

LAS CRUCES, NM

2024-2027

AFFORDABLE HOUSING INVESTMENT STRATEGY

Adopted 3/4/2024



PREPARED FOR:
CITY OF LAS CRUCES

PREPARED BY:
PROJECT MOXIE



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BACKGROUND



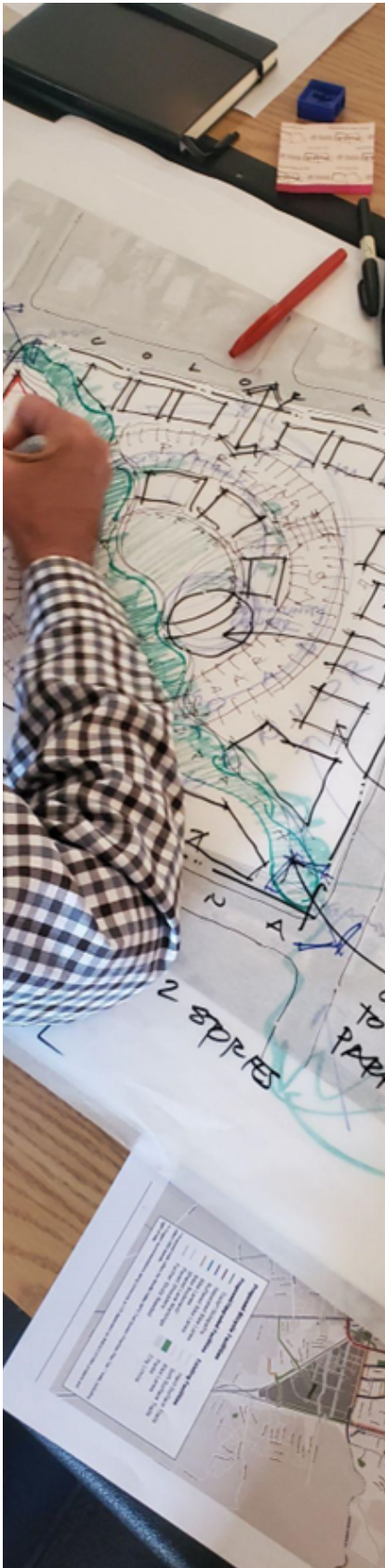
In the fall of 2022, the City of Las Cruces proposed a General Obligation (GO) Bond to local voters of which a portion of the bond proceeds, approximately six (6) million dollars, would be dedicated to affordable housing. The bond was approved, and the City identified an opportunity to review current housing programs and to consider how best to use this new funding source. The City also recognized that housing needs had changed since the pandemic and wanted an opportunity to reflect on how current housing needs would impact strategies to invest the GO Bond proceeds, and other city funding sources dedicated to affordable housing. Finally, the City recognized a growing interest from community stakeholders to support more affordable housing efforts and wanted to develop a framework for how funds would be invested as part of a larger affordable housing initiative driven by the City's Housing & Neighborhood Services Department.

In June of 2023, Project Moxie, a regional affordable housing consulting firm, was selected through an RFP process to work with the City of Las Cruces **to develop a housing investment strategy for the General Obligation (GO) Bond funds for affordable housing.** Project Moxie's scope of work included working with the Las Cruces Housing and Neighborhood Revitalization Administrator, Natalie Green, and City Housing staff to review existing programs and resources, engage local stakeholders, and revisit housing needs data for the region to help inform this investment strategy. The timeline for this investment strategy is three years; to align it with the GO Bond timeline and acknowledge how much is shifting in the overall housing markets and broader economy. To plan further out than three years would be extremely difficult. This strategy is intended to provide a roadmap for the City to begin implementing funding processes as soon as the strategy is formally adopted by City Council.

GOALS & APPROACH

The goal of this three-year investment strategy is to provide an investment framework for the City and its constituents, to invest the GO Bonds within the context of their other funding sources, competing funding priorities, and changing housing needs post-pandemic. Current and potential housing strategies were reviewed with the City to identify any that should be discontinued, those that need to be amended, and those that should be scaled to best deliver housing opportunities across the local housing continuum. New and future strategies will also be identified as part of this process. It is critical in developing investment strategies to confirm where there is capacity to implement these strategies, and to prioritize strategies that can successfully leverage state, federal, and private resources. Strategies also need to align with local politics and reflect what the broader community supports. City Housing staff also requested assistance in streamlining documents and processes related to developer inquiries, funding rounds, and underwriting processes or where a city policy needed clarification to improve implementation.

The consulting team quickly learned that Las Cruces City Housing staff have meaningful depth of experience with housing programs and best practices, and are committed to the work that they do. At the same time, the amount of work over the last few years has grown significantly and, therefore, future staff capacity must align with any recommended strategies. Staffing considerations will be identified at each strategy level as will estimated funding needs to implement each strategy. Finally, there is a significant number of affordable rental units in process needing additional gap funding because of cost and interest rate increases over the last few years. These rental projects have millions of dollars in equity investment and soft fund commitments; to ensure that these projects can be completed, GO Bond funds will be prioritized for this rental pipeline over the next few months. This is necessary and will result in hundreds of new affordable rental units becoming available to local community members in the next two years. Even with this need to subsidize this rental development pipeline, the City expressed the desire to deploy the funding available as equally as possible between the various strategies.



COMMUNITY ENGAGEMENT

The City of Las Cruces Housing and Neighborhood Services Section worked with the consulting team to define a process for community engagement. This included identifying individuals and groups that should be interviewed and developing appropriate questions to best understand the current challenges and opportunities for local housing strategies in the post-pandemic environment.

The consulting team kicked off formal community engagement with a site visit in August of 2023, where the consultants became familiar with the local housing program continuum, current developments, and local political context for the investment strategy. Specifically, the team met with local nonprofit leaders, elected officials, City staff members, developers, and others directly involved with housing issues in Las Cruces. The team presented the project scope to a joint meeting of the Affordable Housing Advisory Committee and Housing Policy Committee and solicited feedback and guidance based on local experiences and expertise.

Project Moxie completed over a dozen interviews and three focus groups with community leaders and partners to ensure that recommended strategies would align with current activities, experiences, and needs of those experts doing the work in Las Cruces. It was clear from these engagements that there is significant support and alignment for affordable housing strategies in Las Cruces. There is also interest in learning more about housing activities, and how GO Bonds will be used. These community engagement activities highlighted themes to also guide the development of this investment strategy. Those themes are outlined below:

- Many community stakeholders were aligned on what are the primary housing affordability challenges in Las Cruces; many wanted to learn more about how various solutions would meet these challenges. There is a timely opportunity for the City and its partners to provide community education around affordable housing strategies and programs in the future.
- Many key partners indicated that single-family home development should be balanced with multifamily strategies.
- Community stakeholders have clearly identified a crisis in affordable housing. Many named housing prices, others focused on a perception that homelessness was increasing, others were concerned that housing was not affordable near jobs and transportation.
- One theme that emerged multiple times was the community's desire to increase the visibility of affordable housing efforts and the growing need for more solutions given the huge increase in housing costs since the pandemic.
- Many saw that although there are significant funds allocated for housing now it will not be enough to meet the current and future needs, and an investment plan is needed to leverage the funds as effectively as possible.
- Many wanted to ensure that General Obligation Bond funding is successfully deployed for as much impact as possible and will set the stage for recurring funding in the future.
- Several interviewees discussed the importance of not just housing development, but the myriad of services that are also needed to create comprehensive community development.

There were stakeholders that were not engaged over the last few months due to time constraints; this includes local employers, and New Mexico State University to name a few, and as a result, the team suggests ongoing engagement with community partners during this three-year strategy as a means to identify additional resources moving forward. There are also a handful of strategies suggested that are not able to be included in this three-year plan because they lack capacity or resources for implementation. These strategies are included for consideration in the future at the end of this document.



NATIONAL CONTEXT

The nation is suffering from significantly increased housing prices due to a variety of factors including higher mortgage interest rates, higher rates for construction, decreased housing inventory, and increased demand. According to the State of the Nation's Housing, published by the Joint Center on Housing At Harvard University, "Between 2019 and 2021, the country saw the most significant drop in housing affordability in years. **The number of cost-burdened homeowners—defined as those spending more than 30 percent of their income on housing—increased more than any time since the housing boom of 2005-2007, and the number of cost-burdened renters hit a record high of 21.6 million households.** Of these, 11.6 million renters were severely cost burdened, spending over half of their income on housing. Making matters even worse, the supply of low-cost rental units continues to decline: the market has lost 3.9 million units with contract rents below \$600 in the last decade. This leaves the most vulnerable with few options and has fueled a 35 percent nationwide increase in unsheltered homelessness since 2015."¹

Because the federal government is the primary funder of affordable housing in the United States, state and local governments use federal agency definitions and guidelines as a basis for local programs. Area median income — often referred to as simply AMI — is a key metric in affordable housing. Area median income is defined as the midpoint of a specific area's income distribution and is calculated on an annual basis by the Department of Housing and Urban Development (HUD). HUD refers to the figure as MFI, or median family income, based on a four-person household.

