



Toward a Housing Agenda for 2026-2027

Creating policy change through the legislative process isn't easy. In the 2026 legislative session, there were 685 bills introduced, and only 74, just over 10 percent, of those measures passed both houses. Of the 21 housing bills introduced, only two passed both houses in 2026, including our proposal for a [Gross Receipts Tax \(GRT\) deduction for affordable multifamily housing](#). This was signed by the governor on March 10, 2026. To get a bill through the process, advocates need to start early, have a plan, and have thoroughly researched proposals. That's why we've started early, beginning the process of developing an agenda for the 2027 legislative session. Not all these will become bills, but we hope they'll generate conversation and that some of them will be ideas we can find community, staff, and legislative support for by the end of the summer.

Tax Incentives and Financing for Affordable Housing

A Multifamily Property Tax Incentive – In 2025, [Senate Bill 186](#) was introduced to address the problem of “tax lighting,” the big jump in property taxes when building new multifamily housing. That bill failed. We suggested that the model for a revised Senate Bill 186 could be the [Multifamily Tax Exemption \(MFTE\)](#) program in Seattle. That program has created thousands of affordable units with a 12-to-15-year exemption on property taxes in exchange for setting aside 20 percent of the new units for rent at up to 80 percent of Area Median Income (AMI). This year, [House Bill 194](#) and [Senate Bill 283](#) tried to accomplish this using the Metropolitan Redevelopment Code. They both failed. This idea is too important to drop, so we're working on a statewide Pay In Lieu of Taxes (PILOT) approach that would be simple and efficient, providing multifamily developments that include affordable housing relief from a big increase in property tax.

Abandoned Building Revitalization Tax Credit – In 2025, Representatives Dow and Henry sponsored [House Bill 472](#), which would have allowed a taxpayer to claim a portion of the costs of the rehabilitation of an abandoned building as a credit applied to their New Mexico tax bill. We proposed [House Bill 77](#), sponsored by Senator Nava, and Representatives Dow, Gonzales, and Hernandez. Our bill received tremendous support and would have required an 80 percent affordable housing inclusion at 80 percent of Area Median Income (AMI) or less. We're going to work on an improved version of House Bill 77 that would incentivize building housing on parking lots while also lowering the cap from \$100 million in tax credits per year to \$10 million.

Credit for Cost Burden – This was on our agenda last year, and we think the idea is worth pursuing in the longer 60-day session in 2027. New Mexico residents of multifamily or rental



housing who earn 50 percent or less of AMI should be able to claim each dollar they pay above 30 percent of their pre-tax, gross monthly income toward housing, as a credit against their New Mexico income tax liability. The credit should be transferable to allow a third party to make these credits available in the form of cash on a monthly basis. This could be a time-limited program for a set number of taxpayers. A strong evaluation component should be included.

Low Interest Loan Program for Maintenance – This was also on our agenda last year, and we made some progress with legislators over the 2025-2026 interim. Residents of multifamily buildings and their advocates often express concerns about the maintenance of apartment buildings and other rental properties. Often, repairs don't happen in order to keep rents stable, essentially subsidizing lower rents with deferred maintenance. This isn't sustainable, and when older buildings are sold, rents can rise to make improvements. The legislature should create a \$1,000,000 pilot revolving fund for building owners to keep up with maintenance in exchange for keeping their rents at current levels.

Public Improvement Districts (PIDs) for Infrastructure for Affordable Homeownership – A big challenge for new single-family home construction is the cost of infrastructure – utilities, water, streets, roads, drainage, and lighting. Public Improvement Districts were created in state statute to allow developers to finance infrastructure over time and pass debt service on to homeowners on their monthly housing payment. We're proposing public financing of infrastructure using the PID statute in exchange for setting aside or donating 20 percent of a single-family development for homeownership for people earning 60 percent of Area Median Income or less. The inclusion of affordable housing and not passing on infrastructure costs to homebuyers would be the public benefit created in exchange for the use of public financing. In 2022 voters passed Constitutional Amendment 2 which added a new [subsection H to Section 14 of Article IX of the state constitution](#), the anti-donation clause, which allows state funds to be used for "essential services" which means "infrastructure that allows internet, energy, water, wastewater or other similar services as provided by law." We support enabling legislation that would support allocation of state resources to accomplish this use of the PID for affordable housing.

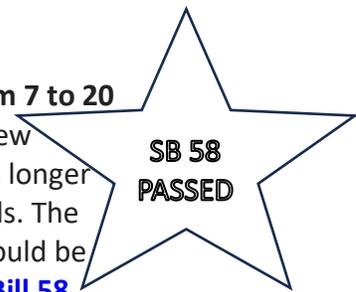
Right of First Refusal for Residents of Rental and Manufactured Housing – Legislation has been offered in 2025 and 2026 to create opportunities for residents of manufactured housing parks to buy the park. Granting right of first refusal to tenants of multifamily housing including manufactured housing is a good idea, but it needs to come with fast and efficient financing. Otherwise, these programs end up simply being a roadblock to another wise legal transaction. This is why we have proposed a revolving fund that could be used by the state to quickly



acquire properties and allow residents to use their regular housing payments to pay back the fund.

Establish a Multifamily Acquisition Fund – Often investors buy older, down-market homes/buildings that have subsidized, lower rents with deferred maintenance. The issue is that the new owners have to make improvements that existing tenants can't afford. When rents go up, tenants have to move out or get evicted. Buying these older homes/buildings, making the improvements, keeping rents low, and creating opportunities for residents to purchase the home/building as a cooperative is a viable strategy to avert the loss of naturally occurring affordable housing.

