Albuquerque Affordable Housing and Homelessness Needs Assessment

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with Rob Pitingolo

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Executive Summary

The City of Albuquerque is at a critical moment in its efforts to provide affordable housing and reduce homelessness. The number of renter households with extremely low incomes (households whose income is at or below 30 percent of the area median income) has increased while the supply of rental units affordable to them has decreased. More households are struggling to pay their rent, and as affordable housing has become less available, homelessness has increased. From 2013 to 2019, street homelessness in Albuquerque nearly quadrupled—from 144 to 567 people. And the COVID-19 pandemic is likely to exacerbate housing instability among these vulnerable households.

In 2019, the City of Albuquerque asked the Urban Institute to assess the housing needs of renter households with extremely low incomes and people experiencing homelessness. The city hopes to use the report as a first step to creating a road map for reversing current trends. We conducted a two-part analysis. The first part was a quantitative analysis to estimate gaps in affordable housing for renter households with extremely low incomes and in housing and supportive services for people experiencing homelessness. The second part consisted of interviews with city, county, and state government officials; nonprofit housing developers; homeless service providers; and people who have experienced homelessness to get their perspective on affordable housing and homelessness issues in Albuquerque and recommendations for how to address them.

The following are the main findings of our analysis of housing needs in Albuquerque:

- **The supply of rental units affordable to renter households with extremely low incomes is shrinking.** From 2006–10 to 2012–16, the number of rental units increased by about 8,400, but the number of rental units affordable to renter households with extremely low incomes decreased by 700 (from 7,600 to 6,900).

- **The number of renter households with extremely low incomes is increasing.** In 2012–16, 22,300 renter households had extremely low incomes, a 9 percent increase from 2006–10. Households with extremely low incomes made up about 1 in 4 renter households.

- **More than 40 percent of rental units affordable to households with extremely low incomes are occupied by households with higher incomes.** Of the 6,900 rental units affordable to renter households with extremely low incomes, about 3,000 (43 percent) are occupied by renters with higher incomes.

- **9 in 10 renter households with extremely low incomes are rent-burdened.** This includes 82 percent of households whose monthly rent is more than half their monthly income.
More than 4,700 assisted units could lose their subsidies by 2030. Although 300 new assisted housing units are expected to come online soon, nearly 3,000 may require intervention in the next five years to maintain their affordability, with an additional 1,700 between 2026 and 2030.

An estimated 2,200 Albuquerque households need permanent supportive housing. We produced this estimate using the number of individuals who were experiencing chronic homelessness from the 2019 point-in-time count, coordinated entry assessment data, and local estimates of individuals not previously known to the homeless system.

Our analysis indicates that the city also has a gap of about 15,500 units of affordable housing for renter households with extremely low incomes and a gap of nearly 800 units of rapid rehousing for people experiencing homelessness. Based on our analysis of the data and interviews with local stakeholders, we make recommendations for how Albuquerque can address these gaps.

Our overarching recommendation is that the city develop an inclusive process to set a shared vision for increasing housing affordability and reducing homelessness. Public agencies, service providers, and foundations have a difficult time seeing how their work fits within a system-wide effort. An inclusive process should result in clear goals, estimates of necessary resources and policy changes, and an implementation process for how each sector can contribute. To create the shared vision and successful future affordable housing initiatives, enhanced leadership and coordination is needed. With additional staffing, we think the Albuquerque Department of Family and Community Services could play a larger role in developing and implementing an inclusive planning process for addressing homelessness and affordable housing.

In addition, the city needs to take steps to increase the pipeline of market-rate and affordable rental units and to preserve and expand affordable units with deep subsidies for renters with extremely low incomes.

- Support market-rate rental housing development: Developers want to build rental housing in Albuquerque. The city can support these efforts by supporting projects in the pipeline and using inclusionary zoning or other policies so some units will be affordable to renter households with low incomes or very low incomes.

- Prioritize capital funding for affordable housing projects with ongoing rent subsidies: Development and rehabilitation of affordable housing will not provide affordable housing for renter households with extremely low incomes unless the units are tied to ongoing rental subsidies.
Act aggressively to preserve existing subsidized and market-rate affordable units: Nearly 3,000 subsidized rental units have income limits that expire by 2025. In addition, more than half of all rental units affordable to renter households with very low incomes were built before 1980. Many of these units could be lost to disrepair without aggressive preservation efforts.

Increasing the availability of vouchers would ease the housing cost burden for many renters with extremely low incomes. We believe the city can expand access to rental assistance for people experiencing homelessness and renters with extremely low incomes by taking the following steps:

Create a landlord mitigation fund in exchange for the relaxing of screening requirements by landlords. Albuquerque has good tenant-based rental assistance programs, but providers have a difficult time placing clients with past evictions or criminal backgrounds. A dedicated fund to cover risks to landlords would be a low-cost way to increase the pool of available units.

Increase tenant protections. The city could explore several mechanisms to increase tenant protections, including reducing evictions, especially in assisted housing; providing funding for legal representation for tenants being evicted; and adopting legislation to protect households using vouchers from discrimination.

The recent increase in homelessness is a result of rising rents and a slowdown in exits from homelessness to housing with a permanent subsidy. Albuquerque can increase exits to permanent housing from the homeless system by

- securing funding for the 1,000 additional supportive housing vouchers that Mayor Tim Keller has called for;
- increasing the use of the Albuquerque Housing Authority’s current homeless preference to prioritize housing assistance; and
- addressing gaps in the city’s coordinated entry system.

The City of Albuquerque has a strong network of affordable housing and homelessness professionals and a political leadership and public willing to invest the resources to properly address these issues. We believe with these recommendations, starting with enhanced leadership and coordination, Albuquerque can increase housing affordability and reduce homelessness.
Albuquerque Affordable Housing and Homelessness Needs Assessment

The City of Albuquerque recognizes the challenges of homelessness and housing insecurity and is taking steps to address it. In recent years, the city approved the construction of a new shelter,¹ called for major city investments in affordable housing and vouchers for supportive housing, and commissioned two reports to better understand the problem and devise solutions. The first report—by Metraux, Timmreck and Poppe (2019)—assessed the city’s shelter capacity. This report is more broadly focused on homelessness and affordable housing for renters with extremely low incomes. It is intended to help the City of Albuquerque create a road map to address the affordable housing crisis and homelessness. The study addresses the following questions:

- How does the supply of housing compare with the needs of different populations, and where are the gaps in the city’s housing continuum?
- What national and local resources are used to support housing programs?
- What are the biggest challenges and opportunities for improving housing security and reducing homelessness over the next 10 years?