¹State of the Nation's Housing: Harvard JCHS
https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_The_State_of_the_Nations_Housing_2023.pdf

NEW MEXICO CONTEXT

Local governments in New Mexico must adhere to the Affordable Housing Act (AHA)² that was passed in 2004, and amended in 2015. This act is an exception to the anti-donation clause of the New Mexico Constitution that allows local governments to allocate resources to the development, financing, maintenance, operation, and acquisition of affordable housing. Las Cruces, and all other entities eligible under the AHA, can only subsidize “persons of very low, low, or moderate income” defined by the Act as 120%³ of Area Median Income. The State of New Mexico is recommending an amendment to the affordable housing act that would allow local governments to serve households up to 150% of AMI, and the City might consider updating their policy in the future to align with this amendment. The City of Las Cruces has been required to develop an Affordable Housing Plan reviewed and approved by the Mortgage Finance Authority, and develop an ordinance to guide donations. The Affordable Housing Land Bank and Trust Fund Policies⁴ provide detailed directions for the acquisition and financing of affordable housing activities to advance the creation of a comprehensive housing service delivery system addressing the full continuum of housing needs. This aligns with the community needs and goals detailed in the strategic investment recommendations below.

LAS CRUCES CONTEXT

The City of Las Cruces Affordable Housing Land Bank and Housing Trust Fund Policies confirm that the City can serve households up to 120% of Area Median Income and may choose to do this with its homeownership initiatives. Pre-pandemic data indicated a large percentage of local households in need of affordable housing options, and post-pandemic data illuminates alarming trends where higher-income households in Las Cruces are now priced out. Appendix A includes charts of the most current available data on income, corresponding affordable home prices, and monthly rent payments for residents of Las Cruces.

Households in need of rental payment support are over represented by the lowest incomes in the community. The primary rental development program for the City of Las Cruces is the low-income housing tax credit (LIHTC) program; this is the most widely used federal program to develop affordable rental housing and can serve households earning up to 80% of Area Median Income or \$51,680 for a family of four. **The highest cost burden often falls on the lowest income families, leaving very little buffer between these families and homelessness.**

For-sale homeownership opportunities typically begin for households at 60% of Area Median Income or \$38,760 for a family of 4, and go up to 120% of Area Median Income or \$77,520 for a family of 4. **In this current interest rate environment and elevated home prices, it's more likely that households will need higher incomes (\$50,000 or more) to be able to purchase homes now.** Homeownership is one of the most important ways families can create and establish generational wealth.



²Affordable Housing Act: https://housingnm.org/uploads/documents/Affordable_Housing_Act_Statute.pdf

³housingnm.org/resources/affordable-housing-act/overview

⁴City of Las Cruces Affordable Housing Land Bank and Trust Fund Policies

LOCAL HOUSING NEEDS

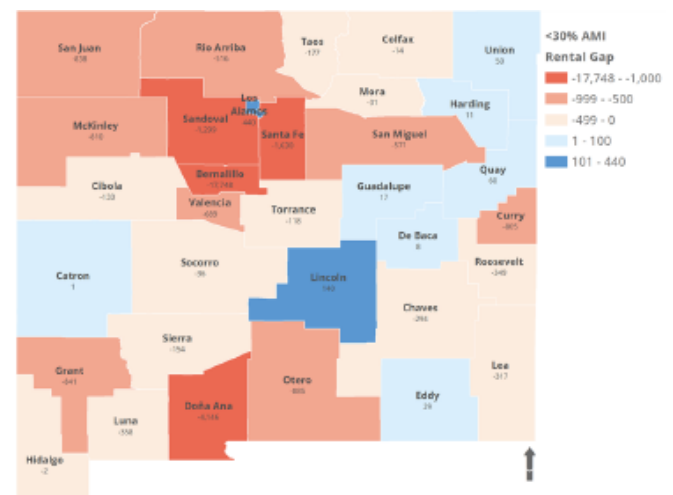
The consulting team reviewed numerous plans and historical documents including The City of Las Cruces Consolidated Plan, Affordable Housing Land Bank and Trust Policies, Elevate Las Cruces, City of Las Cruces Strategic Plan 2021-2026, Affordable Housing Act Rules Amendment, GO Bond documents and communications, the New Mexico State Housing Strategy, and the 2023 New Mexico Affordable Housing Needs Assessment. Local and most recent available data including Area Median Income and affordability data, sale and rental data, shelter use, and data on community members experiencing homelessness were also reviewed and analyzed. These documents helped the team to understand the context for this strategy and assisted in understanding comments and suggestions that came out of various meetings and interviews.

It is difficult to access recent housing needs data; often provided by the Department of Housing and Urban Development (HUD), that can illustrate what is happening in real-time in local housing markets. However, using a handful of different data sources like local and state housing plans, and local realtor data, a community can confirm how housing needs are changing across its housing continuum. For this report, the consulting team pulled data from the State of New Mexico and much of the data available is for Doña Ana County, not just the City of Las Cruces.

RENTAL HOUSING DATA

Across the United States, families with the lowest incomes are experiencing the highest level of housing cost burden. New Mexico has constantly experienced higher rates of poverty, now combined with pandemic-driven housing inflation, shortages in housing supply, and slowed development, Las Cruces, like many communities, is experiencing a housing crisis. In Doña Ana County, 60% of housing units are single-family, with only 20% of total housing units single-family attached, or multifamily. Like other communities with a 4-year college and proximity to a military base, Las Cruces has a higher than average number of renters.

Rental Gap for Households Below 30% AMI by County, 2019



Source: 2019 5-year ACS, and Root Policy Research.

According to the 2023 New Mexico Affordable Housing Strategy published by the Mortgage Finance Authority (MFA), **the rental gap, which is the number of units available versus those needed, for income levels below 30% AMI in Doña Ana County is 4,146 units.** This translates to thousands of potential households in the area living at risk of homelessness. This rate was the highest rate for the southern region of the state and is the same as rates for the state's other metro areas such as Santa Fe, Bernalillo, and Sandoval Counties.

These unit gaps reflect existing needs, but to create a comprehensive picture of housing needs it is important to review future population growth projections and future housing demand.

According to the Mortgage Finance Authority's state plan, Doña Ana County is projected to have the third-highest population increase in the state of New Mexico by 2035, with a projected household growth of 14%. Using available data, the following table outlines the types of units that will be needed at different levels of income by type by 2030 to begin to demonstrate how this strategy can realistically begin to build towards meeting future needs.

According to MFA's State Housing Plan; the below chart illustrates **future rental housing demand for Doña Ana County in the next 6 years:**

Total Needed by 2030	0-30%AMI	30-50%AMI	50-80%AMI	80-100%AMI	100-120%AMI
Rental Units	864	795	550	536	477

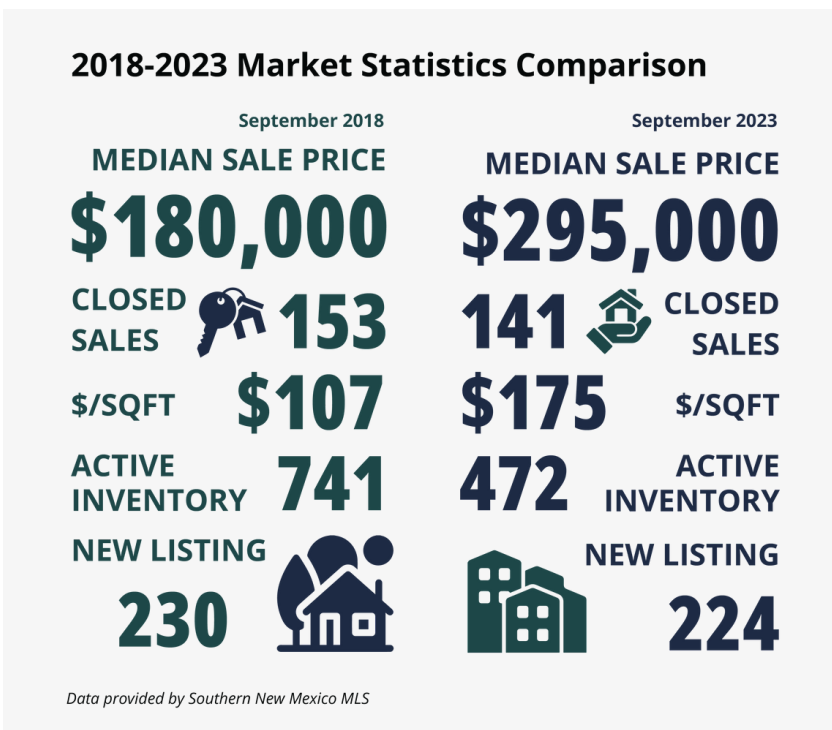
This data shows a significant need for affordable rental units over the next 6 years. Low Income Housing Tax Credits can be leveraged to develop units serving up to 80% of AMI. Until state funding is provided for rental units above 80% of AMI, the City of Las Cruces is not likely to effectively fund rental units above 80% in the near future.

