day in New Mexico, over a thousand people are without shelter, thousands are experiencing homelessness but in sheltered housing, and tens of thousands are facing housing insecurity, with many at risk of losing existing shelter. As shown in Figure 1, the continuum of how people experience the impacts of housing insecurity ranges from the chronically unsheltered homeless to those at risk of homelessness due to financial constraints or other risk factors.

The estimated number of low-income households assumes the U.S. Department of Housing and Urban Development (HUD) 2022 upper limit for low-income households in New Mexico for a three-person household (\$49,450). In 2021, the U.S. Census Bureau estimated the average household size in New Mexico was 2.59 individuals.

Research on the causes of homelessness points to many risk factors representative of vulnerable situations and populations. These risk factors include disconnection from formal employment; lower educational achievement; involvement with the criminal justice system; and physical, mental, and behavioral health challenges, including substance use disorder.²

Table 1. New Mexico Performance on Risk Factors for Homelessness/Housing Insecurity

Risk factor	Measure	NM's national ranking (lower number is worse outcome)
Poverty	Nearly 1-in-5 New Mexicans live below the federal poverty line.	3rd
Labor force participation	In 2022, the labor force participation rate in New Mexico was 55 percent, compared to 62 percent nationally.	4th
Behavioral health	Over 1-in-5 adults in New Mexico have a mental illness. Nearly 1 in 5 youths had a major depressive episode in the last year.	29 th (adult mental health) 17 th (youth mental health)
Physical health	Nearly 1-in-10 adults in New Mexico have multiple chronic health conditions.	25 th
Substance abuse	On average, every day five New Mexicans die of alcohol-related causes, and nearly three die from a drug overdose.	1 st (alcohol-related) 2 nd (drug overdose)
Domestic violence	In New Mexico, over 1-in-3 women experience domestic violence in their lifetime. Nearly 6,000 children suffered maltreatment in New Mexico in 2021.	26 th (domestic violence) 8 th (child maltreatment)
Incarceration	New Mexico has a relatively low incarceration rate, with 203 individuals incarcerated per population of 100,000.	34 th

Source: LFC files

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¹ According to U.S. Department of Health and Human Services, housing insecurity encompasses a number of challenges, such as having trouble paying rent, overcrowding, moving frequently, or spending the bulk of household income on housing.

² For a detailed discussion of these root cause issues, see previous LFC reports on substance use disorder, education, domestic violence, crime, and workforce development available at https://www.nmlegis.gov/Entity/LFC/Program_Evaluation_Unit_Reports

People experiencing unsheltered homelessness are more likely to exhibit multiple risk factors. These individuals also tend to have higher service needs and, as a result, tend to be more frequent users of community services, such as emergency room visits and inpatient and outpatient treatments, and require more acute care.

In New Mexico and nationwide, African Americans and Native Americans are overrepresented among individuals experiencing homelessness. While African Americans made up 2.7 percent of the state's population in 2021, they accounted for 8.6 percent of individuals experiencing homelessness according to HUD. Native Americans made up 11 percent of the state's population in 2021, but HUD reports they represented 17 percent of individuals experiencing homelessness. Unlike on-the-street homelessness, in tribal areas, homelessness often translates into overcrowding: 16 percent of households experience overcrowding compared with 2 percent of all U.S. households, according to the New Mexico Housing Strategy report commissioned by the New Mexico Mortgage Finance Authority (MFA).

Homelessness carries significant immediate and long-term costs to taxpayers. The U.S. Interagency Council on Homelessness reports that an individual experiencing homelessness can cost taxpayers between \$30 thousand and \$50 thousand per year in hospitalization, medical treatment, emergency shelters, and incarceration. In 2023, the cost to New Mexico taxpayers, based on an estimated population of 3,842 individuals experiencing homelessness recorded in the annual point-in-time counts, would be \$98.5 million to \$192 million. Society also faces long-term costs from the effects of homelessness on youth. New Mexico has consistently had a higher rate of homeless students than the nation, with an estimated 3 percent of students facing housing insecurity during the 2022 school year (or 10.6 thousand students).

Preliminary estimates for 2023 indicate a significant uptick of 48 percent in homelessness in New Mexico.

Estimating the magnitude of New Mexicans experiencing homelessness is challenging, according to the National Institutes of Health, due to a lack of consistent definitions, the mobility of the population, and the potential changing status of those experiencing homelessness. Nevertheless, HUD provides guidance for annual point-in-time (PIT) and housing inventory (HIC) counts, and LFC staff accompanied volunteers on the January 2023 PIT counts. According to HUD, in the decade between 2012 and 2022, homelessness on a given night in January declined by 28 percent in New Mexico. ³ However, the 2023 PIT data indicate a significant 48 percent uptick in the state's homeless population driven primarily by an increase in the

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³ HUD's annual homelessness assessment reports to Congress for 2021 and 2022, state the pandemic resulted in low counts nationally during 2020-2021, when people avoided shelters because of health risks and many communities did not conduct unsheltered counts. In 2022, both the unsheltered and sheltered counts rose nationally. HUD reports sheltered count increases were due in part to the ending of Covid-19 restrictions and the addition of shelter beds using federal pandemic funds. This increase offset the unsheltered counts.

HUD requires that continuums of care (CoCs), local planning organizations, conduct an annual point-in-time (PIT) count, which identifies and counts individuals and families experiencing sheltered and unsheltered homelessness on a single night in January.

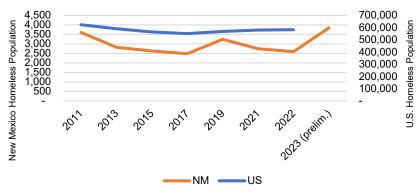
These counts are a snapshot and a likely undercount of people experiencing homelessness. The PIT count of sheltered individuals is only mandatory at HUD-funded shelters. For unsheltered people, only those who are most visible are included in the count.

The count includes people who are in emergency shelters, transitional housing, and supportive housing. CoCs also conduct an annual housing inventory count (HIC) of the residential resources dedicated to assisting people experiencing homelessness. In New Mexico, there is an Albuquerque CoC and a balance of state CoC. The New Mexico Coalition to Homelessness is responsible for compiling and reporting the state's PIT results.

Source: HUD and LFC files

unsheltered count: 780 more people in Albuquerque and 232 more in the rest of the state.

Chart 1. Homelessness in New Mexico increased in 2023 after Declining for Most of a Decade



Note: The count is held during the winter to capture maximum shelter use in the coldest months. The 2023 PIT count occurred during the last week in January.

Source: HUD Point in Time (PIT) Counts

Through the PIT counts, HUD annually tracks the number of people and families that experience homelessness, but only reports data for the two continuum of care organizations it funds: the city of Albuquerque and the New Mexico Coalition to End Homelessness (NMCEH) for all other locations in the state. Each year about half of the state's individuals experiencing homelessness are in Albuquerque; HUD does not report how the other half are dispersed throughout the state.

Common Categories of Housing Supports

- Emergency shelter: emergency support through a wide range of services and temporary housing.
- Transitional housing: a temporary residence of up to 24 months with wraparound services.
- Rapid re-housing: a Housing First approach that immediately connects families with permanent housing and services that troubleshoot access barriers.
- Supportive housing: Longer term affordable housing with support services.
- Permanent supportive housing: a version of Housing First providing long-term stable housing with voluntary and flexible supports for those with chronic issues or disabilities.

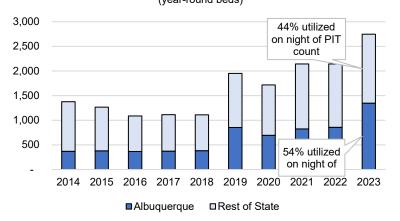
Note: Housing First programs do not have sobriety or abstinence requirements, as do most transitional and other housing programs that focus on recovery.

Source: HUD and LFC files

The state had enough emergency shelter beds for those experiencing homelessness in 2023. HUD tracks the number of emergency shelter beds in New Mexico and how many are used on the night of the PIT count in January,

when the weather is cold and emergency shelter use is generally at its peak. Through the housing inventory count (HIC), HUD creates an annual inventory of provider programs that provide beds and units dedicated to serving people experiencing homelessness. In 2023, about half the emergency shelter beds available were used the night of the PIT count, indicating overall adequate bed numbers statewide for those individuals who wish to use them. However, shelter accessibility may be a challenge for some people, potentially lowering shelter utilization rates because some individual emergency shelters are full, and others are hard to reach. For example, the largest emergency shelter in Albuquerque, the Westside Emergency Housing Center, is 18.5 miles from downtown Albuquerque. The round trip by shuttle takes up to four hours, leaving people experiencing homelessness less time to seek services or employment.

Chart 2. Emergency Shelter Beds in New Mexico (year-round beds)



Source: HUD for 2014-2022; 2023 data is from the NMCEH annual submission to HUD.

Figure 3. Route Between the Downtown Rail Runner Station and the Westside Shelter in Albuquerque

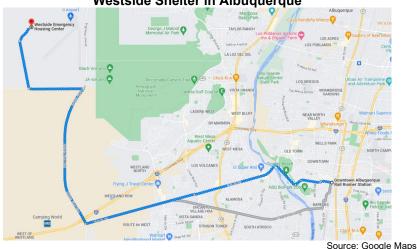


Figure 2. Welcome Booth and Tent Sites at Camp Hope in Las Cruces





Note: Camp Hope, a sanctioned, transitional homeless camp in Las Cruces, provides up to 50 unhoused people a safe space and access to supportive services provided onsite

Source: LFC site visit

Performance lags in transitioning people to permanent housing, particularly in Albuquerque. People in New Mexico remain in emergency shelters or transitional housing for half the time of the national average, but governments and providers are less successful at moving people from temporary shelters to permanent housing. For example, in Albuquerque, about 1 in 5 people in shelters or other temporary housing transition to permanent housing each year. This is about half the rate in the rest of the state and nationally (Chart 3). This low transition rate to permanent housing reflects the relatively high rate of return to an emergency shelter within two years in Albuquerque (Chart 4). Potential reasons for this performance in Albuquerque could include a more vulnerable homeless population, insufficient social services, insufficient subsidies, or a tight housing market. HUD does not report this data for Las Cruces or Santa Fe, which are included in the rest of the state continuum of care reporting. These issues are common in urban versus rural areas in Western states. For example, Phoenix and Tucson have similarly high return-to-shelter rates compared with the rest of Arizona at 26 percent, 23 percent and 18 percent, respectively. However, Arizona has higher rates of transitioning to permanent housing at 40 percent, 54 percent, and 32 percent for the two cities and the rest of the state.

Chart 3. People Exit from Shelters and Other Temporary Housing at Half the Rate in Albuquerque than Elsewhere in the State or Nation

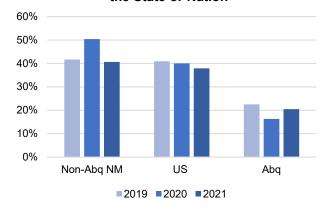
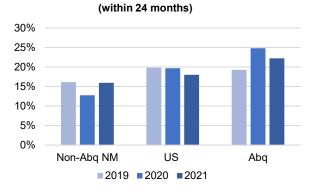


Chart 4. After Staying in a HUD-funded Shelter or Housing, People in Albuquerque Return to a Shelter more often than in the Rest of the State or Nation



Source: HUD CoC Performance Measures

Note: 2021 performance data is the most recent data available from HUD. This data is only inclusive of shelters and other entities receiving HUD funding and participating in the agency's HMIS data system – covering approximately 76% of beds in Albuquerque and 36% of beds in the remainder of the state.