The recommendations in this report are the result of research conducted by the Urban Institute from October 2019 to March 2020. The work combines quantitative and qualitative methods. For the quantitative analysis, we used American Community Survey data, including specially tabulated Comprehensive Housing Affordability Strategy (CHAS) data for 2006–10 and 2012–16 (the most recent available) from the US Department of Housing and Urban Development (HUD). For the qualitative data analysis, we conducted 23 interviews (by phone and on site in Albuquerque) with city officials, service providers, housing developers, financial advisers, and people who have experienced homelessness. This mixed-methods approach assesses the unmet need for affordable rental housing among Albuquerque households that have extremely low incomes, with a focus on reducing homelessness. To describe the income levels of households and the rent levels they can afford, this report uses the 2016 HUD income limits based on a median income of $61,600 for a household of four in the Albuquerque metropolitan area because the 2012–16 CHAS data are reported in 2016 dollars
In 2010, HUD’s income limits used a median income of $60,300, so the CHAS data for 2006–10 have similar, though slightly lower, income ranges for each category.

**TABLE 1**

HUD Income Limits and Corresponding Rent Levels for a Household of Four in Albuquerque, 2016

<table>
<thead>
<tr>
<th>Income label</th>
<th>Income as a percentage of area median income</th>
<th>Annual income range</th>
<th>Monthly affordable rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extremely low income</td>
<td>≤ 30 percent</td>
<td>$0–24,300</td>
<td>$0–607</td>
</tr>
<tr>
<td>Very low income</td>
<td>30–50 percent</td>
<td>$24,301–30,800</td>
<td>$608–771</td>
</tr>
<tr>
<td>Low income</td>
<td>50–80 percent</td>
<td>$30,801–49,300</td>
<td>$772–1,233</td>
</tr>
</tbody>
</table>

Source: US Department of Housing and Urban Development.

The report is divided into three parts. We begin with an overview of housing needs and trends among renter households with extremely low incomes: the supply and demand of rental units, the ability of households to afford them, and recent trends in homelessness. We then briefly discuss the programs and funding available to people experiencing homelessness and households with extremely low incomes and conclude by making recommendations on how Albuquerque can reduce homelessness and expand affordable housing.

**Housing Needs**

In this section, we describe the subsidized housing stock and the housing needs and trends among renter households with extremely low incomes and people and families experiencing homelessness. We also explore the housing and affordability challenges faced by renter households with extremely low incomes and estimate the gap in affordable units to address those challenges. We include data on the stock of locally and federally assisted affordable housing and estimate the development pipeline for affordable housing units and the number of units likely to require intervention to preserve affordability in the next 10 years. We also provide data on trends in homelessness and estimates of the unmet need for permanent supportive housing and rapid rehousing.

**The Supply of Rental Units Affordable to Households with Extremely Low Incomes Was Shrinking**

In 2012–16, Albuquerque had about 232,000 housing units; 98,000 (42 percent) of those were being rented or were vacant and for rent, and 134,000 (58 percent) were owner-occupied or vacant and for
Between 2006–10 and 2012–16, the number of rental units rose by about 8,400. That increase was greater than the total increase in all housing units (6,100), which indicates that some units shifted from being owner-occupied to being rented. Despite an overall increase in units, the total stock affordable to households with very low or extremely low incomes remained flat between 2006–10 and 2012–16. However, the number of owner-occupied units affordable to this group increased, and the number of renter-occupied units affordable to this group decreased, resulting in a higher homeownership rate among households with very low or extremely low incomes in 2012–16 (41 percent, compared with 33 percent in 2006–10).

Among rental units only, fewer than 3 in 10 units were affordable to households with very low incomes, and fewer than 1 in 10 units were affordable to households with extremely low incomes (figure 1). More than 80 percent of rental units were affordable to households with low incomes, those between 50 and 80 percent of area median income (AMI).

**FIGURE 1**
Affordability of Rental Units by Share of Area Median Income, 2012–16

*Among renter-occupied units*

<table>
<thead>
<tr>
<th>≤30% of area median income</th>
<th>30–50%</th>
<th>50–80%</th>
<th>&gt;80%</th>
</tr>
</thead>
<tbody>
<tr>
<td>6,900</td>
<td>18,600</td>
<td>48,200</td>
<td>15,200</td>
</tr>
</tbody>
</table>

**Source:** Comprehensive Housing Affordability Strategy data, US Department of Housing and Urban Development.

**Note:** Figure excludes about 1,300 units that lack complete kitchens or plumbing. See table 1 for income ranges and corresponding rent levels.

Between 2006–10 and 2012–16, the supply of rental units affordable to households with extremely low incomes decreased. Of renter-occupied units, only 6,900 units (8 percent) had rents affordable to households with extremely low incomes in 2012–16, down from 7,600 units (9 percent) in 2006–10 (figure 2). The number of units affordable to households with very low incomes also dropped,
from 21,700 units (26 percent) in 2006–10 to 18,600 units (21 percent) in 2012–16. The supply of units affordable to households with higher incomes grew during this period.

**FIGURE 2**
Change in the Number of Rental Units in Albuquerque, by Rent Affordability Level

*Among renter-occupied units*

In Albuquerque in 2012–16, 41 percent of rental units affordable to households with extremely low incomes were 1-unit structures such as a single-family house. About 16 percent were in buildings with 2 to 4 units, and 38 percent were in buildings with 5 or more units. Only 4 percent of rental units were mobile homes, recreational vehicles, or another type of unit. This distribution differed slightly from that of all rental units, which had a lower share of 1-unit buildings (35 percent) and a higher share of units in buildings with 5 or more units (45 percent).