HOMEOWNERSHIP NEEDS

Las Cruces had an affordable market for many years until the pandemic hit. In 2018 the median property value in Doña Ana County was \$185,000 and in 2019 the median sales price of a home in Las Cruces had reached \$217,460. New home values have increased by 2.6% year-over-year according to the Las Cruces Association of Realtors.

One of the major market factors impacting for-sale opportunities is mortgage interest rates.

Unfortunately, interest rates have been climbing steadily since autumn of 2022. Typical home values in Las Cruces increased by 23% between 2019 and 2022, increasing the affordability gap. "In 2021, the biggest gap between what households at 80% AMI can afford and home values was in Santa Fe (\$215,000), followed by Las Cruces with a gap of \$53,000."⁵



⁵ New Mexico Finance Authority, Housing New Mexico: A Call to Action pg. 83

A significant shortage in housing stock led to many higher-income individuals purchasing median-income properties pricing out median and low-income home buyers.⁶ While the housing market is cooling down from the peak of pandemic pricing, availability of homes for sale is not increasing. The national average 30-year mortgage rate rose to 7.63% in October 2023, and home buyers who got low interest rates during the pandemic are not willing to sell.⁷

FUTURE FOR-SALE HOUSING NEEDS

According to MFA’s State Housing Plan, the below chart illustrates **future for-sale housing demand for Doña Ana County in the next 6 years.**

Total Needed by 2030	0-30%AMI	30-50%AMI	50-80%AMI	80-100%AMI	100-120%AMI
Ownership Units	601	483	751	188	65

PRESERVATION NEEDS

Communities often are unable to adequately resource or strategically approach preservation efforts. **Housing preservation is a critical component of any affordable housing strategy.** Preservation can focus on older homeownership housing stock, naturally occurring affordable rental housing, subsidized rental housing, mobile home park preservation, and the redevelopment of commercial buildings into housing. Substandard housing specifically in Doña Ana County, includes 2,397 units without kitchens, and 2,865 without complete plumbing that require funds for repair.

There are two active projects in Las Cruces seeking resources to preserve or redevelop properties. One, an existing behavioral health program planning to preserve beds for a transitional housing program. The other is an opportunity to partner with the local housing authority to redevelop a public housing community through HUD’s Rental Demonstration Project (RAD). Specifically, the RAD program, which is a federal HUD grant program, was created in order to give public housing authorities (PHAs) a powerful tool to preserve and improve public housing properties and address the \$26 billion dollar nationwide backlog of deferred maintenance.



⁶How did COVID affect the housing market?

<https://www.bankrate.com/real-estate/covid-impact-on-the-housing-market/#homebuyers>

⁷Housing Market Predictions for 2023 <https://www.forbes.com/advisor/mortgages/real-estate/housing-market-predictions/>

RAD also gives owners of three HUD "legacy" programs (Rent Supplement, Rental Assistance Payment, and Section 8 Moderate Rehabilitation) the opportunity to enter long-term contracts that facilitate the financing of improvements. Although a complex process; this effort in Las Cruces would preserve critical federal housing subsidies and improve the physical housing stock within the RAD project.

Outside of public housing units, **the MFA report announces that by the year 2030 an estimated 400 units of federally assisted rental subsidies are expected to expire in Doña Ana County.**⁸ The New Mexico Mortgage Finance Authority (MFA) is beginning to elevate the need for preservation and is using multiple strategies to reach these goals including the development of a Preservation Database, the standardization of internal procedures to better advance preservation goals, and the coordination of efforts to support owners in the financial viability, physical upkeep, and preservation of affordability.⁹

While the housing market is complex, the needs are clear, without increasing and preserving affordable housing units, the inability of even median-income families to access the generational wealth-building opportunity to own a home will continue to worsen while rental units will be lost increasing the levels of homelessness if not addressed.

ADDRESSING HOMELESSNESS

Since 2008, Las Cruces has been working to continue progress on a 10-year plan to end homelessness. Many of the goals that were set have been reached, and new goals continue to develop.¹⁰ **The current continuum of care includes, prevention, outreach, emergency shelter, transitional housing, rapid rehousing, and supportive services.**

The City of Las Cruces has highly developed best-practice programs serving community members through its nonprofit partners and the leadership of the Mesilla Valley Community of Hope. Specifically, their campus hosts several agencies that serve the community's most vulnerable populations. People who are unhoused, indigent, disabled, and food insecure can access services to address these needs in an inclusive campus location.

“HOMELESSNESS IS CAUSED BY POVERTY AND LACK OF AFFORDABLE HOUSING.”

- ATHENA HUCKABY

Last fiscal year, the Point in Time (PIT) count conveyed 120 unsheltered people in Las Cruces. The PIT count is an actual count of sheltered and unsheltered people experiencing homelessness on a single night in January. The US Department of Housing and Urban Development requires that local Continuum of Care conduct an annual count of people experiencing homelessness who are sheltered in emergency shelters, transitional housing, and Safe Havens on a single night. Each PIT count is planned, coordinated, and carried out locally. Because the count only happens on one night; it cannot fully capture the number of unhoused community members living in Las Cruces. Therefore, the PIT count is considered an undercount and for planning purposes communities will multiply that number by a recommended factor to present more realistic data.

⁸National Housing Preservation Database and Root Policy:

https://housingnm.org/uploads/documents/New_Mexico_Housing_Strategy_Complete_Report_Sept_2022.pdf

⁹NM Affordable Futures: <https://housingnm.org/resources/nm-affordable-futures>

¹⁰City of Las Cruces 10-Year Plan to End Homelessness

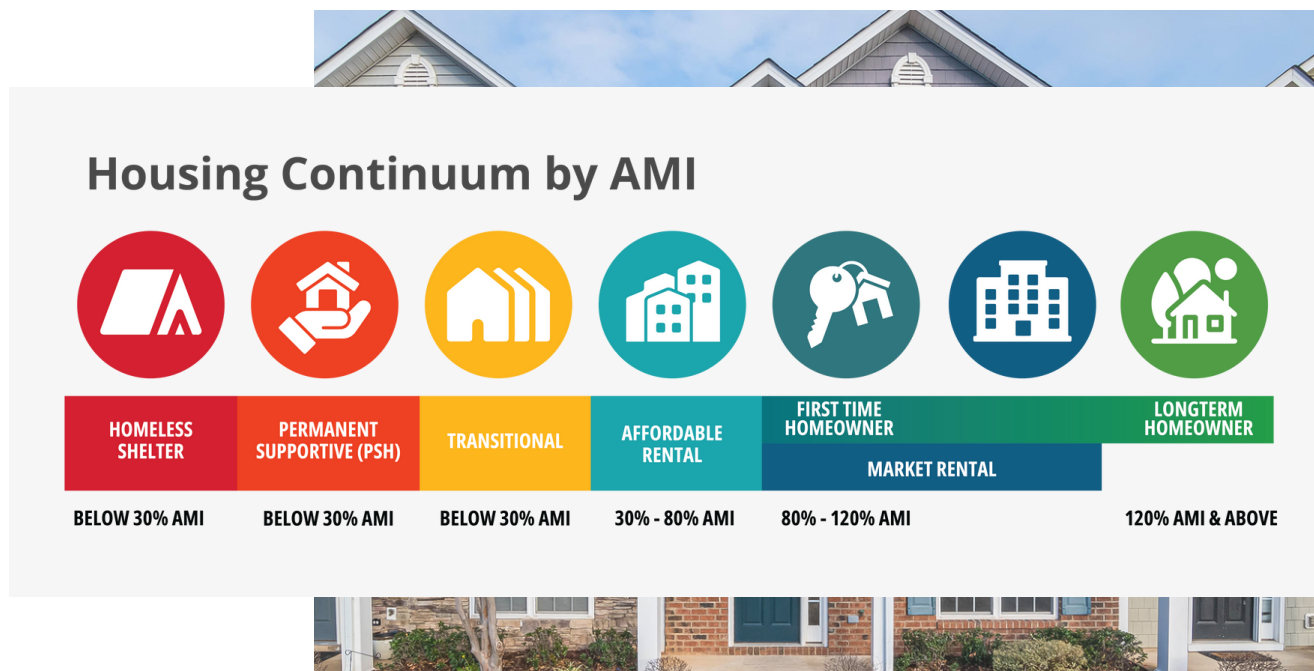
According to The New Mexico Mortgage Finance Authority and the New Mexico Coalition to End Homelessness, the 2023 PIT count could be multiplied by five to give a more accurate picture of how many are currently unhoused.¹¹ This would mean that Las Cruces' unhoused population is closer to 600. Another data source used to understand the needs of the unhoused population is reflected in services from local providers who can share real time data on the number of people they are serving. The Community of Hope reported serving 7,258 people and housed 972 this past year. These numbers help to allocate resources and plan programs to meet the needs of those who are unhoused or precariously housed. The aligned strategies in this plan include increasing new housing units, continued rental assistance and continued services funding.