New Mexico's permanent supportive housing program, Linkages, fills a need for high-risk individuals with a serious mental illness. Linkages is a state-funded permanent supportive housing program designed to provide rental subsidies, utility assistance, and supportive services to extremely low-income adults who are homeless or at risk of homelessness and diagnosed with

severe mental illness. The Behavioral Health Services Division at the Human Services Department administers the Linkages program.

While most existing supportive housing in New Mexico (over 2,450 housing units) is federally or locally funded, the state's Linkages program plays an important role in reaching individuals who may fail to meet narrow federal voucher eligibility requirements, or need housing more immediately than can otherwise be provided. Linkages sites require a support service agency to provide case management, managed by the Behavioral Health Services Division of the Human Services Department, and a housing administrator to identify housing units and distribute vouchers, managed by the Mortgage Finance Authority.

New Mexico lacks sufficient transitional and permanent supportive housing to help people successfully exit homelessness. A 2022 New Mexico Housing Strategy report commissioned by the New Mexico Mortgage Finance Authority estimated transitional housing only accounts for 1 percent of the \$123 million public allocations to rental assistance in 2022 and 7 percent of the \$123 million that went to permanent supportive housing. The report noted several estimates ranging from 6,500 to 8,400 units needed for populations, including the chronically homeless, people on the state's developmental disabilities waiting list, and people exiting prison or mental health institutions.

Table 2. Emergency Shelter and Permanent Supportive, Rapid, and Transitional Housing Capacity in New Mexico, 2023

NM		Rest of
Total	ABQ	State
2,747	1,347	1,400
6,097	3,760	2,337
200	100	100
	Total 2,747 6,097	Total ABQ 2,747 1,347 6,097 3,760

Source: HUD HIC counts, 2022 and LFC files

Considering only homeless populations, LFC staff estimate New Mexico could benefit from another 859 permanent supportive housing units based on cost estimates from the state's Linkages program and a methodology from the Corporation for Supportive Housing (Table 3). Using an existing cost estimate from Linkages, which spends about \$13,300 per client annually, state and local governments could fund such housing at an annual cost of approximately \$11.4 million annually. However, more recurring funding will not be the only barrier to increasing supportive housing. The New Mexico Housing Strategy report also noted that existing supportive housing providers are oversubscribed, and there is a shortage of providers to take on any expanded work. Further, the general lack of affordable housing units also impacts availability of units to house supportive housing clients.

New Mexico's Medicaid Waiver Includes a Transitional Housing Pilot Program

Blue Cross Blue Shield Centennial Care uses Medicaid funds to provide services and transitional housing members. The Blue Cross Blue Shield (BCBSNM) transitional living value added service program has covered these services since 2018 at six sites around the state, including Albuquerque, Artesia/Carlsbad, Deming, Las Cruces, Rio Rancho, and Silver City. In 2022, BCBSNM reports serving 104 members covering over 6,000 member days with Medicaid funds. The average length of stay was 58.3 days.

Source: BHSD

Supportive Housing Programs Can Reduce Costs for Taxpayers

- Albuquerque's Heading Home program resulted in an average savings of \$14,728 per participant when comparing pre- and postprogram costs, including housing, medical, supportive services, jail, and police costs.
- Denver's social impact bond initiative resulted in decreased justice involvement, with a 34 percent reduction in police contacts, 40 percent reduction in arrests, and 27 percent reduction in jail days among participants.
- Montana's business case for a supportive housing Medicaid benefit resulted in an estimated \$455,766 net annual Medicaid cost avoidance savings, after reimbursing supportive housing for 187 beneficiaries.

Source: LFC files

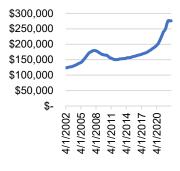
Table 3. Estimating Need for Additional Permanent Supportive Housing (PSH) Units in New Mexico

		NM Total	ABQ	Rest of State
	Total Homeless Individuals (2023)	3,842	2,394	1,448
	Chronically Homeless Individuals (2023)	1,694	1,133	561
а	90% Chronically Homeless	1,525	1,020	505
b	Estimated Linkages expansion from 2023 session increase in revenues	150	75	75
С	Estimated unfilled PSH capacity from 2023 HIC count	516	381	135
a-b-c	Estimated Need for Additional Permanent Supportive Housing Units	859	564	295

Note: Estimated unfilled PSH capacity from the 2023 HIC count was derived by using total bed count and utilization percentages as reported by the NMCEH.

Source: New Mexico Coalition to End Homelessness data and LFC files

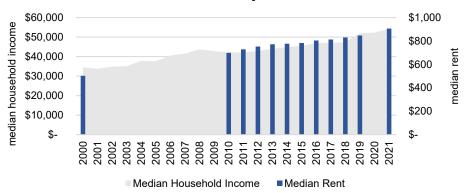
Chart 5. Zillow Home Value Index for all Homes, Including Single-Family Residences and Condos in New Mexico



Source: Zillow

Low-income renters have been most impacted by rising rents and face the most acute housing shortages. In New Mexico, about 30 percent of households are renters. Those households tend to have lower median household incomes than those that own homes (\$35,289 for renter households and \$65,720 for owner-occupied households). Since 2000, New Mexico household income grew by 57 percent while rents grew by 80 percent over the same period.

Since 2000, Rents in New Mexico Grew 80 Percent while Household Incomes Only Grew 57 Percent

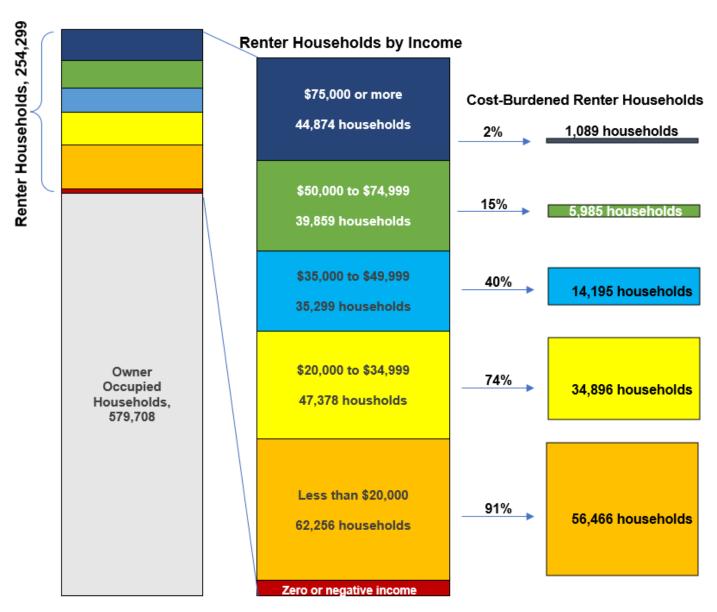


Source: American Community Survey and U.S. Census

CORRECTION November 2023: The original publication of this chart showed rental and leasing earnings as reported by the St. Louis Federal Reserve Economic Data. Those numbers included land rental costs and were not reflective of rental housing. This chart instead uses median rent as reported by the U.S. Census Bureau's American Community Survey (2010 to 2021) and the decennial census (2000) no gross rents were measured by the Census Bureau for 2001-2009 nor 2020.

⁴ The estimated number of low-income households assumes HUD's 2022 upper limit for low-income households in New Mexico for a three-person household (\$49,450). In 2021, the U.S. Census Bureau estimated the average household size in New Mexico was 2.59 individuals.

Figure 4. About 106 thousand Households in New Mexico Have Low incomes and are Cost Burdened by Rent



Source: U.S. Census American Community Survey, 2021, 1-year estimates

In many places in the state, the income needed to pay for the fair-market rent for a small apartment is higher than the median renter's income (Table 4). HUD establishes annual fair-market rents to set limits for federally funded rental subsidies. Fair-market rent is based on the 40th percentile of gross rents for non-substandard rental units occupied by recent movers in a local housing market. However, actual average rents in a locality may vary substantially from these values. For example, Zillow's recorded average rent for a two-bedroom apartment in Las Cruces, Albuquerque, and Santa Fe in May 2023 are higher than HUD's fair-market rent for these cities (\$1,334, \$1,223, and \$2,015, respectively).

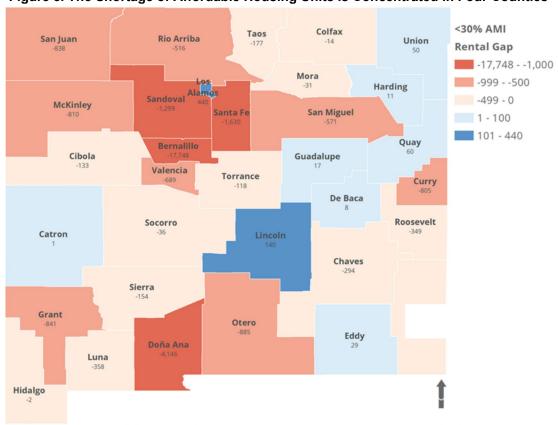
Table 4. Household Earning Needed for a Two-Bedroom Apartment

		HUD-defined Fair	Annual Earnings	Actual Median
		Market Rent for a Two-	Needed to Meet Rent	Household Income
		Bedroom Apt. (2023)	= 30% of Income	of Renters (2021)
	Las Cruces	\$893	\$32,148	\$27,616
Γ	Albuquerque	\$1,144	\$41,184	\$38,946
	Santa Fe	\$1,249	\$44,964	\$46,669

Source: HUD and U.S. Census Bureau ACS 2021 1-year estimates

The New Mexico Housing Strategy report estimates New Mexico has 32 thousand too few affordable rental units to meet the needs of low-income renters (those with incomes of 30 percent of the area median income or less.) Seventy-eight percent of that gap is in four counties (Figure 5)—Bernalillo (17,748 units), Doña Ana (4,146 units), Santa Fe (1,630 units), and Sandoval (1,299 units). Even though declining birth rates are projected to continue to flatten statewide growth overall by 2035, regionally, these urban counties are projected to grow faster, while the more rural counties will have offsetting population losses.⁵

Figure 5. The Shortage of Affordable Housing Units is Concentrated in Four Counties



Source: New Mexico Housing Strategy

⁵ See LFC's April 2021 Policy Spotlight: State Population Trends at https://www.nmlegis.gov/Entity/LFC/Program Evaluation Unit Reports

New Mexico has a shortage of affordable housing available for low-income households, and moderate-income families are taking up housing that could be affordable to lower-income families. In addition to an overall shortage of affordable housing units, an interesting dynamic is at play that crowds out low-income renters from affordable housing. They generally pay more than what is considered affordable for them for housing, while higher-income renters almost always pay less. The New Mexico Housing Strategy used 2019 data to show that higher-income people were "renting down," occupying housing units that would be affordable to lower-income households. At the time, nearly 21 thousand housing units with rents affordable to those with household incomes between \$35 thousand and \$50 thousand were being rented to people with household incomes over \$50 thousand. Using updated 2021 data, a similar mismatch still existed between what renters should be able to pay for rent, and what they are paying for rent.

Further, the New Mexico Housing Strategy report noted that, between 1970 and 1990, multi-family housing was a significant part of the mix of new residential buildings in the state. However, multi-family development dropped off in favor of single-family homes in the 1990s, and new building of all housing types decreased significantly around the recession of 2008 and has yet to return to the levels seen in prior decades. This drop in construction as indicated by the drop in building permits (Chart 7) has significantly constrained the supply of housing, particularly multi-family housing.

