



Office of the Governor

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Governor's Housing and Homelessness Initiative

All New Mexicans deserve safe and affordable housing and that is simply not happening right now. As a result of the current housing crisis, we are seeing skyrocketing costs, development that has slowed due to burdens on builders, families that are delaying the process of home ownership, services that do not collaborate with other services, and a growing unhoused community that is more visibly living on the street.

WHY NOW?

New Mexico has seen a 30-year lag in housing production. The existing housing supply is aging and in great need of renovation, and quickly rising costs of supplies, insurance, interest rates, and labor further contribute to the slowing of production. Many communities in New Mexico are seeing median house prices far exceed the income of the community's workforce. Lack of production results in a failure to provide New Mexicans with safe and affordable housing, a struggle to keep active public servants in communities, and an inability to attract industry to a state that lacks housing for its workforce. Slow production of affordable housing and homelessness are interconnected challenges. As housing costs rise, many individuals and families find it increasingly difficult to secure stable and affordable living arrangements, pushing them to the brink of homelessness. Addressing these issues requires a multifaceted approach that includes both short-term interventions and long-term systemic changes. The state **NEEDS** investment in housing and housing infrastructure across the spectrum, and homelessness services.

CREATING THE OFFICE OF HOUSING

Adequate funding and the creation of The Office of Housing will help begin to solve the current housing crisis and prevent it from occurring in the future. New Mexico's current housing framework has significant gaps. Nearly all states have an agency charged with a comprehensive approach to housing. The healthiest housing environment requires strategic coordination across the housing landscape. The Office of Housing does not eradicate or duplicate the existing, primarily project-by-project approach to housing affordability. Instead, it acts as a support, or "sister agency," allowing for more informed choices and deeper focus on respective areas of expertise.

THE OFFICE OF HOUSING MANDATE

- Conduct strategic statewide planning and goal setting while serving as the single entity responsible for driving these goals.
- Track and publish data that analyzes and predicts trends that will guide future policy and investment changes.
- Provide technical assistance and training to local governments that will remove regulatory barriers, increase the ability to leverage funding, support the development of public private partnerships, and build regional plans or programs to meet state goals.
- Build up the housing finance, development, and construction trade workforces, and use state housing dollars to incentivize improvements to the entire housing system.

An Office of Housing accomplishes strategic and coordinated efforts that will build a healthy housing market across the state.

The Office of Housing must be created in order to respond to today's crisis, and dramatic investments are needed as well. It is imperative that the funding is split between the NM Workforce Housing Trust Fund and the Opportunity Enterprise Revolving Fund, as they address different needs within the full spectrum of the housing shortage.

EXECUTIVE BUDGET RECOMMENDATION

\$250M into the NM Workforce Housing Trust Fund

The funding aims to build upon the Mortgage Finance Authority's successful programs by providing support for various initiatives such as gap funding for low-income housing tax credit projects, down payment assistance, weatherization and renovation of low-income housing, and low-interest building loans. It will also facilitate innovative use of State funds to address specific affordable housing needs. It opens the door for new types of projects and partners, which will be able to use the funds for housing infrastructure, or housing that serves people who are left out of the current programs. A project under this funding will involve offering low-interest loans to builders for developing affordable, entry-level homes for families with incomes at 150% or below the average median income (AMI). Subsidies will be extended to buyers/renters meeting income guidelines.

\$250M into the Opportunity Enterprise Revolving Fund

By expanding this fund to support housing development loans, we will achieve production needs that cannot be met within the current affordable housing programs. The NM Finance Authority, which will administer the OERF, will build on their success with local governments and businesses to address the needs of housing infrastructure and workforce development housing. The funds will also serve as incentives for local governments to reduce barriers that prevent completing housing in a timely manner, such as permitting, inspection, and land use issues. The funds will be able to fund housing programs, not just community projects.

\$40M for implementation of the Statewide Model for Housing Stability Services

It is estimated that 85% of people experiencing homelessness are successfully served by a "housing first" model. The other 15%, the most vulnerable and visible, need a different approach to maintain their housing. The Statewide Model for Housing Stability Services will support New Mexico in moving toward a unified model with the standardization, coordination, and regulation and oversight of services for people experiencing homelessness who are not well served by the "housing first" model. The model identifies a single-entry assessment, coordinates services and referrals across the state, and supports existing programs to expand their services to build a system that matches individual needs.

"This funding by the state will fill in construction gaps that have been created by volatile interest rates and escalated construction costs. It will allow our organization to serve hundreds of families through the new construction of beautifully-designed, energy-efficient homes that will be affordable for seniors, families, and individuals. These funds will support affordability, allowing the household to pay for needed items like food, healthcare, and some extras, by reducing the burden of paying more than 30% of their income for housing."

***-Felipe Rael
Executive Director of the Greater Albuquerque Housing Partnership,
Albuquerque, NM***