“PEOPLE ARE STAYING ON THE STREETS LONGER SINCE IT HAS BEEN SO DIFFICULT TO QUICKLY FIND UNITS THAT MEET FAIR MARKET RENT AND PASS A HOUSING INSPECTION.”

- NICOLE MARTINEZ

A key strategy over the next three-years is to create additional housing units that can support the chronically homeless. The city is focusing on the development of Amador Crossing, which will provide 30-40 units of Permanent Supportive Housing (PSH) on a site across from the current services campus and owned by the City of Las Cruces. PSH models provide housing assistance in the form of long-term leases or rental assistance with supportive services for the household.

PSH developments are a best practice for ending chronic homelessness and are designed to provide individualized pathways to permanent housing stability. In partnership with Mesilla Valley Community of Hope, the project will be designed and developed starting in the first quarter of 2024.



¹¹U.S. Department of Housing and Urban Development Community Planning and Development https://www.hud.gov/sites/dfiles/CPD/documents/2022_HIC_and_PIT_Data_Collection_Notice.pdf

RESOURCES AND TOOLS

The following section details resources and tools available to support implementation.

The Las Cruces Metropolitan Redevelopment Area (MRA) was established in 2006 by the Las Cruces City Council, pursuant to the provisions of the New Mexico Municipal Redevelopment Code. This designation provides the City of Las Cruces with a variety of legal tools for implementing projects that contribute to revitalizing the area, including the redevelopment of blighted properties, zoning changes, financial incentives such as tax increment financing, bond financing and tax exemptions, and land acquisition.

The Las Cruces MRA includes the land between Picacho, Campo, Solano, and El Paseo/Main Street.¹²

There are many tools that can be initiated within the MRA that align with the Las Cruces Affordable Housing Investment Strategy. These plans align in the prioritization of those projects that identify and promote development opportunities in the MRA that build on the existing infrastructure and attract new development.



NEW MEXICO MORTGAGE FINANCE AUTHORITY

State resources remain limited in New Mexico, and most funds available for housing are tied to federal resources. New state programs with more flexibility in uses will be needed before cities can access meaningful funding from state agencies. The LIHTC program is a critical resource for this strategy. Local agencies also suggested that **working with MFA on down payment assistance and more affordable mortgage products would be critical in this high interest rate environment.**

¹²City of Las Cruces Metropolitan Redevelopment Area Designation Report: March 2023, <https://lascruces.civicweb.net/document/27664/>.

STATE LEGISLATURE

Funding at the state legislature is critical for many of these housing initiatives. Funding gaps have widened during the pandemic while funding allocations have not caught up with the new cost reality for current housing developments. Many projects are seeking funds through the legislative process, and there is precedent for local governments to request funds for infrastructure development to activate new sites for affordable housing. Success with these requests will help projects move more quickly and will continue to help leverage the GO Bonds.

HUD INITIATIVES

Las Cruces will continue facilitating resources as an Entitlement City, but federal funding has not increased significantly in years, other than American Rescue Plan Act resources which are not recurring. There are annual Notices Of Funding Availability (NOFAs), but these are highly competitive and difficult to pursue. The RAD program is a specific HUD grant program that should be pursued as part of the City's partnership to redevelop public housing as outlined above.

CONGRESSIONALLY DIRECTED SPENDING

In the last few years congressional staff have begun to accept requests for one-time grants as part of the annual federal budget process. These applications are released in the spring and then prioritized internally by congressional staff and submitted as part of the federal budget process. The City should consider making requests for housing activities; especially new developments that demonstrate a funding gap too large to be filled by other state resources.

GOVERNOR'S OFFICE

The Governor's Office has been developing grant programs, like Casa Connections, which has been instrumental in helping to fill gaps for special needs and LIHTC projects. The Governor's staff continues to advocate for housing resources including representation of Las Cruces through Natalie Green's membership on the Governor's Affordable Housing Investment Council. There is optimism that more resources will be made available before the Governor's term ends in 2026.



HOUSING INVESTMENT STRATEGIES

RENTAL STRATEGIES

Affordable Rental Housing Investment Strategy Goals:

1. Increase the development of tax credit projects by selecting and funding local projects most competitive for tax credits through the MFA process.
2. Increase the use of 4% tax credits for higher income rentals to meet the needs of the local workforce.
3. Pilot a smaller non-tax credit permanent supportive housing project on City owned land. (This project is referred to as Amador Crossing.)

FUNDING LANDSCAPE AND CITY IMPLEMENTATION

Low-Income Housing Tax Credits (LIHTC) are the most widely used subsidy for affordable housing rental development in the country.

New Mexico's most recent allocation equals \$5,818,662.¹³ The federal government annually allocates LIHTC credits to the state to distribute through a competitive process. Selected projects are typically between 30 and 200 units in scale and **must restrict rents to household incomes up to 80% of Area Median Income for 30 years**, depending on their financial model. Those with fixed or no incomes are served with a project-based voucher with a tax credit funded unit. This means the voucher can pay the difference between what someone can afford and the tax credit rental rate, which is lower than market, but often not low enough for those on very low fixed incomes.

The 9% LIHTC credit provides anywhere from 60% to 75% of the required equity for a project, depending on pricing. The 4% tax credit is less competitive because it only provides 25-35% of the equity needed to build a project. It must also be paired with Private Activity Bonds because these are finite state

resource, and by pairing 4% credits with Private Activity Bonds, the federal government has a cap on these resources. The 4% LIHTC projects are typically larger in scale and serve a higher income because there is less subsidy. Development partners are allowed between 10% and 15% of development costs as a fee for providing the units and managing them through the compliance period.

Las Cruces has 2 active 4% projects in the pipeline. Much of Las Cruces' LIHTC investment strategy depends on how the New Mexico Mortgage Finance Authority manages these limited tax credits and sets priorities statewide. Based on the latest Qualified Allocation Plan (QAP); MFA has set forth a number of priorities intended to ensure the selection of those developments that best meet the most pressing housing needs of the State in accordance with federal guidelines and requirements. For more details on the current priorities and recent changes to the QAP see their website: <https://housingnm.org/developers/lihtc/current-and-prior-tax-credit-rounds>.

¹³<https://www.novoco.com/resource-centers/affordable-housing-tax-credits/2023-federal-lihtc-information-state>

Communities benefit from well-designed, affordable rental communities and investors can receive a double-digit federal tax write-off. Because of these enormous benefits, **LIHTC is a competitive program and is oversubscribed in New Mexico.** The good news is communities have some control over the allocation process, because MFA, the allocating agency, gives significant weight to support from local communities and local governments for specific projects.

The City of Las Cruces has a robust LIHTC pipeline and much of this strategy will focus on how to manage the demand and opportunity for this federally funded rental program.

Currently, the City supports tax credit projects by:

1. Providing gap funding commitments to help developers fill funding gaps and garner points,
2. Donating land for future projects, which also helps garner points in the LIHTC application process,
3. Waiving development fees or payment by alternative sources, which is a common method for filling funding gaps.