**Albuquerque Has an Estimated 9,500 Federally and Locally Assisted Affordable Rental Units**

Federally and locally subsidized units are an important part of the affordable rental housing stock in Albuquerque. As table 2 shows, 3,513 units in public housing and Section 8 properties are affordable to
those households with the lowest incomes ("total with deep subsidies"), the majority of which would be extremely low income. An additional 5,749 units are affordable to households with slightly higher incomes. (Section 202 units for older people and Section 811 units for people with disabilities are included in "Section 8" or “Section 8 and other subsidy combinations” in table 2.)

**TABLE 2**

Estimated Housing Units with Federal Subsidies in Albuquerque in 2020, by Subsidy Type

<table>
<thead>
<tr>
<th>Subsidy type</th>
<th>Developments</th>
<th>Estimated units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public housing</td>
<td>6</td>
<td>949</td>
</tr>
<tr>
<td>Section 8 only</td>
<td>18</td>
<td>748</td>
</tr>
<tr>
<td>Section 8 and HUD mortgage (FHA or Section 236) only</td>
<td>3</td>
<td>403</td>
</tr>
<tr>
<td>Section 8 and other subsidy combinations</td>
<td>18</td>
<td>1,413</td>
</tr>
<tr>
<td><strong>Total with deep subsidies</strong></td>
<td><strong>45</strong></td>
<td><strong>3,513</strong></td>
</tr>
<tr>
<td>Low-Income Housing Tax Credit only</td>
<td>28</td>
<td>3,667</td>
</tr>
<tr>
<td>Low-Income Housing Tax Credit and other subsidies</td>
<td>12</td>
<td>1,783</td>
</tr>
<tr>
<td>HOME only</td>
<td>7</td>
<td>82</td>
</tr>
<tr>
<td>HUD-insured mortgage only</td>
<td>2</td>
<td>217</td>
</tr>
<tr>
<td><strong>Total federally subsidized units</strong></td>
<td><strong>94</strong></td>
<td><strong>9,292</strong></td>
</tr>
</tbody>
</table>

*Source:* Urban Institute analysis of the National Housing Preservation Database.

*Notes:* HUD = US Department of Housing and Urban Development; FHA = Federal Housing Administration; HOME = HOME Investment Partnerships program. In some developments, multiple types of subsidies are used to provide affordable units. Whether those subsidies are applied to the same units or spread out across units is unknown. Total federally subsidized units may vary by 15. Information on units subsidized through the Indian Housing Block Grant program or other programs was unavailable.

The Workforce Housing Trust Fund (WFHTF), funded through a tax bond, has been a local source of gap financing for affordable housing development and preservation. Based on data provided by the City of Albuquerque, we estimate that the WFHTF helped finance 795 of the 9,300 affordable rental units in the National Housing Preservation Database. In addition, we estimate that the WFHTF has funded an additional 253 affordable rental units—often in combination with federal HOME Investment Partnerships program or Community Development Block Grant funds or Low-Income Housing Tax Credits (LIHTCs)—that are not represented in the National Housing Preservation Database. In total, we estimate that Albuquerque has 9,545 assisted affordable rental units.

In addition, the Albuquerque Housing Authority (AHA) administers about 4,300 Housing Choice Vouchers, 300 HUD-Veterans Affairs Supportive Housing vouchers, and 60 project-based vouchers under Housing Assistance Payments contracts, some of which may also be used in LIHTC units listed above to further reduce rents.
1 in 4 Renter Households Had Extremely Low Incomes

In 2012–16, about 25 percent of all renter households in Albuquerque were extremely low income (with incomes at or below 30 percent of AMI, which was $24,300 in 2016 for a household of four), as figure 3 shows. About 20 percent of renter households were very low income (with incomes between 30 and 50 percent of AMI, $24,301 to $30,800), and another 20 percent were considered low income (with incomes between 50 and 80 percent of AMI, $30,801 to $49,300). The number of renter households with extremely low incomes (described in box 1) increased about 9 percent between 2006–10 and 2012–16, about the same pace of growth in renter households overall. The number of renter households with very low incomes increased at a faster pace (22 percent).

**FIGURE 3**
Albuquerque Renter Households, by Income Group, 2012–16

- ≤30% of area median income
- 30–50%
- 50–80%
- 80–100%
- >100%

Source: Comprehensive Housing Affordability Strategy data, US Department of Housing and Urban Development.
BOX 1
Characteristics of Renter Households with Extremely Low Incomes, 2012–16

- **Household type:** About 16 percent (3,700 households) had members who were 62 or older, 34 percent were small families (7,500 households), 7 percent were large families (1,600 households), and 43 percent (9,600 households) were nonfamily households without people 62 or older.

- **Physical or cognitive limitations.** Thirty-five percent (7,800 households) had a member with at least one physical or cognitive limitation, compared with 25 percent of all renter households. Twenty percent had a member with an ambulatory limitation, 19 percent with a cognitive limitation, 17 percent with a self-care or independent living limitation, and 13 percent with a hearing or vision impairment. (Households may have more than one member with a limitation or one member with multiple limitations.)

- **Race and ethnicity:** Forty-eight percent of households were headed by a person of Hispanic or Latino ethnicity, 37 percent by a white person, 6 percent by a Black or African American person, 5 percent by an American Indian or Alaska Native, 2 percent by an Asian or Pacific Islander, and 2 percent by someone of another race or who is multiracial.


*Notes:* Family households have related household members. Small families are made up of two people younger than 62 or three to four people. Large families have five or more people. All racial and ethnic categories are non-Hispanic/Latino unless noted.