Chart 7. Residential Building Permits in New Mexico

Source: U.S. Census Building Permits Survey

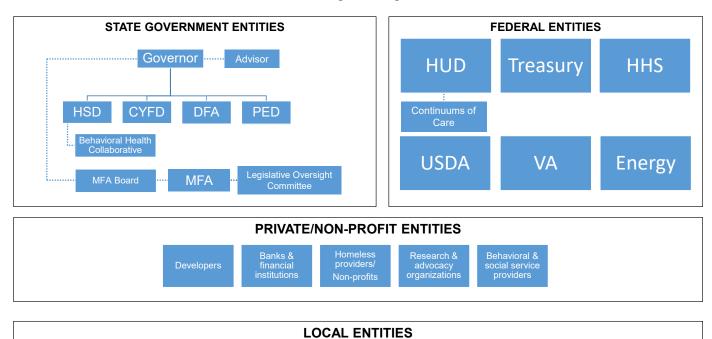
Existing Funding and Programs for Housing Supports are Larger Than Ever but Remain Fragmented

New Mexico's housing system is fragmented, consisting of multiple public and private entities dominated by federal funders and local implementers. The state can play a role in prioritizing needs and filling funding gaps. The Legislature has made significant investments in homelessness and housing supports over the past two years. Thus, the state would benefit from increased transparency and reporting regarding performance of programs.

In FY22, New Mexico saw over \$300 million in federal and state funding dedicated to homelessness supports and affordable housing.

The federal government supplies the majority of that funding—\$255 million. This funding flows through numerous federal, state, and local government agencies and private entities (Figure 6). These entities all serve different functions, including funding, services, coordination, and oversight. The U.S. Department of Housing and Urban Development (HUD) and the U.S. Department of Agriculture (USDA) fund the New Mexico Mortgage Finance

Figure 6. Many Government and Private Entities Provide Housing and Homelessness Response Funding and Programming



23 Tribal

Source: LFC Files

public housing

23 local public

33 counties

Authority (MFA), the state's housing agency,⁶ other state agencies, local and regional housing authorities, and other local entities to administer federal programs. These include the low-income housing tax credits (LIHTC), the housing choice voucher program (formerly known as Section 8), public housing, emergency solutions grants for homeless shelters and other supports, and the community development block grant for local governments.

MFA has oversight of the New Mexico Affordable Housing Act (6-27-1 to 6-27-8 NMSA 1978)⁷ and limited financial oversight for the state's three regional housing authorities. MFA reports to its board and the Legislative Mortgage Finance Authority Act Oversight Committee. The governor appoints four of the seven directors on the MFA board. The governor also appointed an advisor on housing and homelessness in fall 2022. Figure 6 shows the major state agencies that receive and administer homelessness and housing funds. Other state agencies may have a current or future role to play in New Mexico's homelessness and housing system—for example the Early Childhood Education and Care Department, the Economic Development Department, and the Energy Minerals and Natural Resources Department.

The federal government remains the largest source of funds for homelessness and affordable housing programs in New Mexico, and local entities administer the funding with mixed results. In FY22, HUD provided over \$90 million for housing choice and project-based rental assistance vouchers alone. The USDA also administers several rural-focused housing assistance and development programs. In FY21, the most recent year available, USDA provided \$28.4 million for rental housing development and assistance in rural New Mexico. Other federal programs, like HOME and the community development block grant, also provide significant funding for affordable housing.

Federal programs rely on state and local entities to administer federal funding. However, overlapping funding is a potential issue, and underutilized funding— for example, rental assistance vouchers and tax credits— could be better leveraged. State funds often fill gaps where federal funding has fallen short of need. For example, the state's Linkages permanent supportive housing program is for people with severe mental illnesses, complementing HUD-funded permanent supportive housing grants administered by the New Mexico Coalition to End Homelessness (NMCEH) and the city of Albuquerque (the state's two HUD-defined continuum of care organizations). In another example, MFA administers the state's housing trust fund, mainly used to

⁶ Established in 1975 (Sections 58-18-1 thru 58-18-27, NMSA 1978 as amended), the New Mexico Mortgage Finance Authority (MFA) is a quasi-governmental entity that administers approximately 30 housing programs that support the entire housing continuum, from homelessness to homeownership, through state and federal funds.

⁷ The act provides a statutory exception to the state constitution's anti-donation clause allowing municipalities, counties, and school districts to make contributions for affordable housing development to public entities, non-profit organizations, and private enterprises. There are 35 participating governments with approved affordable housing ordinances and plans.

⁸ Housing supports are only one of multiple income supports available to low-income New Mexicans, as detailed in LFC's 2021 *Spotlight on Stacked Income Supports* available at https://www.nmlegis.gov/Entity/LFC/Program_Evaluation_Unit_Reports.

provide additional low-interest financing for low-income housing tax credit (LIHTC) projects. LFC staff did not have access to local funding amounts for 2022. However, the New Mexico Housing Strategy report estimated that in 2021, all public sources of funding for rental assistance and production totaled \$219 million. Of that amount, less than 2 percent, \$4.6 million in federal funding went directly to Albuquerque, Santa Fe, Farmington, and Las Cruces for affordable rental supports. Albuquerque and Santa Fe allocated \$25 million and \$1.5 million respectively in local funds to rentership, accounting for 12 percent of total public funds.

This mix of federal, state, and local funding, and administration of affordable housing and homelessness response, has resulted in good outputs in some

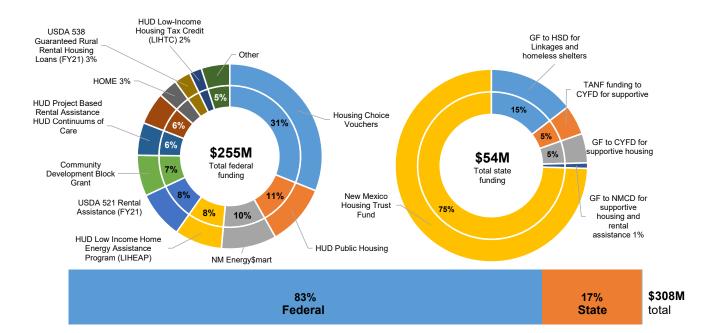


Figure 7. FY22 Federal and State Funding for Housing and Homelessness Programs

Note: Funding is approximate from FY22 unless noted otherwise and does not include expanded, one-time funding from pandemic programs. The funding includes both assistance to individuals to make rents affordable and grants and subsidies for acquisition, rehabilitation, and development of affordable housing units. The totals may exceed 100 percent due to rounding.

Source: LFC Files

areas, such as ensuring emergency shelter capacity. However, performance in other areas, such as housing choice vouchers and coordination of resources for housing preservation, could be improved.

⁹ The federal low-income housing tax credit (LIHTC) program enacted in 1986 subsidizes the acquisition, construction, and rehabilitation of affordable rental housing for low- and moderate-income tenants.

Local housing authorities could provide rental assistance to an additional 2,381 low-income households with existing federal funding.

Federal housing choice vouchers (formerly known as Section 8) are the primary form of rental assistance in New Mexico and the nation and ideally provide housing security and mobility for low-income households. Fifteen of the state's 26 public housing authorities administer the voucher program, which provides rental assistance to over 11,000 of the state's lowest-income renters. However, almost one in five of these federal vouchers in New Mexico goes unused. As of December 2022, HUD reported housing authorities in New Mexico had enough budget to fund an additional 2,381 vouchers, mostly in Albuquerque, which has the largest housing authority in the state and has the most unused vouchers.

Table 5. Housing Choice Vouchers Going Unused, December 2022

Housing Authority Name	Units with Vouchers in Use	Additional Units that Could Receive Vouchers*	Percent Unused
City of Albuquerque Housing Authority	3,033	1,458	32%
Bernalillo County Housing Authority	2207	112	5%
Mesilla Valley Public Housing Authority (Las Cruces)	1,158	100	8%
Eastern Regional Housing Authority (Roswell)	1,102	236	18%
Santa Fe Civic Housing Authority	909	118	11%
Western Regional Housing Authority (Silver City)	669	129	16%
Clovis Housing and Redevelopment Agency, Inc.	413	22	5%
El Camino Real Housing Authority (Socorro)	400	30	7%
Northern Regional Housing Authority (Taos)	372	80	18%
Housing Authority of the County of Santa Fe	263	29	10%
Housing Authority of the County of San Juan	244	40	14%
Housing Authority of the City of Truth or Consequences	157	-	0%
Housing Authority of San Miguel County	130	14	10%
Housing Authority of the City of Gallup	22	8	27%
Housing Authority of the County of Rio Arriba	11	4	27%
TOTAL	11,090	2,381	18%

^{*} Note: This leasing potential is what HUD calculates as the number of additional units a housing authority could lease for a full 12 months, while maintaining reserves as a percentage of budget authority of 4/6/12 percent, based on size (0/250/500 units).

Source: HUD Housing Choice Voucher Dashboard

Reasons for voucher underutilization include a lack of landlords willing to accept vouchers and lack of units that meet HUD's standards of fair market rent and health and safety standards. Given the low rental vacancy rates statewide, finding any units, let alone units meeting HUD's requirements, can be difficult. Further, the large number of public housing agencies (26) that administer vouchers and restrictive service territories also potentially limit the ability of voucher holders to find housing where they want to live due to cumbersome portability processes and a lack of coordinated outreach and intake services.

Housing choice vouchers are tenant-based vouchers that can be used at any private rental unit that meets program guidelines and accepts vouchers; project-based vouchers attach to specific units whose landlords contract with a housing agency.

New Mexico's Eastern Regional Housing Authority realized system improvements and savings associated with consolidation of small housing agencies in its region, including reduced administrative costs, ability to hire qualified personnel, and better outreach and intake services. The Center on Budget Policy **Priorities** documented similar cost reductions and improved access for renters associated with consolidation or the creation of consortia.

Source: LFC Files

Some New Mexico housing agencies are leveraging project-based vouchers and tax credits to increase the supply of affordable units.

For Desert Hope, Mesilla Valley Community of Hope partnered with Mesilla Valley Public Housing Authority to convert an apartment building to permanent supportive housing, with 36 units, a community resource room, and an office for staff and onsite service providers. The housing authority combined LIHTC credits with project-based youchers to fund the conversion.

Eastern Regional Housing Authority plans to use project-based vouchers to rehabilitate its Lovington units and 4 percent tax credits in Alamogordo, which has a severe rental shortage.

Source: LFC files

While the housing choice voucher program is federally funded and locally administered, the state could be more active in ensuring better use of the large and existing resources. For example, both Albuquerque and Bernalillo County passed "source of income" protection ordinances in mid-2022, which bar property owners from discriminating against potential tenants with vouchers. If these ordinances prove to be enforceable and improve voucher utilization in those areas, the state may want to consider a statewide source-of-income protection law. ¹⁰ In concurrence with prior research, a 2018 HUD study found the presence of voucher nondiscrimination laws appear to be associated with reductions in the share of landlords that refuse vouchers. The study found 35 percent of landlords rejected vouchers in areas with nondiscrimination laws, compared with 77 percent of landlords in areas without such laws. According to the Center on Budget and Policy Priorities, at least 11 states, and over 50 cities and counties, have enacted such laws

The state has a robust affordability toolkit, and it can be leveraged to promote production and rehabilitation to meet housing shortfalls.