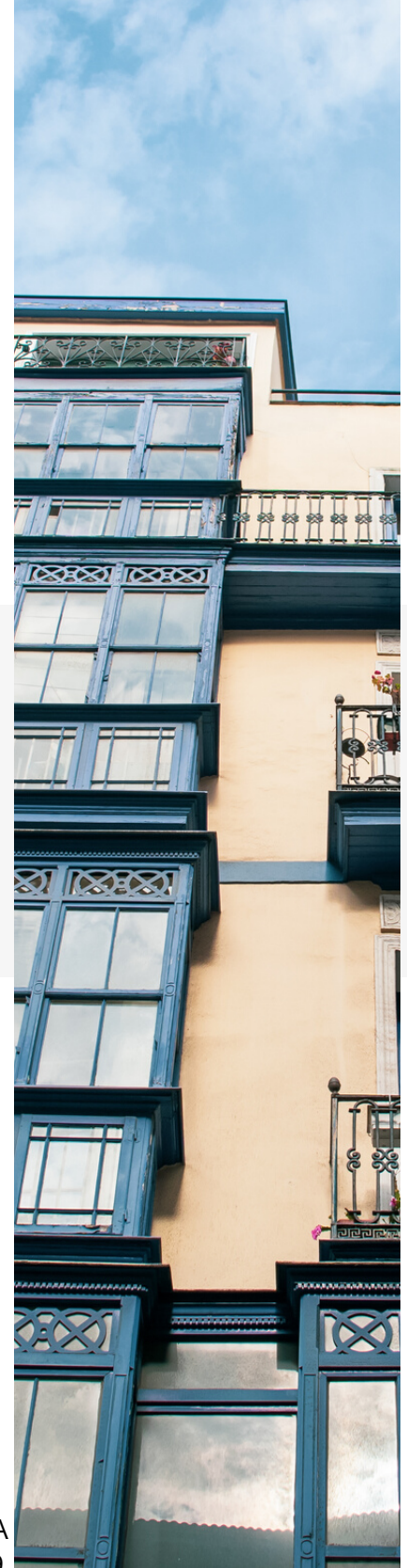
Las Cruces is already using tax credit strategies to great effect and should continue to move these efforts forward. **This strategy anticipates 2-3 tax credit projects over the next three years and the amount of funding needed to support this pipeline.**

NON-LIHTC RENTAL HOUSING

Housing Authority Vouchers and Resources

Mesilla Valley Public Housing Authority (MVPHA) provides safe, affordable housing and services for eligible people in Las Cruces, Doña Ana County, and the region of Southern New Mexico. Due to significant demand, MVPHA usually has a waiting period of 2 to 6 years before applicants receive housing assistance. To be eligible community members must be below 80% of AMI, but many families served are extremely low-income and earn less than 30% of AMI. MVPHA owns two affordable housing properties with 40 units, administers 1,419 Section 8 Housing Choice Vouchers, 4 low-rent public housing programs, and a multifamily mortgaged property with 34 of Section 8 New Construction units.¹⁴

¹⁴Mesilla Valley Public Housing Authority- Housing Programs: <https://www.mvpha.org/programs.aspx>



2024-2027 RENTAL HOUSING STRATEGIES

Based on the City's existing investments, community feedback, and the broader economic context; **the City should prioritize the following strategies to maximize their investments over the next three years:**

1. Ensure the existing tax credit development pipeline has all the financial subsidies necessary to close on financing and begin construction by the first quarter of 2024.
2. Pilot the City's first ever non-tax credit funded Permanent Supportive Housing rental project,(40 units). The City has a parcel available and over the last 12 months has considered ways to develop this site for this project. Because a tax credit developer has not been identified to partner on this development, the City will evaluate feasibility to develop this project with legislative funds, MFA soft funds, and resources from the Governor's office over the next 18 months.
3. Facilitate new tax credit development projects to begin the feasibility process to submit for new low-income housing tax credits over the next three years (goal of 250 units awarded).
4. Streamline by utilizing a Super NOFA funding process at least once a year whereby LIHTC projects can apply for a precommitment before the February tax credit round each year. Projects will be selected annually and given a conditional funding commitment letter. Project selection will follow MFA qualified allocation plan funding points and will focus on funding projects that are the most competitive for federal LIHTC allocations.

Developers can also request fee waivers as part of the City's Fee Waiver Policy, see Appendix B for the City's updated policy. The City's Affordable Housing Impact Fee Waiver Program is designed to encourage and support the creation of NEW affordable housing units while reducing financial barriers that could impede development. The program promotes the construction of affordable units, fosters diverse and inclusive housing options, stimulates economic activity, and ensures compliance. By streamlining the process, eligible projects have a clear pathway to apply for vouchers in the amount of impact fees for each development fee type and can receive multiple vouchers for one project. Projects must include affordable housing, serving low to moderate-income households. See Appendix B for a program overview.



INVESTMENT RECOMMENDATIONS

GO Bond financing and other City funds: \$16,400,000

State appropriation ask in 2024: \$8,000,000

Minimum leverage: \$136,382,000

Number of units financed and in development: 673

Staff Considerations: Staff will want to consider additional consultant support for the development of Amador Crossing, a 40 unit PSH project. The consultant would help manage the project and develop the appropriate ownership structure to best meet the needs of this development type and target population.

Related Community Feedback: Community members frequently mentioned the need for new affordable housing as soon as possible. They also mentioned interest in more senior housing options and housing to address homelessness in Las Cruces. Mesilla Valley Community of Hope confirmed a need for more Permanent Supportive Housing units specifically to address chronic homelessness in Las Cruces.

FOR-SALE STRATEGIES

For-Sale Housing Investment Strategy Goals:

1. Increase the amount available for construction subsidies provided to nonprofit partners thereby decreasing the growing gap between affordable homes and local incomes.
2. Develop strategies to leverage private development partners through donated lots, co-financing subdivision development etc.
3. Increase financing strategies for homebuyers in this challenging interest rate environment. This could include new mortgage products and exploring interest rate buydown opportunities.
4. Explore creative partnerships with local banks and employers and pilot a portfolio mortgage product or second mortgage initiative.

FUNDING LANDSCAPE AND CITY IMPLEMENTATION

Each Spring, in alignment with the publication of HUD area median incomes, City staff will update for-sale program target pricing based on HUD's AMI chart updates and current interest rates to confirm the target population and target prices for its for-sale initiatives. For-sale affordable housing developments are challenging because of the lack of federal resources at the same scale as rental housing developments. Best practices for developing for-sale housing includes providing more local resources that can be stacked to bring down the costs of monthly mortgage payments. Las Cruces is already implementing or exploring many of these best practices; the focus of this strategy will be to modify a few existing programs, scale what works, and increase capacity for mortgage assistance and conventional financing to increase for-sale housing. There is an opportunity for the City to formalize its approach to working with private developers who are interested in providing discounted or free lots, and to acquire lots directly.

2024-2027 HOMEOWNERSHIP STRATEGIES

1. *Private Developer Lot Strategy.*

In 2024, the City will formalize a program for the City to acquire discounted and free buildable lots for affordable housing. Currently, the City is working with private developers to negotiate lot donations for future affordable housing projects. This is a voluntary program that could be streamlined by creating a program manual that describes the process for accepting donated lots and holding them for future development. The manual would include target price points for homes built on donated lots and how lots would be conveyed. Reducing the costs of sites will reduce the costs of a for-sale home by 25-30%.

2. *Expand construction assistance for partner nonprofits building affordable for-sale homes.*

The City has provided subsidies for nonprofit for-sale development opportunities for years. Over the last 12 months, this program has become harder to execute because of the significant increase in interest rates coupled with increases in local for-sale homes. The City will consider providing additional funding to close the gap, when requested, and support these homes being completed and sold.

3. *Direct purchase of lots.*

The City is currently negotiating the purchase of a subdivision that would provide 52 lots for affordable housing development. This will provide for-sale development opportunities for the next three to five years.

INVESTMENT RECOMMENDATIONS

GO Bond financing and other City funds: \$2,000,000

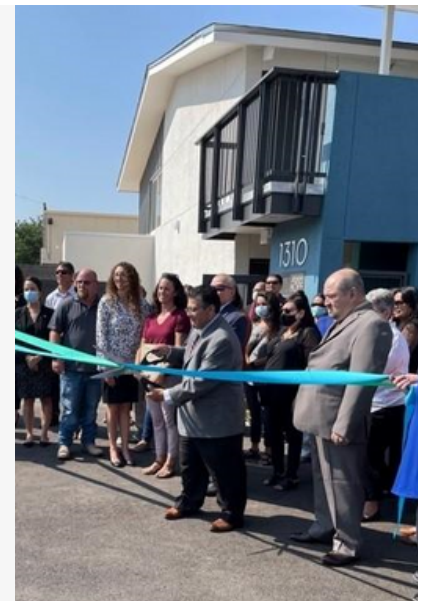
Federal funds: \$500,000

Minimum leverage: \$9,300,000

Number of units financed and in development: 62

Staff Considerations: None.