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9 in 10 Renters with Extremely Low Incomes Were Cost-Burdened

In Albuquerque in 2012–16, 20,200 renter households with extremely low incomes were struggling to make ends meet: 91 percent of the 22,300 renter households with extremely low incomes were cost-burdened, paying more than 30 percent of their incomes toward rent (figure 4). Eighty-two percent were severely cost-burdened, paying more than 50 percent of their income in rent, a 4 percentage point increase from 2006–10.4 These rates exceeded the averages for the US and New Mexico, where 84 to 85 percent of renter households with extremely low incomes were cost-burdened and 72 to 74 percent were severely cost-burdened. Households with lower incomes who are housing-cost-burdened must make difficult trade-offs; they spend less on necessities like food, health care, and transportation, which can negatively affect members’ health and well-being (JCHS 2019). Most renter households with very low incomes were also cost-burdened (84 percent).
Seventy percent of renter households with extremely low incomes experienced only one of the four housing challenges examined by the 2012–16 CHAS: housing cost burden. However, 2 percent (500 households) also lived in units without complete plumbing and kitchen facilities, and 7 percent (1,600 households) were also living in circumstances considered by HUD to be overcrowded (more than one person per room). Only 9 percent (about 2,000 households) of households in this income category had no housing problems.

Households that have extremely low incomes and a member with physical or cognitive limitations had similar rates of housing problems as households with extremely low incomes overall; 76 to 82 percent had one or more of the four housing problems, and 7 to 9 percent had no income. Nearly all large families, those with at least five people, had at least one housing problem or no income (98 percent). Nonfamily households, those with unrelated members, were slightly less likely to have at least one housing problem or no income (89 percent) than other household types.
18,000 Renter Households with Extremely Low Incomes Need More Affordable Housing

Fewer than 20 percent of households (3,900) with extremely low incomes were living in a home whose rent was affordable to households at that income level in 2012–16 (top bar of figure 5). A total of 18,000 households were living in units priced higher than what they could afford and faced competition for the lowest-cost units from households with higher incomes. About 30 percent of renter households (6,600) with extremely low incomes paid rents affordable to those with incomes of 30 to 50 percent of AMI, and more than half paid rents affordable to those with incomes of 50 percent of AMI or higher. This mismatch is a result of the low supply of units affordable to those with extremely low incomes relative to the size of that group (6,900 units for 22,300 households) and that 43 percent of these units were occupied by renter households with higher income levels (as shown in the blue bars of figure 5).

**FIGURE 5**
Number of Albuquerque Renter Households Living in Units Affordable to Each Income Group, by Income Group, 2012–16

Rent is affordable to:  
- ≤30% of area median income
- 30–50%
- 50–80%
- >80%

**Source:** Comprehensive Housing Affordability Strategy data, US Department of Housing and Urban Development.

**Note:** Figure excludes units lacking complete plumbing or kitchen facilities.
Albuquerque also had a shortage of units affordable to households with very low incomes (30 to 50 percent of AMI). Although the city had about 18,600 units affordable to households at that income level (see figure 1), 37 percent of the units were occupied by households with higher incomes (yellow sections of bottom three bars in figure 5).

Overall, at the extremely low income affordability level, Albuquerque had a gap of about 15,500 rental units. The gap is the difference between the supply of units affordable to households at that income level (6,900) and the demand for them (22,300 households). We know the need for more affordability is even greater—20,200 renter households with extremely low incomes were cost-burdened in 2012–16, including 18,200 households who were paying more than 50 percent of their income in rent. We estimate that Albuquerque has only enough deeply affordable assisted housing units in public housing and project-based Section 8 or vouchers to serve 28 per 100 households with extremely low incomes.5

About 300 Assisted Housing Units Are in the Pipeline, but More Than 4,700 Are at Risk by 2030

Projects that received awards in 2019 and 2020 from the WFHTF are expected to deliver 296 units of affordable rental housing in the next several years.6 About 41 percent of the units are expected to be targeted to older adults (including some designated for “grandfamilies,” in which grandparents are raising their grandchildren). An additional 53 market-rate units are expected to be added as part of these projects. Moreover, CBRE (2019) estimates that housing developers have responded to increased demand in the rental market, as signaled by tightening vacancy rates. It expects an estimated 700 new market-rate units and 400 new affordable units, likely overlapping with those receiving awards from WFHTF, to come online by the end of 2020. Adding market-rate units to the supply may help free up lower-cost rental units that are occupied by households with higher incomes, making them available for households with lower incomes.

Adding both market-rate and affordable units to the housing supply is needed to meet the demands of Albuquerque’s renters with lower incomes. But making sure the current stock of federally and locally assisted units are preserved is also crucial so that none are lost through physical deterioration or conversion to market-rate homes. Most federally assisted units have expiration dates for their affordability commitments. We estimate that by 2030, about half (4,740) of federally assisted units will require some intervention to maintain their affordability (figure 6). Depending on market conditions, when units reach their affordability expiration date, some owners may raise rents or renovate and
redevelop the property to be market-rate. About 17 percent of the 4,740 units set to expire by 2030 have Section 8 contracts. Most owners of these properties will renew their contracts, but potentially for only one to two years at a time, making these units more vulnerable to losing their affordability when market demand is high and rents are rising.

**FIGURE 6**
Federally Assisted Housing Units in Albuquerque, by Subsidy Expiration Year

![Bar chart showing Federally Assisted Housing Units in Albuquerque by Subsidy Expiration Year](chart)

**Source:** Urban Institute analysis of the National Housing Preservation Database.

**Notes:** This chart excludes 778 units assisted through the Low-Income Housing Tax Credit (LIHTC) that were missing expiration dates. Thirty-year expiration dates were used for LIHTC units that had passed their 15-year end date by 2020. Otherwise, the 15-year end date was used.

Public housing units are not subject to expiring affordability commitments; however, their age, deteriorated physical condition, and lack of capital for maintenance and renovations put them at risk of exiting the affordable housing stock. The AHA reports a portfolio of 953 public housing units, all of which were built in the 1970s and 1980s and none of which have undergone major rehabilitation (AHA 2019b). It estimates, conservatively, that immediate capital needs total $5.3 million and that an additional $18.5 million will be needed in the next two decades. The housing authority receives only $1 million annually for its capital budget.

Most affordable units are unsubsidized, meaning that no public funding has gone into the development or maintenance of the building to keep the rents affordable. These units may also need an intervention to maintain affordability, particularly as they age or if market demand increases. Although we cannot estimate the number of affordable and unsubsidized units, we know that half the rental stock
in 2012–16 was built before 1980, with 16 percent built before 1960. These units may need major renovations or system repairs and upgrades. Households with very low or extremely low incomes are more likely to live in these older units; about 57 percent of those income groups in 2012–16 lived in units built before 1980, compared with 46 percent of renter households with incomes between 80 and 120 percent of AMI and 42 percent of those with incomes above 120 percent of AMI.