Although much of the administration of the \$300 million in funding for homelessness and housing support is the responsibility of local entities, state entities can play an important role. For example, MFA could consider ways to leverage underutilized resources to fill existing gaps in funding for rehabilitation and conversion projects. One way to accomplish this would be to give preference in the annual qualified access plan (QAP) to HUD to rehabilitation projects and encourage the use of project-based vouchers, the 4 percent low income housing tax credit (LIHTC), the New Mexico affordable housing tax credit, and donations through the Affordable Housing Act (6-27-1 to 6-27-8 NMSA 1978). The QAP sets the terms for LIHTC awards and presents opportunities for the state to make the development process more affordable and transparent by capping development costs, allow layering of subsidies, and prioritizing housing for high-risk populations. Strategies to find and promote the purchase of opportunities for housing could also be explored. For example, the Taxation and Revenue Department often emails the public about delinquent property tax auctions. Some of these properties might be good candidates for affordable housing development.

Federal LIHTC 4 and 9 percent tax credits encourage private investment in affordable rental construction and rehabilitation projects by providing a dollar-for-dollar reduction in federal income tax liability. The 9 percent LIHTC is the primary subsidy used for new construction because it is the most lucrative, allowing tax credits to be bought and sold. However, total funding is allocated to the state based on population; in New Mexico there were six projects in 2022, totaling \$6.1 million for 282 units, or approximately \$20 thousand per

¹⁰ At least 19 other states—including Oklahoma, Utah, Oregon, Colorado, and many of the New England states—have laws that prohibit discrimination by property owners against voucher holders.

unit.¹¹ The amount of 4 percent LIHTC credits is not limited, unlike the 9 percent tax credits, which are limited by the amount allocated to the state. The 4 percent tax credits are better suited to rehabilitation and purchase of existing housing, but must be paired with bonds.

MFA and TRD records indicate the state affordable housing tax credit is not being fully utilized by private developers or donors, but they and government entities could do more to market its use. The current tax credit ceiling is \$5.1 million. In 2022, \$500 thousand was awarded, about one-tenth of the allowable ceiling. Further, the expenditures for 2017-2021 show only \$2.7 million claimed of the total eligible \$8.7 million in contributions. MFA, which approves the projects, reports that 59 projects have supported 992 affordable units—365 single-family and 627 multi-family units. Taxpayers have five years to claim credits, transfer credits, or donate directly to the trust. MFA could develop a plan to increase utilization of the state tax credit. The tax credits, which can be claimed alongside charitable donations, primarily benefit high-income individuals. In its affordable housing plan submitted to MFA, the town of Taos proposes to fund a marketing campaign to promote the value of the state tax credit.

MFA could consider requiring reporting on performance from the 35 governmental entities participating in the Affordable Housing Act program. Currently, the agency only requires participating governments to report their donation amounts. According to MFA, the Affordable Housing Act (6-27-1 to 6-27-8 NMSA 1978) has facilitated approximately \$17 million in total donations to affordable housing projects since 2018; donations totaled around \$14 million in 2022 alone, potentially indicating an upturn in donations. Participating governments could potentially report on progress toward removing barriers associated with restrictive zoning and excessive impact fees, and increasing the supply of affordable units.

Additional coordination and performance monitoring could improve the state's ability to demonstrate progress and prioritize resources.

According to the National Conference of State Legislatures (NCSL), other states are increasing state responsibilities for reporting, coordination, and centralization. For example, some states have established offices to promote centralization and to coordinate across the many governments, service providers, and continuums of care; others rely on coordinating councils. California's Interagency Council on Homelessness requires agencies and departments administering programs addressing homelessness to collaborate with the council and to track and report data for program participants. Similarly, Hawaii's Office on Homelessness and Housing Solutions presents

Table 6. Affordable Housing Act Donations Totaled Over \$17 Million Since 2018

Abatement of taxes or fees	\$1.4 million
Land	\$1.4 million
Buildings	\$50 thousand
Infrastructure	\$70 thousand
Construction,	\$14 million
financing or operating	
costs	
Total	\$17.4 million

Source: MFA

¹¹ The federal government allocates 9 percent LIHTCs to state housing agencies, which award the credits to private developers through a competitive process. Developers generally sell the credits to obtain funding; investors can claim the credit for 10 years.

Other states have taken a variety of approaches to statewide coordination and reporting on complex homelessness and housing programs:

- California maintains a state Interagency Council on Homelessness.
- Hawaii established an Office on Homelessness and Housing Solutions.
- Utah established both an Office of Homeless Services and a Utah Homeless Network Steering Committee.

Source: NCSL

an annual progress report to the Legislature with performance metrics related to reducing the number of persons experiencing homelessness. House Bill 414, introduced during New Mexico's 2023 regular legislative session, would have created a new non-cabinet housing department along these lines at an annual recurring cost estimated at \$1.5 million to \$2 million dollars. The fiscal impact report for House Bill 414 cited concerns from the State Treasurer's Office and the Mortgage Finance Authority (MFA) regarding potential duplication of MFA's functions. Other potential options for such a function could be to expand the mission of MFA or establish an interagency council, as California did.

The state has several options for improving reporting on outcomes and performance for state-funded programs. First, DFA, LFC, and HSD could work together to establish annual Accountability in Government Act performance measures for select programs. This option is recommended for the state's Behavioral Health Services Division at the Human Services Department for ongoing supportive housing programs, including Linkages. Because MFA is an instrumentality of the state, it is not subject to performance-based budgeting. However, now with recurring funding, the authority's Legislative Oversight Committee might consider how they want MFA to regularly track and report on performance of state-funded programs.

Second, LFC could get regular updates on DFA's new housing appropriations during the 2023 interim. This option is likely the best approach for the significant amount of nonrecurring funding for homelessness and housing supports that DFA currently administers, including the pandemic emergency rental assistance program (ERAP), the Casa Connections local grant program, and the new landlord support program.

The State Should Prioritize the \$84 Million in New Funding to Areas of Greatest Need

The 2023 legislative session significantly expanded the resources available to the state for homelessness and affordable housing programs by \$84 million (see Table 7). This funding should be targeted to areas of greatest need, but also to programs that prevent homelessness and increase the supply of affordable units, for example, eviction prevention, landlord support, and preservation and rehabilitation programs. The state's enhanced investment would also benefit from guardrails to ensure that state money does not supplant federal and local funds. (See Appendix A for a complete list of 2023 session appropriations and Appendix B for appropriations from 2020 to 2022).

A \$20 million general fund appropriation for rental assistance and other housing initiatives in the 2023 session could be used to target populations of renters most in need.

In response to the winding down of the state's federally funded pandemic emergency rental assistance program (ERAP), the Legislature provided a one-time appropriation of \$20 million to the Department of Finance and Administration (DFA) for rental assistance and other housing initiatives for expenditure in FY23 and FY24 (see Appendix A, line 8). With ERAP, the average household in New Mexico received \$2,439 in assistance to cover an average of two months of rent and utilities during the pandemic. Assuming this level going forward, the \$20 million appropriation would be able to assist 8,200 households through the end of FY24. This is less than 10 percent of the cost-burdened renters in the state. As such, the executive could consider prioritizing the \$20 million in state rental and housing assistance in a number of different ways based on needs and based on special populations. The following sections discuss three potential options moving ahead.

Targeting rental assistance for eviction prevention. In a 2019 report, the Center for Evidence-based Solutions to Homelessness noted that some eviction prevention programs, especially those that provided financial assistance, had strong evidence of preventing homelessness. Prepandemic, the levels of court filings for eviction and foreclosure cases remained relatively steady year over year, averaging about 18 thousand eviction cases (referred to as "landlord-tenant" cases by the Administrative Office of the Courts) and 3,300 foreclosure cases. However, the large amount of federal rental and mortgage assistance, coupled with a stay on eviction cases issued by the U.S. Centers for Disease Control and Prevention and the New Mexico Supreme Court between March 2020 and April 2022, meant case filings generally dropped by half in calendar years 2020 and 2021 and began rising again in 2022. However, unlike Oregon and Minnesota, New Mexico's case filings have yet to return to prepandemic levels.

Table 7. Selected Housing Appropriations from 2023 Legislative Session

(in thousands of dollars)

Recurring HB2 and SB381

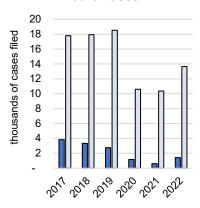
Total		\$41,000.0
IVIFA	Fund	φ40,000.0
MFA	Housing Trust	\$40.000.0
HSD	Linkages	\$1,000.0
Agency	Purpose	Funding

Nonrecurring HB2

Nonrecu	irring nbz	
HSD	Linkages	\$1,000.0
DFA	Housing for Local Govs	\$10,000.0
HSD	Reentry pilot including housing	\$2,500.0
DFA	Rental asst. and eviction prevention	\$1,000.0
DOH	Mobile homelessness response	\$4,000.0
DFA	Landlord support program	\$2,500.0
HSD	Housing asst. for people with opioid use disorder	\$2,000.0
DFA	Rental asst. and other housing initiatives	\$20,000.0
		\$43,000.0

Source: LFC files

Chart 8. New Mexico Landlord-Tenant and Foreclosure-Related Court Cases



■Foreclosure □Landlord - Tenant

Source: Administrative Office of the Courts

Since FY22, CYFD and MFA have partnered on the Landlord Collaboration Program, which maintains а fund approximately \$50 thousand to provide permanent supportive housing for youth experiencing or at risk of experiencing homelessness. The program has assisted 13 households with extra supports and protections for landlords who are willing to rent to this population of young people, including financial assurances to mitigate risk for potential property damages and vacancy losses due to resulting repairs.

The state Supreme Court's new eviction prevention and diversion program may be part of the reason. For the program, DFA directed ERAP outreach to those on an Administrative Office of the Courts list of individuals in the eviction process. The program reported using \$15.8 million of the ERAP funding toward eviction prevention in the last six months of 2022; targeting some of the additional \$20 million in rental assistance for the same purpose would likely continue to help people stay in their homes.

Currently, New Mexico's renters have three days to pay their rent or move out before an owner can apply for eviction; other states may allow five, seven, 10, or more days, while others allow a landlord to evict for nonpayment with no given notice at all. 2023's House Bill 6 would have expanded the timeline and allowed for additional processes of appeal for low-income residents, because they are generally the most at risk of eviction for nonpayment.

Source: LFC Files (HB6 FIR)

Targeting rental assistance for additional family unification. HUD has a small set aside of housing choice vouchers for (1) families with children whose lack of adequate housing is a primary factor in those children either being placed in foster or other out-of-home care or is keeping a family with children in foster care from being reunified and (2) for children aging-out of the foster system. Called Family Unification Program (FUP) vouchers, New Mexico has 150 of these vouchers, and they are all located under either the Bernalillo County or Las Cruces public housing authorities. Since 2015, the Children, Youth and Families Department (CYFD) has also been appropriated \$900 thousand of Temporary Assistance for Needy Families (TANF) funding for supportive housing similar to the FUP vouchers. Just like regular housing choice vouchers, these vouchers are permanent as long as the family or individual has a low-enough income to qualify for them and only become available to a new family if an existing family stops using them.

The 150 existing vouchers in the state are likely not enough to serve the needs of all families and children that would qualify for them. Federal data shows that in 2021, 182 child maltreatment victims had a parent with inadequate housing. Furthermore, according to the 2021 Kevin S. settlement report, CYFD placed 30 children in homeless shelters in December 2021 alone. Because these families and children are at heightened risk of new or continued homelessness, the state may want to consider if and how the housing and rental assistance funding could be used to provide housing to families and youth that are on the waiting list for an FUP voucher.