Related Community Feedback: Nonprofit partners acknowledged the challenge of closing the funding gap and welcomed additional resources to move their projects forward.



PRESERVATION STRATEGIES

Preservation Strategy Goals:

1. Track publicly subsidized multifamily housing and when their affordability agreements expire. When possible, identify ways to facilitate refinancing, and rehabilitation or preservation of these units.
2. Actively pursue competitive funding sources to support redevelopment of public housing sites in partnership with the Mesilla Valley Housing Authority.
3. Explore scaling the home rehabilitation program by partnering with other providers in the region. Provide funds to increase capacity for partner agencies willing to provide these services.
4. Identify opportunities to preserve or convert existing facilities serving special needs populations such as those coming out of the criminal justice system, mental health facilities, and other initiatives.

FUNDING LANDSCAPE AND CITY IMPLEMENTATION

The vacancy rate for Doña Ana County in 2021 was just 1.5% and 51% of renters were below 50% AMI. An affordable rent for people making less than 50% AMI would be \$546/month, but the average rent in the area was \$670. These affordability gaps have only worsened in the post-pandemic housing market. During the pandemic, a combination of conditions led to a highly competitive market that left many would-be home buyers unable to compete. The housing continuum is impacted by multiple factors and preservation is key in maintaining current housing status, preventing homelessness, increasing access to affordable units, and community elders being able to age in place.

Preservation strategies will increase efficiency and prioritize the types of projects for preservation based on funding availability and types of housing that need affordability preservation. The New Mexico Mortgage Housing Finance Authority has a new preservation initiative that aims to protect affordable housing units.

The primary goals of this MFA program are preventing subsidized units from reaching the end of mandated affordability from conversion to market-rate rents, maintenance of properties that are aging or neglected and at risk of losing subsidies, and the protection of affordable properties from actors seeking profit at the expense of long-term affordability.

By the year 2030 an estimated 400 units of Federally Assisted rental subsidies are expected to expire in Doña Ana County.¹⁵

MFA is using multiple strategies to reach preservation goals including the development of a Preservation Database, the standardization of internal procedures to better advance preservation goals, and the coordination of efforts to support owners in the financial viability, physical upkeep, and preservation of affordability.¹⁶

¹⁵ National Housing Preservation Database and Root Policy:

https://housingnm.org/uploads/documents/New_Mexico_Housing_Strategy_Complete_Report_Sept_2022.pdf

¹⁶NM Affordable Futures: <https://housingnm.org/resources/nm-affordable-futures>

2024-2027 PRESERVATION STRATEGIES

1. Partner with the Mesilla Valley Public Housing Authority to redevelop public housing units.

The City is currently working with the Mesilla Valley Public Housing Authority on the redevelopment of 7 acres to create the Paseos Verdes community which is also located in the El Paseo Corridor MRA. MVPHA is the owner and developer of a 216 unit conversion project that would be funded primarily by tax credits and HUD's RAD conversion initiative. By leveraging the connectivity of the surrounding neighbor assets, existing utilities and roadways, the re-development will increase housing density providing workforce, senior, and family housing. By providing resources, the City can leverage millions of dollars through HUD RAD conversation funding and will create a mixed income community in an area of town that has experienced disinvestment.

2. Release an RFP to identify a third-party organization to manage the City's Home Rehabilitation and Ramp Program.

The City of Las Cruces administers this program with funds from the HUD Community Development Block Grant to provide two types of preservation for city residents at or below 80% AMI. The owner-occupant zero-interest loan and grant program allows families to secure funds needed for home improvements to address health or safety issues; and the Mobile Home Ramp Installation program enables eligible residents to have an ADA-approved wheelchair ramp constructed at their home. The current cost of the program to the City is \$400,000 annually.

The owner loan and grant program generally completes 4 or 5 projects each year and processes almost 20 client applications that are determined to be ineligible. The Mobile Home Ramp Program completes an average of 6 projects per year with an average of nine disqualified applications each year. The administration of the program requires significant processing time to determine eligibility, with a significant majority of applicants determined to be ineligible. The impacts of the pandemic on the prices of materials and labor, combined with a marked increase in applications, has left the program wait list with extended project time frames.

Moving forward, the City would like to contract program management to another service provider to create more program efficiency, leverage other resources, and redirect its staff resources to manage other aspects of this housing investment strategy.



3. The City has been approached by nonprofit and advocacy organizations to fund the **preservation and reuse of behavioral health facilities for special needs populations**.

These projects did not fit into any current existing city programming. Under this preservation initiative, the City can consider funding these opportunities and will have underwriting guidelines that align with tax credit funded special needs housing projects to guide an approach that will lead to sustainability for these types of initiatives.

INVESTMENT RECOMMENDATIONS

GO Bond financing and other City funds: \$1,000,000

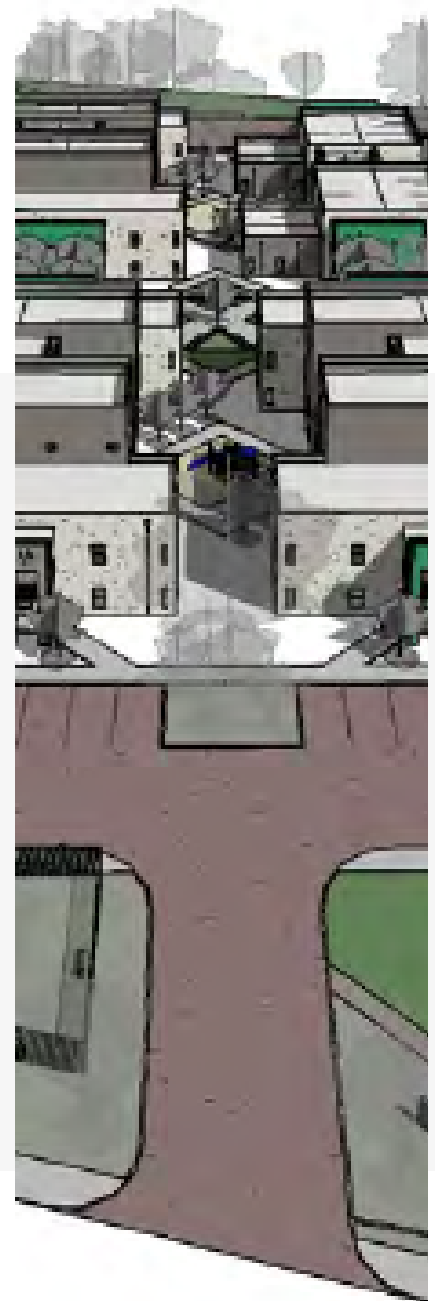
Federal funds: RAD program, to be determined, but would leverage millions for redevelopment.

Minimum leverage: to be determined.

Number of units financed and in development: This full suite of preservation opportunities is new to the City. Units created will be reported when projects or more developed in 2024 and 2025.

Staff Considerations: There are additional preservation activities identified in this document that may require additional consulting support and dedicated staffing.

Related Community Feedback: This strategy addresses community feedback regarding the redevelopment of MRA areas in the City including: creating more housing choices near employment and transportation; the need for additional housing programs and behavioral health facilities for special needs populations; and the goal of maximizing federal and state funding to preserve existing units in Las Cruces.



LAND DEVELOPMENT STRATEGIES

Land Development Goals:

1. Proactively review and select land development projects that will provide affordable housing development strategies for the next 10-15 years.
2. Select land development opportunities by using a site selection matrix that can account for various interrelated City goals for future development.
3. Take advantage of discounted or free land when feasible, however, review the overall costs to activate the site to understand full opportunity costs for the development of a site. Often these parcels have higher infrastructure costs, so feasibility work is critical to assessing the best options.
4. Increase staff capacity to implement this strategy through the use of professional consultants that can help with feasibility and project management.