**Homelessness Has Grown Steadily**

As housing becomes less affordable in a community, homelessness increases (Glynn, Byrne, and Culhane 2018). This appears to be what is happening in Albuquerque. On a single night in January 2019, an estimated 1,524 people were sleeping on the streets or staying in shelters (figure 7). That number was up 14 percent from the previous year (HUD 2019). These estimates are based on HUD’s definition of homelessness, which does not include people staying in motels or doubling up with friends or family members.

![Figure 7](image)

**FIGURE 7**

**Number of People Experiencing Homelessness in Albuquerque, 2013–19**

In 2019, 590 people were experiencing chronic homelessness, about 39 percent of people experiencing homelessness. The number of people experiencing chronic homelessness has steadily increased in recent years, rising 40 percent from 2018 to 2019 and 131 percent from 2016 to 2019.
In Albuquerque, homelessness disproportionately affects some groups. According to the 2019 point-in-time count, 25 percent of people experiencing homelessness were American Indians even though they make up only 5 percent of the city’s overall population. Men were also disproportionately affected, making up 66 percent of the homeless population but only 49 percent of the total population. During our interviews, local stakeholders, service providers, and advocates mentioned young people, older people, women, veterans, and people who were formerly incarcerated as being particularly vulnerable to premature mortality, assault, and other forms of victimization when experiencing homelessness.

Table 3 shows the reporting on HUD’s system-wide performance measures from 2015 to 2018 by Albuquerque’s Continuum of Care (CoC). The homeless system is one of crisis response and aims to help people avoid homelessness and get into permanent housing as quickly as possible. CoCs are trying to continuously decrease the length of the median shelter stay while increasing placements into permanent housing and reducing the share of households that return to homeless programs within 12 months. Reducing shelter stays increases a CoC’s ability to serve more people over time. In Albuquerque, the median length of stay in shelter increased slightly between 2015 and 2018 but is below HUD’s target of 30 days. And only 12 percent of people who exit homelessness become homeless again within 12 months, below the national average. However, the number of people exiting homelessness to permanent housing has decreased considerably. This figure includes both exits to rapid rehousing and supportive housing programs, as well as exits to unsubsidized permanent housing and long-term living arrangements with friends or family.

Table 3
Albuquerque Continuum of Care Systems Performance Data

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median shelter stay (days)</td>
<td>22</td>
<td>19</td>
<td>27</td>
<td>24</td>
</tr>
<tr>
<td>Returns to homelessness within 12 months of exit (%)</td>
<td>15</td>
<td>13</td>
<td>13</td>
<td>12</td>
</tr>
<tr>
<td>Annual exits to permanent housing (# of people)</td>
<td>1,136</td>
<td>1,167</td>
<td>913</td>
<td>941</td>
</tr>
</tbody>
</table>

Source: HUD Continuum of Care system performance measures.

Engagement and Assessment of People Experiencing Homelessness Increased in 2019

Table 4 shows the number of assessments of single adults, families, and youth that the Albuquerque CoC did from 2015 to 2019. These assessments are used to determine referrals to CoC-funded programs, but not the city’s emergency shelters. The New Mexico Coalition to End Homelessness (NMCEH) and service providers reported that Albuquerque had increased its capacity to identify and
engage people experiencing homelessness in the past few years. This is reflected in the large numbers of single adults and families assessed each year. Young people, however, make up a tiny fraction of all assessments, suggesting a need for more youth outreach providers and better coordination among the CoC, schools, child welfare agencies, the juvenile justice system, and other organizations that work with older youth.

TABLE 4
Yearly Coordinated Entry Assessments in Albuquerque, by Population

<table>
<thead>
<tr>
<th>Year</th>
<th>Single adults</th>
<th>Families</th>
<th>Youth</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>2,784</td>
<td>137</td>
<td>3</td>
<td>2,924</td>
</tr>
<tr>
<td>2016</td>
<td>3,035</td>
<td>582</td>
<td>5</td>
<td>3,622</td>
</tr>
<tr>
<td>2017</td>
<td>2,403</td>
<td>611</td>
<td>22</td>
<td>3,036</td>
</tr>
<tr>
<td>2018</td>
<td>2,343</td>
<td>606</td>
<td>11</td>
<td>2,960</td>
</tr>
<tr>
<td>2019</td>
<td>2,784</td>
<td>608</td>
<td>6</td>
<td>3,398</td>
</tr>
</tbody>
</table>

Source: New Mexico Coalition to End Homelessness.

As shown in figure 8, a plurality of single adults was unsheltered at the time of their coordinated entry assessment in 2019, which suggests that the CoC is effectively engaging people outside the shelter system. Even though the point-in-time count found very few unsheltered families, 208 families who received a coordinated entry assessment in 2019 reported that they had spent the previous night in a “place not meant for habitation,” which could include cars, abandoned buildings, or parks (figure 9).

FIGURE 8
Where Single Adults Were Living When They Received Coordinated Entry Assessments in Albuquerque, 2019

<table>
<thead>
<tr>
<th>Location</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Place not meant for habitation</td>
<td>1,094</td>
</tr>
<tr>
<td>Emergency shelter</td>
<td>933</td>
</tr>
<tr>
<td>Jail, prison, or juvenile detention</td>
<td>226</td>
</tr>
<tr>
<td>With family/friends</td>
<td>201</td>
</tr>
<tr>
<td>Transitional housing</td>
<td>103</td>
</tr>
<tr>
<td>Substance use treatment program</td>
<td>70</td>
</tr>
<tr>
<td>Other</td>
<td>69</td>
</tr>
<tr>
<td>Hotel or motel without a voucher</td>
<td>54</td>
</tr>
<tr>
<td>Hospital</td>
<td>34</td>
</tr>
</tbody>
</table>