Dedicating additional funds to the expanded landlord support program if *it shows promising outcomes*. The success of the state Linkages and federal housing choice voucher program depends on the willingness of private landlords to accept the rental subsidies. Many landlords choose not to rent to housing subsidy participants because of the costs associated with inspections and meeting HUD or state housing standards, bias against low-income tenants,

and an unwillingness to participate in subsidy-related bureaucracy. To counter this, HUD recommends monetary incentives and reimbursements for landlords. Some state governments, including Maine and Washington, have successfully used these monetary incentives to encourage participation, mitigate perceived risk, and address delays in leasing and costs for repairs. In the 2023 session, the Legislature appropriated \$2.5 million for such a comprehensive landlord support program, an amount that should be more than sufficient given the experience in other states (see Appendix A, line 6).

State and local governments can also help renters pay for move-in costs and utilities, as BHSD does with its Move-In program for special populations, and assist property owners with security deposits and maintenance and upgrades, as Maine does with its landlord incentive program.

Some one-time Linkages funding could be used to develop an expansion plan and improve performance reporting and tracking.

During the 2023 session, the Legislature appropriated an additional \$1 million recurring and a \$1 million nonrecurring appropriation to support vouchers and services for about 150 new participants over the 338 participants funded in FY23 with a \$4.3 million allocation. (see Appendix A, recurring and nonrecurring line 1, and Appendix B). BHSD should consider how to use the nonrecurring funding to plan for expansion and for one-time expenses that would aid the program in effectiveness as it expands.

According to BHSD, four out of 11 Linkages providers use Medicaid funds, and in New Mexico Medicaid can only be used for supportive services, not housing. Currently, Centennial Care, the state's federally approved Medicaid plan, allows for certified peer support workers (CPSWs) to be reimbursed for serving those enrolled in Linkages. BHSD staff report that many providers do not have CPSWs on staff. In 2023, Turquoise Care, the state's new Medicaid plan, will allow for other paraprofessionals, such as community support workers and supportive housing coordinators, to serve the program. Furthermore, in 2022, the federal Centers for Medicare and Medicaid Services approved plans in Arizona, Massachusetts, and Oregon that allow Medicaid funds to be spent on rental assistance for up to six months for individuals transitioning out of congregate settings, homeless shelters, or the child welfare system. HSD should consider amending their 1115 waiver application to provide similar services.

Linkages reports basic participation data and the number of vouchers issued, but not outcomes or system-level performance measures. Not all Linkages providers report data to the state's homeless management information service (HMIS) system as do most other homelessness providers in the state. 12

Other States Offer Landlord Incentives to Encourage Voucher Acceptance

The state of Maine provides up to \$750 as a signing bonus for each unit placed in the housing choice voucher program. The state used \$380 thousand of its CARES funding to pay landlords for security deposits and repairs, resulting in 352 new affordable units. The state continued its incentive program in 2021 with \$750 thousand of HOME funds.

The state of Washington offers up to \$1,000 and up to 14 days' rent loss to a landlord in reimbursement for potentially required move-in upgrades and up to \$5,000 in qualifying damages caused by a tenant during tenancy.

Source: Maine and Washington housing websites

¹² A homeless management information system (HMIS) is a local information technology system required by HUD for grantees to collect client-level and service data. The New Mexico Coalition to End Homelessness oversees the New Mexico HMIS.

Santa Fe Suites' Sustainability Model

- Tenants contribute 30 percent of their income to rent.
- Tenants are moved into permanent housing within two years.
- Tenants create a longterm sustainable housing plan with staff.
- Staff help tenants apply for federal housing programs.
- Staff provide tenants with wraparound services, including on-site healthcare.

Source: LFC Files

Figure 8. Santa Fe Suites encompasses 123 supportive housing units for chronically homeless and low-income individuals



Source: LFC site visit

In 2012, BHSD collaborated with University of New Mexico's Community Behavioral Health Division to develop an evidence based public supportive housing fidelity tool. BHSD cited resistance from federally funded supportive housing programs to explain why the tool was never adopted. BHSD should reintroduce evidence-based fidelity monitoring tools for state-funded Linkages programs. Given BHSD's interest in expanding the program and new funding, BHSD should consider reporting the following as quarterly performance measures: 1) how many Linkages clients move to federal or other vouchers each year, and 2) how many providers are billing Medicaid for Linkages services. BHSD should also report on its efforts to move providers not billing Medicaid toward doing so, and its timeline for updating the 2018-2023 Strategic Plan for Supportive Housing in New Mexico.

DFA could encourage Casa Connections grant recipients to develop tenant sustainability models.

As part of the state's pandemic funding from the American Rescue Plan Act, the Department of Finance and Administration was appropriated \$20 million to provide housing assistance for homeless persons. With a portion of that funding, DFA established the Casa Connection Grant Program. In 2023, the program awarded \$10.6 million to organizations for the provision of transitional housing, including \$2.86 million to the city of Albuquerque and \$2.5 million to the city of Deming and the Luna County Economic Development Center, for purchase and renovation of hotels. In 2023, the Legislature appropriated another \$10 million for this purpose (see Appendix A, nonrecurring, line 2).

Prior to the Casa Connections Program, MFA had dedicated \$2 million of its allocated Coronavirus Aid, Relief, and Economic Security Act (CARES) funding to support the acquisition of the Santa Fe Suites Hotel to provide 123 units of low-income rentals. The eventual build out and operation of Santa Fe Suites follows some best practices that DFA could encourage from its next round of Casa Connections grantees.

Motel conversions represent a fast and affordable means to increase supportive housing compared with new builds. In 2021, the city of Santa Fe partnered with the national nonprofit Community Solutions to purchase a hotel for conversion into supportive housing units for \$9 million, through a combination of state and local federal pandemic funds (\$3.99 million), debt financing (\$3.9 million), and private investors (\$600 thousand). Santa Fe Suites encompasses 123 units; roughly half house chronically homeless individuals, while the remaining apartments serve low- to moderate-income individuals. The nonprofit, St. Elizabeth's Shelter, manages the units and provides tenant support services.

Of the 162 individuals housed at the Suites since 2021, more than half have received a housing subsidy (66 percent). The Suites can access 60 local housing vouchers and select tenants meeting voucher requirements. Staff aim to move these tenants into permanent housing within two years. Tenants are supported in accessing senior housing; federal supports, such as housing choice vouchers (formerly Section 8 vouchers); or increasing their incomes to afford market-rate housing. Roughly half of Santa Fe Suites residents pay fair market rate rent, which helps fund services and maintenance. Most tenants have received wraparound support services (69 percent), which helped 54 individuals achieve greater financial stability through accessing Senior Housing, housing choice vouchers, nursing homes, or hospice (with an additional 25 housing choice voucher applications under review).

The City of Albuquerque estimates the cost of converting motels to efficiency apartments at approximately \$100 thousand per unit compared with \$300 thousand for a new efficiency unit. In response to a 20 percent overall increase in rents since 2021, the mayor has set a goal of creating 5,000 additional affordable units over what the private market would normally produce by 2025. Building on the success of the converted Sundowner apartments with 60 of 71 units affordably priced and Luna Lodge with all 30 units affordable, the city intends to convert approximately 1,000 motel units to efficiency units.

New Mexico has increased the recurring funding for affordable housing through MFA.

With the new severance tax bond (STB) money, in FY24 MFA will have about \$74 million available in the New Mexico housing trust fund (NMHTF)¹³ to support affordable housing development—more than twice the amount in any given year prior. The fund has received over \$61 million in legislative appropriations since 2005, about \$25 million from federal pandemic funds. In addition to appropriations, the fund also earns interest on financed loans. TRD economists estimate the STB earmark will provide approximately \$40 million annually, available for expenditure beginning FY24. According to MFA staff, the STB money can be used generally for capital expenditures, including new rental and single-family development, rehabilitation, weatherization, and down payment assistance. MFA cannot use the money for non-capital expenses, including any services, rental assistance, eviction prevention, or rental vouchers. In the past, MFA awarded almost all NMHTF money as low-interest loans to finance housing development and rehabilitation.

MFA's board has approved increased homeowner down-payment assistance by \$5 million for a total of \$8.5 million and dedicated \$25 million over five years in funding for the rehabilitation and preservation of existing subsidized housing — both best practices recommended by the New Mexico Housing Strategy report. The authority could also consider how to use the NMHTF funds to support innovative affordable housing development such as motel conversions. Further, MFA could consider how new NMHTF recurring funding could be used to bring new units into the Linkages program with the severance tax bond portion of the NMHTF, or through programmatic incentives with the non-severance tax bond portion.

New Mexico Needs to Preserve Its Existing Subsidized Housing

Approximately 1,300 (5 percent) of New Mexico's 29 thousand publicly assisted rental units could lose their subsidies in the next five years, and at least 650 public housing units are in need of immediate investment. The majority of these units have LIHTC, Section 8, and USDA subsidies.

The number of lost units will more than double in the next 10 years when affordability commitments expire or when their condition deteriorates from lack of maintenance or capital investment. Property owners often convert to market rates, exacerbating supply shortages.

Preservation maintains public investments and promotes housing security. Rehabilitation and energy-efficient upgrades save money for tenants, government agencies, and owners.

Source: National Housing Preservation
Database

¹³ New Mexico's housing trust fund (NMHTF) was created in 2005 to finance loans or provide grants to affordable housing projects. Laws 2021, Chapter 24 expanded its purpose to include rental and mortgage assistance, housing counseling, down payment assistance, home rehabilitation and weatherization, and programs to address homelessness.

MFA is following best practices in dedicating new NMHTF funds for preservation and rehabilitation for funding. According to HUD, preservation typically costs only one-half to two-thirds as much as new construction. At its March 2023 meeting, the MFA board approved an allocation of \$25 million of its new housing trust fund monies for a new fund dedicated to the preservation of at-risk affordable housing in rural and tribal areas. MFA reported that 4,057 MFA-funded units are at risk of exiting affordability within the next five years. MFA estimated that about one-quarter of the owners of the at-risk units would take advantage of the funding and opportunity to rehabilitate and extend subsidized affordability restrictions. Staff estimated the program would cost \$5 million a year for the next five years.

MFA may also want to consider further expanding down-payment and closing-cost assistance for low-income, first-time homeowners. The costs of owning a home are generally lower than renting over the medium to long term and owning a home allows a family to build equity and maintain stability. For these reasons, down payment assistance is a priority area in the president's FFY24 budget and a recommendation of the Urban Institute. MFA already has grant programs for families to receive up to \$25 thousand in down payment assistance. At its February 2023 meeting, the MFA board approved \$5 million in NMHTF dollars be used to support the down payment assistance program, which already had \$3.5 million in general fund appropriations. However, staff estimated the program would need a total of \$13.3 million in FY23 to meet demand. Additional NMHTF disbursements could now be used to meet this need.

With expanded funds available for NMHTF, the Legislature may want to consider ways of limiting the piecemeal funding of housing through capital outlay. During the 2023 session, the Legislature appropriated \$32.8 million in capital outlay to 21 different homelessness and housing projects (see Appendix A). For years, reports from LFC and other sources have identified fragmentation and the absence of a central strategy to guide infrastructure investments as a fundamental shortcoming of New Mexico's approach to capital spending and the public benefits that result from it. As a result, the \$32.8 million appropriated for housing and homelessness projects in the 2023 session may not result in more affordable housing as efficiently or effectively as it would have if that money were instead invested through different methods. Further, unlike most federal affordable housing subsidies, such as LIHTC, or even state housing trust fund moneys, state capital outlay spending has no long-term requirements that resulting housing will be kept affordable, no assurances that adequate financing is in place to complete the project, and no assurances that the money is not supplanting other non-state subsidies.