FUNDING LANDSCAPE AND CITY IMPLEMENTATION

Las Cruces is going through significant growth and acquiring significant parcels of land is considered a best practice for ensuring areas of the city will be able to support affordable housing developments in the future. Land acquisition and infrastructure development is a common tool in New Mexico specifically and has garnered interest at the state level with regards to future funding for affordable housing. For years, the legislature has provided capital outlay grants to fund infrastructure development for publicly sponsored subdivisions. In Santa Fe, the Tierra Contenta Development has provided hundreds of affordable housing opportunities since it was launched by the City over 20 years ago. Although this is a best practice, it is also a strategy that will require significantly more capacity for the City to undertake successfully. Oftentimes local governments will look to work with other public partners that have sites that might be interested in partnering or swapping sites to create scale for a city-led master planning community.

2024-2027 PRESERVATION STRATEGIES

1. Use a site selection matrix to prioritize land development opportunities.

On the following page is a draft site selection matrix that City staff can use to consider the best land acquisition opportunities and to align, when possible, with other City departments' goals such as Economic Development's MRA designations and the planning and land use departments' desire for housing to be developed near transit and in various areas throughout the community.

2. Set-aside funds that can be used for early predevelopment so that the City can confirm feasibility during the site selection process.

3. Build program capacity by hiring consultants to support the development and launch of this strategy. Consider a dedicated position within the City to manage this strategy as well as the lot acquisition strategy described above under homeownership strategies.

INVESTMENT RECOMMENDATIONS

GO Bond financing and other City funds: \$200,000

Minimum leverage: TBD

Number of units financed and in development: TBD

Staff Considerations: As mentioned above; additional staff and consultant support is needed. The City will start with \$200,000 for predevelopment to identify the best site for this strategy. Once a site is identified, the state can work with consultants to confirm feasibility, scale and potential development costs. Once a parcel is feasible the City can consider a capital outlay request to help fund infrastructure. This is a long term strategy that will be developed over the next three years but would likely not yield units for several years.

Related Community Feedback: This strategy aligns with community feedback for more direct development of affordable housing. This strategy also allows the City to coordinate and rank development opportunities while also considering other city department goals and resources. It will be important for City staff to share how a site is selected as there is significant interest in how future sites are prioritized in order to ensure affordable housing opportunities are available throughout the City. Infrastructure access and financial feasibility as well as funder requirements are critical factors for site selection as well.

SITE SELECTION MATRIX

Factors for Scoring Sites (1-5)	Site A	Site B	Site C
Willing Landowner			
<i>Land owner is willing to work with public entity timeline</i>			
Offsite infrastructure available			
In an area of opportunity			
Zoned appropriately			
<i>Has zoning by right</i>			
<i>Can be rezoned in 12 months</i>			
Proximity to services			
<i>Should review funder requirements</i>			
Physical site is developable			
<i>Easement exists</i>			
<i>No flood plain or other water issues</i>			
<i>Site is not in a brownsfield</i>			
<i>Site can hold dense development</i>			
Land costs/Lot costs			
Site is in MRA			

ADDITIONAL STRATEGIES TO SUPPORT IMPLEMENTATION

Las Cruces Land Use Policies

The outlined financial strategies in this plan will only be effective if there are feasible and affordable locations for development. A common strategy is for local governments to look to review their land use regulatory system and find ways to help affordable housing move forward more quickly, and sometimes, with fewer costs. As of October, 2023, preliminary conversations with Governor Lujan’s Housing Advisory Council are under way to consider requiring land use reforms as a condition of receiving state housing grants in the future. This is a national trend and the result of the growing awareness that one of **the most effective ways to develop affordable housing is to increase density by right, fast track approval processes, and provide other land use tools to increase both affordable housing and modest entry-level market priced housing**. This additional strategy is specifically noted so that the City can evaluate interest in taking on non-financial strategies that increase success of this plan. If the City is interested, the best practice is to hire a third-party land use and policy consultant to facilitate conversations with various City departments and private sector partners, and would result in a set of recommended changes to promote affordable housing.

New Mexico Housing Policy and Resource Advocacy

The State of New Mexico has recently developed a housing strategy (2022) that illustrates the significant need for additional housing resources to begin meeting the demand for more affordable units across the state. Over the last few years, the state legislature has increased funding for housing using American Rescue Plan Act funds. The Governor has also indicated significant interest in allocating some of the State's unrestricted funds to housing in the last few years of her administration. If the State does increase housing funds it will further support various strategies outlined in this document, and could specifically help with non-tax credit strategies like the development of new mortgage products, development of infrastructure, land acquisition, and rental housing for incomes between 80%-120% of AMI etc.

Federal Policy Resource Advocacy

Several federally funded programs are critical to the City's work to both preserve and increase affordable housing as well as decrease homelessness and provide housing stability to those currently housed. Examples of programs and initiatives that should be tracked include the following:

- Bills to increase the low-income housing tax credit resources,
- The annual budget and allocations for HUD programs,
- Housing choice voucher funding levels and new initiatives,
- Continuum of Care funding for homeless programs,
- and Public housing funding Initiatives.

The New Mexico congressional team is active in the housing policy area and is also a resource for the City moving forward.

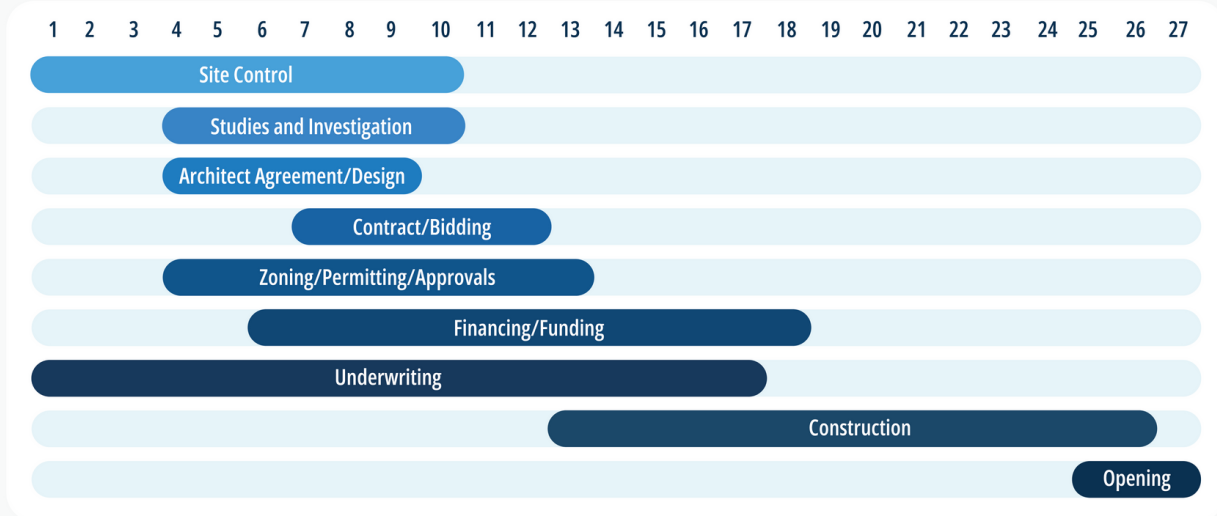
As housing is such a critical policy topic at the state and federal level; the City team should consider developing a housing policy agenda annually that can be shared with the City's lobbyists. This agenda could be developed when the City hosts its annual CIP kick-off event. This would also help to highlight housing strategies and provide updates on GO Bond investments as part of this framework.

Education and Advocacy

The brief community engagement work completed for this process surfaced both significant community support for affordable housing as well as a desire from community members to learn more about the City's ongoing housing efforts and to find ways to support these strategies, especially as it relates to the investment of the GO Bonds. **Now that there is a local funding source approved by voters; the City will want to ensure more robust communication about the successes of the funded programs.** The City is rolling out a new communications platform internally that will assist in this process; and the City will want to also find ways to prominently highlight progress towards new housing unit development through posting progress through the investment strategy scorecard, frequent groundbreaking events, and press releases.

Project Development Timeline

(measured in months)



STRATEGIES FOR FUTURE CONSIDERATION

This strategy document identifies City-driven initiatives based on current development opportunities and existing capacity to deliver housing as quickly as possible to residents of Las Cruces. Through conversations with community stakeholders, other strategies did arise. The team wanted to document these ideas, which could be revisited in the future if funding or capacity were available.

Mobile Home Park Preservation - this came up as a potential area of interest. There are proven strategies regionally but no capacity or resources at this time to include specific activities as part of this three year plan.

There was interest in several meetings to increase responses to homelessness in the community. Motel conversions came up a few times; there are examples of **motel conversions to serve the unhoused population in New Mexico** but no current capacity to take on this type of initiative.

