



New Mexico Office of Housing details affordable housing 'mismatch' along with \$97M funding request

Analysis shows 65% of affordable housing across the state is owned by people who could afford more expensive dwellings based on their incomes.

BY **PATRICK LOHMANN** - OCTOBER 15, 2026 8:40 AM



📷 A construction worker hoses down the stucco at a newly constructed home in the Mesa Del Sol development in southeastern Albuquerque on July 13, 2026. Affordable housing developers told lawmakers they need additional tax relief and more-predictable state funding to continue to build new homes in New Mexico. (Danielle Prokop for Source NM)

Leaders of the New Mexico Office of Housing on Wednesday released the results of a new analysis showing how the state's existing housing supply shortchanges most low- and medium-income residents, along with a breakdown of close to \$100 million in funding it plans to request next year.

The Office of Housing has been attached administratively to the New Mexico Department of Workforce Solutions, the state's workforce development agency, [since 2025](#). In that time, lawmakers have already provided it with more than [\\$100 million](#) for a variety of housing and homelessness initiatives.

During an online presentation, Department of Workforce Solutions Secretary Sarita Nair and Lisa Huval, the office's housing initiatives manager, laid out seven policy priorities they arrived at following a series of interviews and analyses they conducted with the help of an outside consultant.

The office's priorities include increasing local capacity and updating local zoning codes to ensure faster housing permitting; preserving existing affordable housing units; collecting and analyzing more data; and using state subsidies to fill gaps that prevent developers from building new affordable housing.

At the moment, according to an analysis Huval provided, construction of a single apartment in a multifamily development would cost a developer in Albuquerque \$348,000, a number that has steadily risen due to increased construction, regulatory and capital costs. But the only way that unit could be affordable to a tenant who makes 80% or less than the city's median income is if it cost developers \$275,000, Huval said.

"That difference between those two numbers is really what is driving our housing shortage," Huval said.

Statewide, New Mexico lacks at least 50,000 units affordable to low- and moderate-income households, which refers to those who make between 30% and 150% of the area median income, officials said Wednesday. That includes two-person households statewide earning between \$24,100 and \$120,500.

Roughly 60% of New Mexico households who make within that income range are "cost-burdened," which means they spend about one-third or more of their incomes on housing.

Overall, the analysis found that 65% of affordable housing across the state is owned by people who could afford more expensive dwellings based on their incomes.

For example, 136,000 occupied housing units exist in New Mexico that are affordable to those who make 50% or less than the area median income. But 36% of those units – comprising roughly 47,000 homes – are owned by those who make more than the area median income.

Nair said the "mismatch" pervades the statewide affordable housing market and occurs naturally. It points to a need for increased housing supply generally, but also of different types of housing across the income spectrum.

"This is not people doing bad things. This is the natural dynamic," she said. "I myself live in a unit that's affordable to a lower income than I make. And I own it, and I'm never moving."

The disparity exists in the affordable rental market as well.

The Office of Housing is seeking roughly \$97 million in the upcoming legislative session, most of which would go for “gap financing” for affordable housing construction. That includes \$50 million for grants to developers, as well as \$30 million in capital outlay.

“Our hope is that over time less and less subsidy is needed for affordable housing for low- and moderate-income folks,” Huval said. “For now, we believe we need to continue to invest in or deploy grants that close that gap between what it takes to build housing and then what a low-moderate income household can afford to pay.”