The Legislature could consider amending the Affordable Housing Act to preserve public investments and properties if units go into foreclosure or are sold when affordability commitments end. Currently, the Affordable Housing Act (6-27-1 to 6-27-8 NMSA 1978) stipulates that sales should be at fair market value but the provisions related to disposition of property seem designed to recover costs rather than to keep the units affordable. Revisions

Regulatory Tools to Protect Subsidized Housing

1. Advanced notice to tenants;

Nevada and New York require 120 days and three years of notice, respectively.

 "Right of first refusal" and "right to purchase" for tenants, a nonprofit, or the city to purchase the property; and

At least seven states, including Illinois, California, and Florida, have these policies.

Tenant relocation reimbursements.

Federal regulations require relocation assistance when tenants are displaced from federally funded housing.

Source: HousingWorks Austin

might provide for advanced notice to tenants, listing requirements, and "right of first refusal" for affordable housing entities.

In early 2023, with little notice, low-income residents of a 49-unit Española apartment complex were told they should make plans to find new housing because the owner was planning to close the complex. The property was built in the 1980s by a developer using a U.S. Department of Agriculture program that provided low-interest financing in return for a 30-year commitment to provide affordable rents to low-income tenants. However, the developer failed to provide necessary upkeep on the complex over the years, and a series of newspaper articles exposed significant maintenance needs. To preserve housing for the residents, the city of Española stepped in to purchase the property, but the upkeep and maintenance issues will still need to be addressed.

Source: Rio Grande Sun and Santa Fe New Mexican

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City of Santa Fe Office of Affordable Housing

City of Albuquerque

Eastern New Mexico Regional Housing Authority

Homewise

Mesilla Valley Community of Hope

National Conference of State Legislatures

Project Moxie

Roots Policy Research

Santa Fe Suites/St. Elizabeth Shelters and Supportive Housing

Southwest Care Outreach and Prevention Department

U.S. Department of Housing and Urban Development

Appendix A: 2023 Legislative Appropriations for Housing and Homelessness-Related Projects

Recurring HB2 and SB381

	<u>Agency</u>	<u>Purpose</u>	Funding (in thousands)	
1	HSD	For the Linkages program.	\$1,000.0	1
2	MFA via DFA*	To the Department of Finance and Administration for the New Mexico Mortgage Finance Authority to acquire, build or rehabilitate, including weatherization, affordable housing statewide, pursuant to the provisions of the New Mexico housing trust fund and the Affordable Housing Act.	\$40,000.0	2
3	* SB 381 moves up dis Total	stributions from STBs to the HTF by one year and will not show up as an appropriation.	\$41,000.0	3

Nonrecurring HB2

	<u>Agency</u>	<u>Purpose</u>	Funding (in thousands)	_
1	HSD	For the Linkages program.	\$1,000.0	1
2	DFA	To the local government division to provide grants to local governments to support housing infrastructure.	\$10,000.0	2
3	HSD	To establish a comprehensive reentry support pilot program to provide individuals reentering the community from incarceration with pre-release medicaid capacity, connection to services and housing support, including a pilot alternative parole revocation process, in coordination with the corrections department. Target populations include, but are not limited to, individuals on inhouse parole and those eligible for geriatric parole.	\$2,500.0	3
4	DFA	For rental assistance and eviction prevention through fiscal year 2025.	\$1,000.0	4
5	DOH	For mobile homelessness response	\$4,000.0	5
6	DFA	For a comprehensive landlord support program.	\$2,500.0	6
7	HSD	For housing assistance for people affected by opioid use disorder.	\$2,000.0	7
8	DFA	For rental assistance and other housing initiatives.	\$20,000.0	8
9			\$43,000.0	9