Source: New Mexico Coalition to End Homelessness.
The Albuquerque CoC uses a standard assessment tool called the Vulnerability Index-Service Prioritization Decision Assistance Tool (VI-SPDAT) that asks questions related to housing and homeless history, risk factors, functioning levels, and wellness. Responses are scored on a scale from 0 to 17. The higher the score, the greater priority a person or family receives for available resources. In Albuquerque, single adults with a score of less than 4 and families with a score of less than 5 are expected to self-resolve (find housing alternatives on their own); single adults with a score of 4 to 7 and families with a score of 5 to 8 are recommended for rapid rehousing; and single adults with a score of 8 or more and families with a score of 9 or more are recommended for supportive housing. Figure 10 shows how many single adults and families scored in each category (self-resolve, rapid rehousing, or permanent supportive housing) between September 1, 2018, and August 31, 2019. Most single adults and families were prioritized for supportive housing, suggesting that they have long homeless histories, one or more disabling conditions, and high barriers to housing, such as a criminal history, prior eviction, or substance use disorder.
FIGURE 10
Coordinated Entry Assessments in Albuquerque, September 1, 2018, through August 31, 2019

Number of single adults and families whose VI-SPDAT score qualified them for each resource category

<table>
<thead>
<tr>
<th>Resource Category</th>
<th>Single Adults</th>
<th>Families</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-resolve</td>
<td>39</td>
<td>210</td>
</tr>
<tr>
<td>Rapid rehousing</td>
<td>194</td>
<td>865</td>
</tr>
<tr>
<td>Permanent</td>
<td>270</td>
<td>1,012</td>
</tr>
</tbody>
</table>

Source: New Mexico Coalition to End Homelessness.
Notes: VI-SPDAT = Vulnerability Index-Service Prioritization Decision Assistance Tool. “Self-resolve” means that an adult or family must find housing alternatives on their own.

Table 5 shows the capacity of the city’s homeless system by program type, based on the CoC’s 2019 housing inventory count reported to HUD. The city’s capacity for rapid rehousing and supportive housing is well below the annual number of households that would qualify for referral to these programs based on their VI-SPDAT scores. The gap is widest for rapid rehousing assistance for single adults; 865 single adults were recommended for rapid rehousing based on their assessment scores between September 1, 2018, and August 31, 2019, but the CoC has only enough resources to serve 95 single adults on a given night. Even if with generous assumptions about the number of single adults each bed could serve during a year, this capacity falls well short of the need.

TABLE 5
Inventory of Homeless Assistance Program Slots in Albuquerque, 2019

<table>
<thead>
<tr>
<th></th>
<th>Emergency shelter</th>
<th>Transitional housing</th>
<th>Rapid rehousing</th>
<th>Permanent housing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single adults</td>
<td>634</td>
<td>159</td>
<td>95</td>
<td>918</td>
</tr>
<tr>
<td>Families</td>
<td>29</td>
<td>57</td>
<td>106</td>
<td>186</td>
</tr>
<tr>
<td>Youth</td>
<td>48</td>
<td>20</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: HUD housing inventory count data.
Notes: Capacity for families is reported as units. Capacity for single adults and youth is reported as beds.
Exits from Homelessness with a Permanent Housing Subsidy Have Decreased

Figure 11 shows the number of single adults who have exited homelessness to permanent housing with the help of a rental subsidy—either a permanent voucher or time-limited rapid rehousing assistance—each year from 2015 to 2019. The number of exits with a permanent subsidy increased in 2019, to nearly 300, but it is still well below the 400 single adults placed in permanent housing in 2016. And even though the number of exits to rapid rehousing increased from zero in 2015 to nearly 150 in 2019, it is still low relative to the thousands of people recommended for rapid rehousing based on their assessment scores. These exits are not sufficient to keep pace with the 280 households that the CoC estimates become homeless each month in Albuquerque.

**FIGURE 11**
Single Adult Exits from Homelessness to Permanent Housing in Albuquerque, by Program Type, 2015–19

![Graph showing exits to permanent housing through permanent subsidy or rapid rehousing](image-url)

*Source: New Mexico Coalition to End Homelessness.*

Figure 12 shows exits to permanent housing through a permanent subsidy or rapid rehousing for families each year from 2015 to 2019. The number of exits with a permanent subsidy is down from its peak in 2017. Exits via rapid rehousing have been steadily increasing but remain low relative to the need.
More Than 2,200 Households Need Supportive Housing, and Nearly 800 Need Rapid Rehousing Assistance

The sharp increase in chronic homelessness in Albuquerque over the past five years suggests that the supply of supportive housing units has not been sufficient to address demand. Metraux, Timmreck, and Poppe (2019), using data from the US Interagency Council on Homelessness’s Supportive Housing Opportunities Planner tool, estimated that the city needed an additional 630 units of supportive housing to address the lack of shelter capacity for single adults. Our analysis looks more broadly at how many supportive housing units would be needed for every eligible household. We estimate that there are 2,231 households (single adults and families) that need supportive housing in Albuquerque based on either their chronic homeless status or their coordinated entry assessment score. This estimate of 2,231 households is based on the following data and assumptions:

- The 2019 point-in-time count identified 564 individuals who were experiencing chronic homelessness, all of whom would presumably be eligible for supportive housing.
- The assessment scores of 270 families and 1,012 single adults were high enough for a supportive housing referral between September 2018 and August 2019 (see figure 10).
A recent report found that 30 percent of individuals who were experiencing chronic homelessness with acute health needs and frequent emergency service use had not done a coordinated entry assessment (Ransom 2019). Based on this, we add 30 percent (385 households) to the number of households assessed as needing supportive housing.

This estimate of 2,231 households is likely the ceiling for how many new supportive housing units would be needed to fully meet demand. Some people may have been counted twice: if they were identified as chronically homeless during the point-in-time count and had a coordinated entry assessment between September 2018 and August 2019. Also, some people assessed for supportive housing could self-resolve, leave the city, or be successfully housed with rapid rehousing.