Some community partners mentioned a desire to **access better mortgage programs or even the creation of a local portfolio product or more robust second mortgage initiative**. These are both best practices for addressing affordability challenges in a higher interest rate environment. Currently there is no capacity to take on these additional for-sale initiatives.

Finally, there were suggestions for the **City to look at ways of increasing non-federal funding for investment in housing development**. Creative ideas included working with labor unions or other private sector organizations that might be interested in investing in housing development by infusing capital and allowing for a below market rate of return on investment. Again, there is no current capacity to explore this concept but it is being mentioned for consideration in the future.

INVESTMENT SCORECARD

City Funding Sources	
Source (three years cumulative)	2024-2026
Existing Resources	
HOME Program	\$1,200,000
CDBG	\$450,000
CDBG Rehab Fund	\$450,000
City Funding Sources	\$12,600,000
GO Bond	\$6,000,000
City Trust Fund	\$700,000
Future City Requested Funds	
Legislative Ask for PSH project	\$8,000,000
TOTAL	\$29,400,000

Funding Uses				
Uses	2024-2026 City Funds	Sources	Leverage	Units/lots
Multi-family Rental				
Existing tax credit projects	\$6,400,000	GO bond/City Fund	\$ 78,132,000	383
Future tax credit projects	\$10,000,000	GO bond/City Fund	\$ 56,250,000	250
Special needs new construction	\$8,000,000	State legislature	\$ 2,000,000	40
Preservation Initiatives				
Preservation Activities	\$1,000,000	GO bond/City Fund	TBD	TBD
Home Rehab Program	\$450,000	CDBG		

* For-sale opportunity leverage calculations assume home prices equal \$150,000 in addition to city subsidies

**LIHTC leverage calculations assume (1) actuals for current pipeline is \$204,000 and (2) future units increase 10% at \$225,000

***Leverage not calculated for rehab activities and predevelopment

Funding Uses				
Uses	2024-2026 City Funds	Sources	Leverage	Units/lots
For-Sale Opportunities				
Land Acquisition	\$2,000,000	GO bond/City Fund	\$ 7,800,000.00	52
Pilot revolving loan fund	\$500,000	HOME	\$ 1,500,000.00	10
Land Acquisition				
Predevelopment	\$200,000	City Funds	\$ -	
Impact Fee Waivers				
Three-year pool estimate based on ordinance	\$600,000	City Funds		0
Rental Assistance				
Tenant-based rental assistance	\$250,000	HOME	\$ -	22
TOTAL	\$29,400,000		\$ 145,682,000.00	757

* For-sale opportunity leverage calculations assume home prices equal \$150,000 in addition to city subsidies

**LIHTC leverage calculations assume (1) actuals for current pipeline is \$204,000 and (2) future units increase 10% at \$225,000

***Leverage not calculated for rehab activities and predevelopment

APPENDIXES

APPENDIX A: AREA MEDIAN INCOME DATA 2023

Area Median Income (AMI) is the midpoint of a region’s income distribution. This means that half of the households in the area earn more than the median, and half earn less than the median. This income is gross income, the total income that is received before taxes and other payroll deductions.

2023 Las Cruces Area Median Incomes								
% AMI	Number of Persons in Household							
	1	2	3	4	5	6	7	8+
50%	\$22,650	\$25,850	\$29,100	\$32,300	\$34,900	\$37,500	\$40,100	\$42,650
60%	\$27,180	\$31,020	\$34,920	\$38,760	\$41,880	\$45,000	\$48,120	\$51,180
65%	\$29,445	\$33,605	\$37,830	\$41,990	\$45,370	\$48,750	\$52,130	\$55,445
70%	\$31,710	\$36,190	\$40,740	\$45,220	\$48,860	\$52,500	\$56,140	\$59,710
80%	\$36,240	\$41,360	\$46,560	\$51,680	\$55,840	\$60,000	\$64,160	\$68,240
90%	\$40,770	\$46,530	\$52,380	\$58,140	\$62,820	\$67,500	\$72,180	\$76,770
100%	\$45,300	\$51,700	\$58,200	\$64,600	\$69,800	\$75,000	\$80,200	\$85,300
120%	\$54,360	\$62,040	\$69,840	\$77,520	\$83,760	\$90,000	\$96,240	\$102,360

Rental limits are considered affordable when the cost of housing expenses (rent and utility costs) are no more than 30% of their monthly gross income.

2023 Affordable Rental Limits						
% AMI	Maximum Gross Rent by Bedroom Size					
	0	1	2	3	4	5
20%	\$226	\$242	\$291	\$336	\$375	\$413
30%	\$339	\$363	\$436	\$504	\$562	\$620
40%	\$453	\$485	\$582	\$672	\$750	\$827
50%	\$566	\$606	\$727	\$840	\$937	\$1,034
60%	\$679	\$727	\$873	\$1,008	\$1,125	\$1,241
70%	\$792	\$848	\$1,018	\$1,176	\$1,312	\$1,448
80%	\$906	\$970	\$1,164	\$1,344	\$1,500	\$1,655
120%	\$54,360	\$62,040	\$69,840	\$77,520	\$83,760	\$90,000

Mortgage affordability is the amount of money a person can pay towards a mortgage keeping housing expenses below 30% of gross income, and has a direct relationship with the maximum purchase price that the individual can qualify for when buying a home.

2023 Affordable Mortgage Amount								
% AMI	Number of Persons in Household							
	1	2	3	4	5	6	7	8+
50%	\$90,050	\$102,772	\$115,694	\$128,416	\$138,753	\$149,090	\$159,427	\$169,565
60%	\$108,060	\$123,327	\$138,832	\$154,099	\$166,503	\$178,908	\$191,312	\$203,478
65%	\$117,065	\$133,604	\$150,402	\$166,941	\$180,379	\$193,817	\$207,255	\$220,434
70%	\$126,070	\$143,881	\$161,971	\$179,782	\$194,254	\$208,726	\$223,197	\$237,391
80%	\$144,080	\$164,436	\$185,110	\$205,465	\$222,004	\$238,543	\$255,083	\$271,303
90%	\$162,090	\$184,990	\$208,248	\$231,149	\$249,755	\$268,361	\$286,968	\$305,216
100%	\$180,100	\$205,545	\$231,387	\$256,832	\$277,506	\$298,179	\$318,853	\$339,129
120%	\$216,120	\$246,654	\$277,665	\$308,198	\$333,007	\$357,815	\$382,624	\$406,955

The purchase price of a home does not include closing costs and fees.

2023 Affordable Purchase Price								
% AMI	Number of Persons in Household							
	1	2	3	4	5	6	7	8+
50%	\$92,835	\$105,951	\$119,272	\$132,388	\$143,044	\$153,701	\$164,357	\$174,809
60%	\$111,402	\$127,141	\$143,126	\$158,865	\$171,653	\$184,441	\$197,229	\$209,771
65%	\$120,686	\$137,736	\$155,053	\$172,104	\$185,957	\$199,811	\$213,664	\$227,252
70%	\$129,969	\$148,331	\$166,980	\$185,343	\$200,262	\$215,181	\$230,100	\$244,733
80%	\$148,536	\$169,522	\$190,835	\$211,820	\$228,871	\$245,921	\$262,972	\$279,694
90%	\$167,103	\$190,712	\$214,689	\$238,298	\$257,479	\$276,661	\$295,843	\$314,656
100%	\$185,670	\$211,902	\$238,543	\$264,775	\$286,088	\$307,401	\$328,715	\$349,618
120%	\$222,805	\$254,282	\$286,252	\$317,730	\$343,306	\$368,882	\$394,457	\$419,541

APPENDIX B: AFFORDABLE HOUSING IMPACT FEE WAIVER PROGRAM

Document to be added before strategy publication.

REFERENCES

2023 New Mexico Affordable Housing Needs Assessment:

https://housingnm.org/uploads/documents/2023_NM_Affordable_Housing_Needs_Assessment.pdf

Housing New Mexico: MFA Call to Action 2022 Housing Strategy Complete Report:

https://housingnm.org/uploads/documents/New_Mexico_Housing_Strategy_Complete_Report_Sept_2022.pdf

The New Mexico Affordable Housing Act:

https://housingnm.org/uploads/documents/Affordable_Housing_Act_Statute.pdf

Qualified Allocation Plan (QAP)

<https://docs.google.com/document/d/1x4bR15utWSYC5W-xvCFSxbzL3SmsYfSn/edit?usp=sharing&oid=109515401454698818024&rtpof=true&sd=true>