Extend Metropolitan Redevelopment Authority (MRA) Tax Abatement Period from 7 to 20 years – Right now the length of time local MRAs are allowed to grant tax relief to new development in exchange for public benefit is 7 years; this should be expanded to a longer period to allow for smaller projects that would benefit from longer financing periods. The extension could be conditioned to include some affordable housing. All projects should be required to submit a pro forma for review. **We proposed this in 2025, and [Senate Bill 58](#), sponsored by Senator Berghmans, passed both chambers in the 2026 session and extended the abatement period from 7 to 10 years. Signed by the Governor on March 4, 2026.**



Planning and Zoning

Preemption for heights, appeals, and parking requirements – Senator Antonio Maestas' bill, [Senate Bill 131](#), proposed significant preemptions of local land use and zoning codes but it didn't make it out of committee. We're looking more closely at preemptions that are more targeted at cities with larger populations and growth patterns that indicate possible surges in demand for housing that could cause housing inflation. If a jurisdiction projects significant job and population growth, for example, it would trigger a preemption of regulations limiting development including height, appeals, and parking requirements. The preemptions could be temporary and limited to larger cities like Albuquerque and Santa Fe.

Preempt Local Codes in a Shelter Emergency (California's [Appendix P](#)) – Local zoning and building codes, especially in Albuquerque, are too restrictive on improvised shelter solutions for housing. California allows for swift and sure preemption of local building and zoning codes during a declared shelter emergency through [Appendix P](#) of its state building code. New Mexico needs the same, especially for Albuquerque. A three-member panel should be appointed and when some objective measures are reached (e.g., an extended period of extreme heat or cold), the panel could declare an emergency that would allow the use of minimally compliant



structures on private land for shelter. These declarations would have no appeal and would be irreversible for the course of the emergency. This was on last year's agenda and we think it's worth continuing to pursue.

Rental Assistance

Move-In Assistance – Last year, we proposed a \$500,000 revolving fund, administered by local lenders, that would allow qualifying households to finance their deposit for up to 12 months. The State would cover the cost of the deposit and other qualifying move-in costs. The household could pay those costs back over the course of the first year of their lease and the housing provider would receive them up front. As funds returned to the account, they could be redistributed to qualifying households. Criteria could include households fleeing domestic violence, exiting prison, jail, or homelessness, or simply being low-income. We also want to include an Individual Development Account component to this, to match every dollar that is paid back to the fund. This proposal went through a couple of drafts, but the details and support didn't come together before session in 2026. We'll keep working on this during the interim to find a path for a successful proposal.

Cash for Cost Burden – A pilot program providing simple, fast, cash assistance for households with extreme cost burden, 25 percent or above, should be piloted and evaluated. The fund would cover the difference between the rent and household's income.

Fast Eviction Prevention – Often, when facing possible eviction, households simply need fast cash. Current programs should be fully funded, evaluated, and when successful, duplicated. Programs like this exist, but they are often scattered, hard to use, and the money runs out. We need a more consistent delivery of assistance. Nobody in New Mexico should be evicted because they can't pay rent.

Better Data and Improved Policy Making

LEDA / TIDD Housing Demand Study and Community Benefits – The Local Economic Development Act (LEDA) and the Tax Increment Development District (TIDD) Act provide powerful tools for economic development, but often housing isn't factored into the decisions that are made to create more jobs. More jobs are a good thing, but those jobs can mean new people, with money, looking for scarce housing. This creates housing inflation. Economic development incentives need to come with community benefits that have measurable impact on improving living standards for people already here, and this is especially critical for housing.



New businesses need housing for their workers, and existing communities need to be able to preserve affordable housing they already have.

Study Residual Income Cost Burden – A memorial instructing the Legislative Finance Committee to study alternatives to housing affordability measures, especially the housing cost income ratio (the arbitrary 30 percent rule) and cost burden, should be passed. We need better local measures not *just* of housing cost burdens but all the burdens that accumulate and weigh down working families and keep them in poverty.

Pass a Memorial Directing the Formation of a Senate and House Committee on Housing – It is time that the New Mexico State legislature have a housing committee in the Senate and the House that can generate, review, and pass housing policy and funding measures.

Creating a New Mexico Measure of Poverty - As of 2023, New Mexico had a [poverty rate](#) of 17.8% - the third-highest in the nation, while the nationwide numbers were at only 12.5%. Like all states, New Mexico uses the [Federally Established Poverty Level](#). With uncertainty at the federal level, the legislature will have to rely more on local funding. But rather than staying inured to the current system, this creates the opportunity to establish our own measure of poverty (see cost burden above). The median income in New Mexico is [\\$60,980.00](#) (2023) and a family of four is in poverty if it earns \$32,150; yet, the average income in the United States is [\\$80,610.00](#).

Measuring Permits, Population, and Price – When an area sees population increase, usually there is an increase in permit applications by developers and builders trying to meet demand. But in the lag period between those population increases, prices go up. [House Bill 110](#) made an effort to begin measuring these relationships but it was unsuccessful. We need legislation that requires local governments to track the time elapsed between permit application, when a project design is complete, and when a Certificate of Occupancy is issued, when a building, home, or apartment is ready to occupy. This is a good way to start determining where the slowdowns in permitting, zoning, and land use administration bog down and cause increases in prices. We think another effort at this mandate should be offered in the 2027 session.

Other Issues Affecting Housing

The Anti-Donation Clause – In the 2025 session there was an effort to address the problems created by the state’s constitutional anti-donation clause. This was a laudable effort, but affordable housing is already exempted from the anti-donation clause, and any effort to



address the real issues created for nonprofits by the clause must keep the anti-donation exemption for housing and its enabling measure, the Affordable Housing Act (AHA) intact.