To estimate the gap between the demand for supportive housing and the current availability, we first assume that the city’s pipeline could create up to 235 supportive housing placements over the next year through turnover of existing permanent supportive housing units and the AHA set-aside. An additional 42 permanent supportive housing units will come online with the HopeWorks development. The mayor’s office has called for an additional 1,000 supportive housing vouchers. If they were funded, the remaining gap would be about 1,000 units.

Based on our respondent interviews, we estimate that 90 percent of those needing supportive housing could be housed through tenant-based rental assistance and that the remaining 10 percent would benefit from project-based supportive housing with on-site case management and more intensive services.

We estimate a need for an additional 62 units of rapid rehousing assistance per year for families and 728 units for single adults. This is based on comparing the 865 single adults and 194 families recommended for rapid rehousing from the VI-SPDAT between September 2018 and August 2019 (figure 10) with the 137 single adults (figure 11) and 132 families (figure 12) who received rapid rehousing assistance in 2019.

Program Inventory and Funding

Albuquerque is taking advantage of federal, state, and local programs and funding streams to provide homeless services, supportive housing, and rental housing assistance and to develop and preserve affordable rental housing for households with extremely low incomes or those experiencing homelessness.
Homeless services and supportive housing

- Bernalillo County Community Connections Permanent Supportive Housing
- Emergency shelters
- Linkages supportive housing program (State of New Mexico program for people with serious mental illness)
- One Albuquerque Housing Fund (funds supportive housing vouchers and supports)
- Permanent supportive housing and rapid rehousing (funded by the Continuum of Care and City of Albuquerque)
- Single-site supportive housing projects (e.g., HopeWorks)
- HUD-Veterans Affairs Supportive Housing (VASH) vouchers

Rental housing assistance (primarily federal programs and grants)

- HOME Investment Partnerships program tenant-based rental assistance
- Project-based Section 8 and Moderate Rehabilitation program
- Public housing
- Rental Assistance Demonstration program
- Section 202 (for people 62 and older) program
- Section 8 Housing Choice Vouchers (and locally funded vouchers)
- Section 811 program (for people with disabilities)
- Section 811 project-based vouchers

Affordable rental housing development and preservation (primarily financing mechanisms, may also be used for development of permanent supportive housing units)

- Low-Income Housing Tax Credit (LIHTC)
- HOME Investment Partnerships program
- National Housing Trust Fund
- New Mexico Affordable Housing Tax Credit
- New Mexico Housing Trust Fund
- Workforce Housing Trust Fund

As discussed earlier and show in table 2, these programs are providing about 9,500 federally and locally assisted housing units. We estimate that about 3,500 of these units are deeply affordable and are likely affordable to households with extremely low incomes. About 4,700 housing vouchers are also used (primarily) by households with extremely low incomes.
Altogether, housing-related public funding from the City of Albuquerque totaled $36.9 million in fiscal year 2020 (table 6). The city budget included $17.9 million in allocations from the general fund and $19.0 million from general obligation bonds for the Gateway Center shelter and the WFHTF. Federal housing resources dedicated to Albuquerque made up $43.0 million in federal fiscal year 2019 (table 7), which represents about 54 percent of the combined $79.8 million in federal and local resources dedicated to housing.

### TABLE 6
City of Albuquerque Housing-Related Public Funding, Fiscal Year 2020

<table>
<thead>
<tr>
<th>Entity</th>
<th>Amount (dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General obligation bonds</td>
<td></td>
</tr>
<tr>
<td>Gateway Center shelter</td>
<td>14,000,000</td>
</tr>
<tr>
<td>Workforce Housing Trust Fund</td>
<td>5,000,000</td>
</tr>
<tr>
<td>General fund housing-related allocations</td>
<td></td>
</tr>
<tr>
<td>City-owned apartment fund</td>
<td>3,900,000</td>
</tr>
<tr>
<td>Apartment debt-service fund</td>
<td>815,000</td>
</tr>
<tr>
<td>Affordable housing</td>
<td>4,590,000</td>
</tr>
<tr>
<td>Emergency shelter</td>
<td>5,225,000</td>
</tr>
<tr>
<td>Homeless support services program</td>
<td>3,358,000</td>
</tr>
<tr>
<td><strong>Total housing budget</strong></td>
<td><strong>36,888,000</strong></td>
</tr>
</tbody>
</table>

**Sources:** City of Albuquerque general obligation bond program and fiscal year 2020 budget.

### TABLE 7
Revenue from Federal Grants and Programs for Housing and Homeless Services, Fiscal Year 2019

<table>
<thead>
<tr>
<th>Program</th>
<th>Amount (dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Development Block Grant</td>
<td>4,502,479</td>
</tr>
<tr>
<td>Continuum of Care</td>
<td>5,567,279</td>
</tr>
<tr>
<td>Emergency Solutions Grants</td>
<td>378,448</td>
</tr>
<tr>
<td>HOME Investment Partnerships program</td>
<td>1,924,439</td>
</tr>
<tr>
<td>Housing Choice Vouchers</td>
<td>26,600,000</td>
</tr>
<tr>
<td>Housing Opportunities for Persons with AIDS</td>
<td>489,104</td>
</tr>
<tr>
<td>Public housing</td>
<td>3,500,000</td>
</tr>
<tr>
<td><strong>Total federal revenue</strong></td>
<td><strong>42,961,749</strong></td>
</tr>
</tbody>
</table>

**Sources:** US Department of Housing and Urban Development; Albuquerque Housing Authority, *Annual PHA Plan* (Albuquerque, NM: Albuquerque Housing Authority, 2019).

**Notes:** Recipients of grants include the City of Albuquerque, the Albuquerque Housing Authority, and Continuum of Care providers.