Junior SB192

DFA I To contract for comprehensive services, housing options and resources for the homeless statewide. DFA For the homeless management information system in additional agencies statewide and homeless services. 3 DFA LGD (Bernalitilo)		<u>Agency</u>	<u>Purpose</u>	Funding (in thousands)	
DFA LGD (Dona Ana) To contract for supportive housing for the homeless population with disabilities and their families in Las Cruces. \$75.0 DFA LGD (Dona Ana) DFA LGD (Dona Ana) To contract for homeless services. \$75.0 DFA LGD (Dona Ana) DFA LGD (Dona Ana) To contract for supportive housing to the homeless population in Hobbs. \$125.0 DFA LGD (Dona Ana) DFA LGD (Dona Ana) DFA LGD (Dona Ana) To contract for supportive housing to the homeless population in Hobbs. \$75.0 DFA LGD (Dona Ana) DFA LGD (Dona Ana) To contract for supportive housing to the homeless population in Hobbs. \$125.0 DFA LGD (Dona Ana) DFA LGD (Dona Ana) To contract for supportive housing to the homeless population in Hobbs. \$100.0 To contract for meless services, funding and advocacy to support homeless at an overline housing services in Santa Fe. HSD To contract for a homeless shelter and supportive housing services in Santa Fe. S100.0 To contract for rural outreach to homeless persons and persons with substance use or	1	DFA		\$150.0	1
Bernalillo) For transformative investments in antordable housing. DFA LGD (Dona Ana) For the expansion of mental health services and building equipment expenses for the supportive transitional housing for vulnerable, high-risk and high-need populations in Las Cruces. DFA LGD (Dona Ana) To contract for supportive housing for the homeless population with disabilities and their families in Las Cruces. For housing programs. To furnish and equip a four-chair dental suite and six offices in the behavioral health suite, serving persons with serious mental health issues and experiencing homelessness and other socially or economically disadvantaged residents in Las Cruces. DFA LGD (Dona Ana) To purchase refrigerated vehicles to collect food to feed the homeless population in Las Cruces. DFA LGD (Dona Ana) To contract for supportive housing for the homeless population with disabilities and their families in Las Cruces. DFA LGD (Dona Ana) To contract for supportive housing for the homeless population with disabilities and their families in Las Cruces. \$75.0 DFA LGD (Dona Ana) To contract for supportive housing for the homeless population with disabilities and their families in Las Cruces. \$75.0 DFA LGD (Dona Ana) To contract for supportive housing to the homeless population in Hobbs. \$125.0 DFA LGD (Lea) To contract for supportive housing to the homeless population in Hobbs. \$75.0 DFA LGD (Otero) For housing and shelter programs in Alamogordo. \$75.0 To contract with a statewide organization to provide comprehensive services, housing options, resources, funding and advocacy to support homeless individuals and families. HSD To contract for rural outreach to homeless persons and persons with substance use of co-occurring disorders in Taos county. POH For the office of primary care and rural health to contract for an evaluation of medical respite for the homeless population. For the behavioral health services division to provide one hundred percent per outpatient services for substance use disorders focusi	2	DFA		\$235.0	2
to the supportive transitional housing for vulnerable, high-risk and high-need populations in Las Cruces. DFA LGD (Dona Ana) To contract for supportive housing for the homeless population with disabilities and their families in Las Cruces. To furnish and equip a four-chair dental suite and six offices in the behavioral health suite, serving persons with serious mental health issues and experiencing homelessness and other socially or economically disadvantaged residents in Las Cruces. DFA LGD (Dona Ana) To contract for supportive housing for the homeless population with disabilities and their families in Las Cruces. \$75.0 DFA LGD (Dona Ana) DFA LGD (Dona Ana) To contract for homeless services. \$75.0 DFA LGD (Lea) To purchase equipment or services supporting low-income housing in Hobbs. \$125.0 DFA LGD (Dona Ana) To contract for supportive housing to the homeless population in Hobbs. \$75.0 DFA LGD (Dona Ana) To contract for mentoring for at-risk youth experiencing homelessness at an overnight shelter in Ruidoso. To contract with a statewide organization to provide comprehensive services, housing options, resources, funding and advocacy to support homeless individuals and families. HSD To contract for a homeless shelter and supportive housing services in Santa Fe. \$180.0 To contract for a homeless shelter and supportive housing services in Santa Fe. \$180.0 To contract for inferior of primary care and rural health to contract for an evaluation of medical respite for the homeless population. For the behavioral health services division to provide one hundred percent per updated in the provide of primary care and rural health to contract for an evaluation of medical respite for the homeless veterans services for veterans and their families	3		For transformative investments in affordable housing.	\$75.0	3
DFA LGD (Dona Ana) and their familites in Las Cruces. To furnish and equip a four-chair dental suite and six offices in the behavioral health suite, serving persons with serious mental health issues and experiencing homelessness and other socially or economically disadvantaged residents in Las Cruces. DFA LGD (Dona Ana) To purchase refrigerated vehicles to collect food to feed the homeless population in Las Cruces. DFA LGD (Dona Ana) To contract for supportive housing for the homeless population with disabilities and their families in Las Cruces. DFA LGD (Dona Ana) To contract for thomeless services. DFA LGD (Dona Ana) To contract for supportive housing for the homeless population with disabilities and their families in Las Cruces. 375.0 DFA LGD (Dona Ana) To contract for homeless services. 375.0 DFA LGD (Lea) To purchase equipment or services supporting low-income housing in Hobbs. \$75.0 DFA LGD (Lea) To contract for supportive housing to the homeless population in Hobbs. \$75.0 DFA LGD (Otero) For housing and shelter programs in Alamogordo. 375.0 DFA LGD (Citero) To contract for mentoring for at-risk youth experiencing homelessness at an overnight shelter in Ruidoso. To contract with a statewide organization to provide comprehensive services, housing options, resources, funding and advocacy to support homeless individuals and families. HSD To contract for a homeless shelter and supportive housing services in Santa Fe. \$180.0 HSD To contract for ural outreach to homeless persons and persons with substance use or co-occurring disorders in Taos county. For the office of primary care and rural health to contract for an evaluation of medical respite for the homeless population. For the behavioral health services division to provide one hundred percent peer outpatient services for substance use disorders focusing on opiate addiction and recovery with Espanola and weekly homeless street outreach efforts.	4		for the supportive transitional housing for vulnerable, high-risk and high-need	\$225.0	4
To furnish and equip a four-chair dental suite and six offices in the behavioral health suite, serving persons with serious mental health issues and experiencing homelessness and other socially or economically disadvantaged residents in Las Cruces. DFA LGD (Dona Ana) To purchase refrigerated vehicles to collect food to feed the homeless population in Las Cruces. DFA LGD (Dona Ana) To contract for supportive housing for the homeless population with disabilities and their families in Las Cruces. DFA LGD (Dona Ana) To contract for homeless services. DFA LGD (Dona Ana) To contract for homeless services. DFA LGD (Lea) To purchase equipment or services supporting low-income housing in Hobbs. \$75.0 DFA LGD (Lea) To contract for supportive housing to the homeless population in Hobbs. \$75.0 DFA LGD (Lea) To contract for supportive housing to the homeless population in Hobbs. \$75.0 DFA LGD (Lea) To contract for supportive housing to the homeless population in Hobbs. \$75.0 DFA LGD (Dona Ana) To contract for supportive housing to the homeless population in Hobbs. \$75.0 DFA LGD (Lincoin) To contract for mentoring for at-risk youth experiencing homelessness at an overnight shelter in Ruidoso. To contract with a statewide organization to provide comprehensive services, housing options, resources, funding and advocacy to support homeless shousing options, resources, funding and advocacy to support homeless shousing options, resources, funding and advocacy to support homeless in Santa Fe. HSD To contract for rural outreach to homeless persons and persons with substance use or co-occurring disorders in Taos county. To contract for rural outreach to homeless persons and persons with substance use or co-occurring disorders in Taos county. For the behavioral health services division to provide one hundred percent peer outpatient services for substance use disorders focusing on opiate addiction and recovery with Espanola and weekly homeless street outreach efforts.	5			\$100.0	5
DFA LGD (Dona Ana) health suite, serving persons with serious mental health issues and experiencing homelessness and other socially or economically disadvantaged residents in Las Cruces. DFA LGD (Dona Ana) To purchase refrigerated vehicles to collect food to feed the homeless population in Las Cruces. DFA LGD (Dona Ana) To contract for supportive housing for the homeless population with disabilities and their families in Las Cruces. DFA LGD (Dona Ana) To contract for homeless services. DFA LGD (Dona Ana) To contract for homeless services. DFA LGD (Lea) To purchase equipment or services supporting low-income housing in Hobbs. 12 DFA LGD (Lea) To contract for supportive housing to the homeless population in Hobbs. 13 DFA LGD (Lea) To contract for supportive housing to the homeless population in Hobbs. DFA LGD (Otero) For housing and shelter programs in Alamogordo. 14 DFA LGD (Clero) To contract for mentoring for at-risk youth experiencing homelessness at an overnight shelter in Ruidoso. 15 HSD To contract with a statewide organization to provide comprehensive services, housing options, resources, funding and advocacy to support homeless individuals and families. 16 HSD To contract for a homeless shelter and supportive housing services in Santa Fe. \$100.0 18 DOH For the office of primary care and rural health to contract for an evaluation of medical respite for the homeless population. For the behavioral health services division to provide one hundred percent peer outpatient services for substance use disorders focusing on opiate addiction and recovery with Espanola and weekly homeless street outreach efforts.	6		For housing programs.	\$125.0	6
DFA LGD (Dona Ana) population in Las Cruces. DFA LGD (Dona Ana) and their families in Las Cruces. DFA LGD (Dona Ana) To contract for supportive housing for the homeless population with disabilities and their families in Las Cruces. DFA LGD (Dona Ana) To contract for homeless services. DFA LGD (Lea) To purchase equipment or services supporting low-income housing in Hobbs. \$75.0 DFA LGD (Lea) To contract for supportive housing to the homeless population in Hobbs. \$75.0 DFA LGD (Otero) For housing and shelter programs in Alamogordo. \$75.0 DFA LGD (Lincoln) To contract for mentoring for at-risk youth experiencing homelessness at an overnight shelter in Ruidoso. To contract with a statewide organization to provide comprehensive services, housing options, resources, funding and advocacy to support homeless \$100.0 HSD To contract for a homeless shelter and supportive housing services in Santa Fe. \$180.0 HSD To contract for rural outreach to homeless persons and persons with substance use or co-occurring disorders in Taos county. DOH For the office of primary care and rural health to contract for an evaluation of medical respite for the homeless population. For the behavioral health services division to provide one hundred percent peer outpatient services for substance use disorders focusing on opiate addiction and recovery with Espanola and weekly homeless street outreach efforts.	7		health suite, serving persons with serious mental health issues and experiencing homelessness and other socially or economically disadvantaged	\$125.0	7
Dona Ana and their families in Las Cruces. \$100.0	8			\$75.0	8
DFA LGD (Lea) To contract for homeless services. \$75.0	9		''	\$100.0	9
DFA LGD (Lea) To contract for supportive housing to the homeless population in Hobbs. \$75.0 DFA LGD (Otero) For housing and shelter programs in Alamogordo. \$75.0 DFA LGD (Otero) To contract for mentoring for at-risk youth experiencing homelessness at an overnight shelter in Ruidoso. \$100.0 To contract with a statewide organization to provide comprehensive services, housing options, resources, funding and advocacy to support homeless \$100.0 HSD To contract for a homeless shelter and supportive housing services in Santa Fe. \$180.0 HSD To contract for rural outreach to homeless persons and persons with substance use or co-occurring disorders in Taos county. \$100.0 BOH For the office of primary care and rural health to contract for an evaluation of medical respite for the homeless population. \$75.0 DOH For the behavioral health services division to provide one hundred percent peer outpatient services for substance use disorders focusing on opiate addiction and recovery with Espanola and weekly homeless street outreach efforts. \$150.0 DVS To contract for homeless veterans services for veterans and their families. \$150.0	10		To contract for homeless services.	\$75.0	10
DFA LGD (Otero) DFA LGD (Otero) To contract for mentoring for at-risk youth experiencing homelessness at an overnight shelter in Ruidoso. To contract with a statewide organization to provide comprehensive services, housing options, resources, funding and advocacy to support homeless individuals and families. HSD To contract for a homeless shelter and supportive housing services in Santa Fe. HSD To contract for a homeless shelter and supportive housing services in Santa Fe. To contract for rural outreach to homeless persons and persons with substance use or co-occurring disorders in Taos county. DOH For the office of primary care and rural health to contract for an evaluation of medical respite for the homeless population. For the behavioral health services division to provide one hundred percent peer outpatient services for substance use disorders focusing on opiate addiction and recovery with Espanola and weekly homeless street outreach efforts. DVS To contract for homeless veterans services for veterans and their families. \$150.0	11	DFA LGD (Lea)	To purchase equipment or services supporting low-income housing in Hobbs.	\$125.0	11
Cotero For housing and shelter programs in Alamogordo. \$75.0	12	DFA LGD (Lea)	To contract for supportive housing to the homeless population in Hobbs.	\$75.0	12
(Lincoln) overnight shelter in Ruidoso. To contract with a statewide organization to provide comprehensive services, housing options, resources, funding and advocacy to support homeless individuals and families. 16 HSD To contract for a homeless shelter and supportive housing services in Santa Fe. 17 HSD To contract for rural outreach to homeless persons and persons with substance use or co-occurring disorders in Taos county. 18 DOH For the office of primary care and rural health to contract for an evaluation of medical respite for the homeless population. For the behavioral health services division to provide one hundred percent peer outpatient services for substance use disorders focusing on opiate addiction and recovery with Espanola and weekly homeless street outreach efforts. 19 DVS To contract for homeless veterans services for veterans and their families. \$100.0	13		For housing and shelter programs in Alamogordo.	\$75.0	13
housing options, resources, funding and advocacy to support homeless individuals and families. 16 HSD To contract for a homeless shelter and supportive housing services in Santa Fe. \$180.0 17 HSD To contract for rural outreach to homeless persons and persons with substance use or co-occurring disorders in Taos county. 18 DOH For the office of primary care and rural health to contract for an evaluation of medical respite for the homeless population. 19 DOH For the behavioral health services division to provide one hundred percent peer outpatient services for substance use disorders focusing on opiate addiction and recovery with Espanola and weekly homeless street outreach efforts. 20 DVS To contract for homeless veterans services for veterans and their families.	14			\$100.0	14
HSD To contract for rural outreach to homeless persons and persons with substance use or co-occurring disorders in Taos county. For the office of primary care and rural health to contract for an evaluation of medical respite for the homeless population. For the behavioral health services division to provide one hundred percent peer outpatient services for substance use disorders focusing on opiate addiction and recovery with Espanola and weekly homeless street outreach efforts. DVS To contract for homeless veterans services for veterans and their families.	15	HSD	housing options, resources, funding and advocacy to support homeless	\$100.0	15
use or co-occurring disorders in Taos county. For the office of primary care and rural health to contract for an evaluation of medical respite for the homeless population. For the behavioral health services division to provide one hundred percent peer outpatient services for substance use disorders focusing on opiate addiction and recovery with Espanola and weekly homeless street outreach efforts. DVS To contract for homeless veterans services for veterans and their families. \$150.0	16	HSD	To contract for a homeless shelter and supportive housing services in Santa Fe.	\$180.0	16
medical respite for the homeless population. For the behavioral health services division to provide one hundred percent peer outpatient services for substance use disorders focusing on opiate addiction and recovery with Espanola and weekly homeless street outreach efforts. DVS To contract for homeless veterans services for veterans and their families. \$75.0 \$200.0	17	HSD		\$100.0	17
DOH outpatient services for substance use disorders focusing on opiate addiction and recovery with Espanola and weekly homeless street outreach efforts. 20 DVS To contract for homeless veterans services for veterans and their families.	18	DOH		\$75.0	18
7.4	19	DOH	outpatient services for substance use disorders focusing on opiate addiction	\$200.0	19
Total #0.40F0	20	DVS	To contract for homeless veterans services for veterans and their families.	\$150.0	20
21 10(a) \$2,465.0	21	Total	-	\$2,465.0	21

Capital Outlay HB505

	Agency	<u>Purpose</u>	Funding (in thousands)	
1	PED	To plan, design and construct affordable housing for lease to district staff on property owned by the Santa Fe public school district in Santa Fe county	\$815.0	1
2	DFA	To plan, design, construct, purchase, install, equip, furnish, renovate and improve a medical treatment and care facility for the Gateway center, including a medical respite facility, sobering center and first responder drop-off, in Albuquerque in Bernalillo county.	\$9,926.5	2
3	DFA	For housing projects in Bernalillo and Santa Fe counties	\$7,000.0	3
4	DFA	To plan, design and construct traditional housing in the Pueblo of San Felipe in Sandoval county	\$569.5	4
5	DFA	To plan, design, construct, furnish and equip emergency housing for the Pueblo of Cochiti in Sandoval county	\$975.0	5
6	DFA	To plan, design, construct, equip, renovate, improve and furnish tribal housing in the Pueblo of Santo Domingo in Sandoval county	\$2,500.0	6
7	DFA	To plan, design and construct residential housing and cultural buildings within the traditional plaza area in the Pueblo of Tesuque in Santa Fe county	\$55.0	7
8	DFA	To plan, design, construct and improve road and storm drainage and water and sewer utility infrastructure for the YES housing project at Second street SW and Rio Bravo boulevard SW in Bernalillo county	\$450.0	8
9	DFA	To acquire land and property for and to plan, design, construct and improve affordable housing in Albuquerque in Bernalillo county	\$1,060.8	9
10	DFA	To plan, design and construct affordable housing units, including live-work and commercial spaces, in the area of 4th street NW and Fitzgerald road NW in Albuquerque in Bernalillo county	\$250.0	10
11	DFA	To plan, design, construct, renovate and improve public housing and affordable housing rental units for the housing authority in Albuquerque in Bernalillo county	\$150.0	11
12	DFA	To acquire land and rights of way and to plan, design, construct, renovate, equip and furnish Desert Hills as affordable housing in Albuquerque in Bernalillo county	\$70.0	12
13	DFA	To purchase and install furnishings and equipment for transitional housing at the veterans integration centers in Albuquerque in Bernalillo county	\$1,419.3	13
14	DFA	To plan, design and construct, repair and replace a roof on the building on the Mesilla Valley community of hope campus in Las Cruces in Dona Ana county	\$250.0	14
15	DFA	To plan, design, construct, renovate, purchase, equip, furnish and install improvements to a section of the building for the Mesilla Valley community of hope offices in Las Cruces in Dona Ana county	\$1,150.0	15
16	DFA	To plan, design, construct and develop housing for employees and community members in Harding county	\$500.0	16
17	DFA	To plan, design, purchase, install, construct and renovate housing units and site infrastructure at the Santa Cruz public housing development in Espanola in Santa Fe county	\$600.0	17
18	DFA	To plan, design, construct, renovate, expand, repair and equip a recovery and transitional housing facility, including infrastructure, in Espanola in Santa Fe county	\$710.0	18
19	DFA	To plan, design and construct affordable workforce housing in Taos in Taos county	\$2,900.0	19
20	DFA	To purchase equipment and vehicles to provide transportation and meal services to displaced persons and families experiencing homelessness in the international district in Albuquerque in Bernalillo county	\$101.5	20
21	DFA	To plan, design, construct, furnish and equip a preschool facility for children and families experiencing homelessness in Albuquerque in Bernalillo county	\$1,356.5	21
22	Total		\$32,809.0	22

Appendix B: State Appropriations for Housing and Homelessness Initiative since the 2020 Regular Legislative Session

# Type	Agency	Language	Source	Amount	Year Bill	#
1 Recurring	CYFD	The federal funds appropriations to the income support program of the human services department include nine hundred thousand dollars (\$900,000) from the federal temporary assistance for needy families block grant for transfer to the children, youth and families department for a supportive housing project.	TANF	\$900.0	2022 HB2 2022	-
2 Recurring	CYFD	The federal funds appropriations to the income support program of the human services department include nine hundred thousand dollars (\$800,000) from the federal temporary assistance for needy families block grant for transfer to the children, youth and families department for a supportive housing project.	TANF	\$900.0	2021 HB2 2021	2
3 Recurring	CYFD	The federal funds appropriations to the income support program of the human services department include nine hundred thousand dollars (\$800,000) from the federal temporary assistance for needy families block grant for transfer to the children, youth and families department for a supportive housing project.	TANF	\$900.0	2020 HB2 2020	ო
Nonrecuming CARES / 4 ARPA	DFA	to contract for services to provide emergency housing assistance and assistance for the homeless	GF (CARES)	\$15,000.0	2020 HB1 2020 2nd SS	4
5 Capital Outlay	DFA	for the New Mexico montgage finance authority to build or rehabilitate affordable housing statewide, pursuant to the provisions of the New Mexico housing trust fund and the Affordable Housing Act	STB Capital	\$3,000.0	2021 HB 285	s.
Nonrecurring 6 OSF	DFA	For disbursement to the New Mexico montgage finance authority for expenditure pursuant to the New Mexico Housing Trust Fund Act. The other state funds appropriation is from the mortgage regulatory fund.	OSF (mortgag	\$2,000.0	2021 HB2 2021	9
Nonrecuming CARES / 7 ARPA	DFA	For the New Mexico mortgage finance authority to acquire, build and rehabilitate, including weatherization, affordable energy efficient housing, financing and other housing services statewide, pursuant to the provisions of the New Mexico Housing Trust Fund Act and the Affordable Housing Act.	GF (ARPA)	\$10,000.0	2022 HB2 2022	7
Nonrecuming CARES / 8 ARPA	DFA	To provide housing assistance for homeless persons.	GF (ARPA)	\$10,000.0	2022 HB2 2022	80
Nonrecurring CARES / o ARPA	DEA	To omitide housing secietaros for homelace percons	GE (ARPA)	S10 000 0	S2 bar 2002 3001 SS	a
Nonrecuming CARES / 10 ARPA	DFA	for disbursement to the New Mexico montgage finance authority for expenditure for energy-efficient affordable housing pursuant to the New Mexico Housing Trust Fund Act, provided that the funding shall not be used to match federal funds but may be used to match private or local funds.	GF (ARPA)	\$15,000.0		9
Capital Outlay	DFA	for the New Mexico montgage finance authority to construct or rehabilitate affordable housing statewide, pursuant to the New Mexico Housing Trust Fund Act and the Affordable Housing Act	STB Capital	\$1,200.0		Ξ
12 Capital Outlay	DFA	for the New Mexico montgage finance authority to weatherize homes and to provide energy efficiency improvements pursuant to the Affordable Housing Act for low-income households statewide.	STB Capital	\$1,000.0	2020 HB 349	12
13 Capital Outlay 14 Capital Outlay	DFA DFA local capital	for the New Mexico mortgage finance authority to acquire, build and rehabilitate, including weatherization, affordable housing statewide, pursuant to the provisions of the New Mexico housing trust fund and the Affordable Housing Authority in Albumamusi Included to the Included and recognize and make improvements to pushe in housing units for the Albumamusi busing authority in Albumamusi in	STB Capital	\$9,000.0	2022 SB 212	£ 4
Capital Outlay	DFA local capital			\$2.500.0	2020 HB 349	र्घ
16 Capital Outlay	DFA local capital	to plan, design, construct, renovate, purchase and equip a facility to provide temporary housing for youth in Albuquerque in Bernalillo county	STB Capital	\$145.5	2020 HB 349	16
17 Capital Outlay	DFA local capital	to plan, design, construct and renovate a facility for homeless and below-market renters, including housing and services, in Santa Fe in Santa Fe county	STB Capital	\$853.0	2020 HB 349	17
18 Capital Outlay	DFA local capital		STB Capital	\$1,600.0	2021 HB 285	8
	DFA local capital	to plan, design, construct, replace, renovate, purchase and equip a facility to provide temporary housing for youth in Albuquerque in Bernallilo county	STB Capital	\$455.0	2021 HB 285	19
Capital Outlay	DFA local capital	to plan, design, construct and equip site improvements for public housing in Santa Fe county. In olan design funish equip and construct a transitional and affordable housing major for sick and indigent individuals in accordation with	STB Capital	\$452.7	2021 HB 285	8
21 Capital Outlay	DFA local capital		STB Capital	\$221.1	2022 SB 212	21
22 Capital Outlay	DFA local capital	to acquire land and rights of way and to plan, design, construct and improve affordable housing in Albuquerque in Bemaililo county	STB Capital	\$445.0	2022 SB 212	8
23 Capital Outlay	DFA local capital	to acquire property and rights of way and to plan, design, construct and equip improvements to the Calle Cuarta affordable housing development in the north valley of Albuquerque in Bernaililo county	STB Capital	\$130.0	2022 SB 212	8
24 Capital Outlay DFA local capital	DFA local capital	to acquire property and to plan, design, construct, rehabilitate and improve multi-unit housing for people experiencing homelessness in Albuquerque in Bernaillio county	STB Capital	\$225.0	2022 SB 212	8

# Type	Agency	Language	Source	Amount	Year Bill	#
25 Capital Outlay	y DFA local capital	to purchase, equip and renovate a facility to provide temporary housing for youth in transition in Albuquerque in Bernalillo county	STB Capital	\$585.0	2022 SB 212	25
26 Capital Outlay	y DFA local capital	to acquire land for and to plan, design, develop and construct workforce housing pursuant to the provisions of the federal Affordable Housing Act and local ordinance in Ruidoso in Lincoln county	STB Capital	\$980.0	2022 SB 212	26
27 Capital Outla	vy DFA local capital	to plan, design, construct, equip and furnish public housing site improvements in Santa Fe county	STB Capital	\$835.0	2022 SB 212	27
28 Capital Outlay	vy DFA local capital	to plan, design and construct an affordable housing project in Taos in Taos county	STB Capital	\$150.0	2022 SB 212	78
		to plan, design, construct and equip sanitary sewer, storm drainage and required road infrastructure for an affordable housing project at				
29 Capital Outlay	\neg	sout sueet and cidson bouleval of SW III bernallio county,	S I B Capital	0.0000	_	₹ :
30 Capital Outla	ty IAD tribal capital	to plan, design and construct housing improvements for the Pueblo of Santo Domingo in Sandoval county	GF Capital	\$2,000.0	2020 HB 349	8
34 Capital Outlay	V IAD tribal canital	to plan, design, demolish, remove, construct, improve, renovate and equip tribal housing for the Pueblo of Santo Domingo in Sandoval counts	STB Canital	\$1,000.0	2021 HB 285	34
32 Capital Outlay	+	To plan, design and construct a housing complex in the Gadifahi/To'Koi chapter of the Navajo Nation in San Juan county	STB Capital	\$75.0	2022	32
		to plan, design, construct and renovate housing in the council-designated historic area of the plaza in the Pueblo of Cochiti in Sandoval				
33 Capital Outlay		county	STB Capital	\$1,205.0		33
34 Capital Outlay	IAD tribal capital	to plan, design, construct and renovate tribal housing for the Pueblo of Santo Domingo in Sandoval county	STB Capital	\$1,200.0	2022 SB 212	怒
35 Capital Outlay	y IAD tribal capital	to plan, design, construct, furnish and equip utility and site infrastructure for a housing development for tribal members in the Pueblo of San Ildefonso in Santa Fe county;	STB Capital	\$1,000.0	2022 SB 212	35
36 Jr.	DFA	To provide permanent supportive housing to the homeless population with disabilities and their families in Las Cruces	Jr. GF	\$ 50.0	2022 SB1 2022 3rd SS	36
37 Jr.	DFA	for support of emergency shelters in Gallup	Jr. GF		2022 SB1 2022 3rd SS	37
38 Jr.	HSD	for a homeless shelter and supportive housing program in Santa Fe	Jr. GF	\$ 100.0	2022 SB1 2022 3rd SS	88
39 Jr.	HSD	for a homeless shelter and community mental health center in Santa Fe	Jr. GF	\$ 50.0	2022 SB1 2022 3rd SS	33
40 Recurring	CYFD	Supportive Housing	GF.	\$ 1,150.0	2022 HB2 2022	40
41 Recurring	GSH	Housing Support Linkages Program	J9	\$ 500.0	2022 HB2 2022	41
42 Recurring	Corrections	Supportive housing/rental assistance	J9	\$ 500.0	2022 HB2 2022	45
A Recurring	HSD Behavioral Health Section 4	The general fund appropriation to the behavioral health services program of the human services department in the contractual services category includes two hundred twenty-five thousand dollars (\$225,000) for an Espanola homeless shelter program, three hundred thousand dollars (\$300,000) for homeless shelters and supportive housing programs in the city of Santa Fe, city of Gallup and Valencia county, one hundred fifty thousand dollars (\$150,000) to provide operational support for a homeless shelter and supportive housing program in the city of Santa Fe, two hundred thousand dollars (\$200,000) for supplemental security income and social security disability insurance outreach to nomeles expected thousand dollars (\$200,000) for any arrangemental security income and social security disability insurance outreach to nomele experience that the supplemental departs and experience outreach to	je Gr	0 5875.0	2000 HR2 2020	5
44 Jr.	HSD	for operational support for a homeless shelter and supportive housing program in Santa Fe in Santa Fe county	Jr. GF	\$ 147.6	-	4
45 Jr.	HSD	for rural outreach to persons with substance use disorder and co-occurring disorders, as well as homeless outreach through evidence-base Jr. GF	Jr. GF		2021 SB377	45
46 Jr.	HSD	For homeless shelter and supportive housing program operations in the city of Santa Fe	Jr. GF	\$ 75.0	2021 SB377	46
47 Jr.	HSD	For shelter and transitional living programs and services for the homeless and special populations in Espanola in Santa Fe County	Jr. GF	\$ 150.0	2021 SB377	47
48 Recurring	CYFD	Expansion of Transitions Supportive housing program	GF	\$ 250.0	2020 HB2 2020	48
49 Recurring	HSD	Expand BH/jail reentry/housing initiative	GF	\$ 1,500.0	2020 HB2 2020	49
50 Recurring	HSD	Española homeless shelter program	J9	\$ 225.0		20
51 Recurring	HSD	Behavioral health housing assistance	J9	\$ 4,000.0	Ш	51
52 Recurring	CYFD	60 housing vouchers in Hobbs, Roswell, Carlsbad, Las Cruces and Farmington for youth exiting juvenile justice facilities and permanent sup GF	GF		\Box	25
53 Recurring	CYFD	Programs designed for youth exiting supportive housing, juvenile justice facilities, group homes, etc.	GF	-	2020 HB2 2020	23
54 Recurring	HSD	Homeless Shelter/Homeless Svcs	GF	\$ 725.7	2020 HB2 2020	75