The State of New Mexico also has sources of funding for which affordable housing developers and permanent supportive housing providers in Albuquerque can apply. In 2019–20, major sources of funding totaled about $18.1 million (table 8). Typically, only one or two projects in Albuquerque are awarded LIHTCs each year.
### TABLE 8
**Major State Revenue Sources for Housing, 2019–20**

<table>
<thead>
<tr>
<th>Program</th>
<th>Amount (dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Linkages supportive housing program</td>
<td>4,565,154</td>
</tr>
<tr>
<td>New Mexico Affordable Housing Tax Credit</td>
<td>4,000,000</td>
</tr>
<tr>
<td>National Housing Trust Fund</td>
<td>3,000,000</td>
</tr>
<tr>
<td>New Mexico Housing Trust Fund</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Low-Income Housing Tax Credit</td>
<td>4,548,388</td>
</tr>
<tr>
<td><strong>Total state revenue</strong></td>
<td><strong>18,113,542</strong></td>
</tr>
</tbody>
</table>

**Sources:** US Department of Housing and Urban Development; New Mexico Mortgage Finance Authority financial statements for the year that ended September 30, 2019; New Mexico Mortgage Finance Authority and New Mexico Department of Finance and Administration, 2019 New Mexico Annual Action Plan (Albuquerque, NM; New Mexico Mortgage Finance Authority; Santa Fe, NM; New Mexico Department of Finance and Administration).

### Recommendations

This report’s “Housing Needs” section detailed that homelessness in Albuquerque has increased, exits from homelessness to housing with a permanent subsidy have decreased, and the supply of housing units affordable to households with extremely low incomes has decreased, with a gap of 15,500 units. In this section, we provide recommendations for how Albuquerque can expand affordable housing for renters with extremely low incomes and reduce homelessness. These recommendations are based on interviews with local stakeholders; our review of relevant documents, data, and reports; and our knowledge of evidence-based and promising practices in other parts of the country. The impacts of the COVID-19 pandemic were just beginning to unfold as this report was being drafted. Although we cannot yet know the effect that the health and economic crisis will have on Albuquerque and households with extremely low incomes or experiencing homelessness, we expect that the housing needs we have described will be exacerbated. Taking action on these recommendations will be crucial to providing necessary supports to households in Albuquerque.

Our overarching recommendation is that Albuquerque adopt an inclusive process to set a shared vision for increasing housing affordability and reducing homelessness. This process should result in clear, ambitious, measurable goals; estimates of the resources and policy changes needed to reach those goals; and an implementation process for how each sector (e.g., city, county, and state governments; developers; service providers; philanthropies) can contribute to the goal and be held accountable for their progress. Although outside consultants can provide guidance and analytical support, the process should be internally led so it has widespread community buy-in.
We also provide recommendations for how Albuquerque can

- encourage development of market-rate rental units (reducing competition for units that are affordable to households with extremely low incomes);
- preserve its existing affordable housing;
- improve and expand its tenant-based rental assistance programs; and
- increase the effectiveness of its homelessness response system.

**Improve Leadership and Coordination**

A consistent theme across our interviews was that Albuquerque had talented, dedicated public employees and service providers and significant resources at its disposal. The city also has not experienced the same drastic loss of affordable housing that West Coast cities have. Respondents also felt that the city had been held back by the lack of a coordinated effort with a shared vision to address homelessness and housing affordability. Respondents said organizations focused on managing their own programs or grants, “running on treadmills,” or “tripping over themselves,” rather than functioning within a cohesive system. Albuquerque developers, funders, and service providers felt they could do more if coordination with other organizations were better.

The problem is not a lack of plans. The city has undertaken several planning efforts, including the Albuquerque Family and Community Services Department’s *Changing the Story of Albuquerque’s Homelessness and Behavioral Health Crisis System* report (2019); the Metraux, Timmreck, and Poppe *Assessing Shelter Capacity and Dynamics for Accommodating the Homeless Population in Albuquerque* report (2019); the Albuquerque 2018–2022 Consolidated Plan (Albuquerque Department of Family and Community Services 2018); and the NMCEH white paper that estimates the investments needed to end homelessness statewide (Hughes 2020). These reports were seldom cited by the people we spoke with and did not appear to be driving policy or programmatic decisions.

Several respondents felt they lacked opportunities to provide input on major initiatives, including coordinated entry and the Gateway Center. This suggests a need for better communication, both in the dissemination of information from the city to its partners and community input to inform the city’s strategies.

In January 2019, the administration of Albuquerque Mayor Tim Keller convened a homeless advisory council made up of representatives from city and county government agencies, service
providers, private businesses, and the faith community. The council could be a vehicle to improve communication between city government and other stakeholders concerned about affordable housing and homelessness, although it did not come up in any of our interviews.

The city also needs stronger leadership to carry out new initiatives and improve service delivery. Referring to a recommendation to bring service providers together to streamline their documentation of homeless status for eligibility purposes, one respondent said, “You could go through the process, but there’s no one who would carry it out.”

Respondents generally felt that the Department of Family and Community Services was in the best position to take a greater leadership role in addressing affordable housing and homelessness. The agency already has staff dedicated to the issues; it is the grantee for the city’s CoC, Emergency Solutions Grant, Community Development Block Grant, and HOME funding; and it works closely with the mayor’s office. Respondents felt that the department might need more staff to manage its portfolio of programs and step up its involvement in convening stakeholders and developing and implementing a citywide effort. Respondents also cited a need for more resources and coordination from the state and greater leadership from Bernalillo County, particularly in its use of the behavioral health gross receipts tax revenue.

As an alternative to increasing staff, the Department of Family and Community Services can look at models for how other communities have set up structures to better coordinate affordable housing and homelessness efforts. For example, the District of Columbia and the State of Minnesota have created interagency groups within the executive office responsible for coordinating homeless efforts across government agencies and with external partners. The City and County of San Francisco consolidated its homelessness and supportive housing programs within a single agency, the newly created Department of Homelessness and Supportive Housing, and both Detroit through the Detroit Neighborhood Housing Compact and Atlanta through One Atlanta have public-private partnerships to coordinate investment into affordable housing led by their respective mayors’ offices.

**Increase Development of Market-Rate Housing**

Along with prioritizing preservation of affordable units and expanding rental assistance, Albuquerque’s affordable housing plan should include efforts to encourage the development of market-rate rental housing. In Albuquerque, much of the market-rate rental housing has rents that fall in the affordability range of households with incomes between 50 and 80 percent of AMI; HUD’s fair market rents for a two-bedroom unit also fall within this range. More than half of rental units in 2012–16 were renting at
this level, and only 17 percent of units had rents that only households with middle and higher incomes could afford. Even though these market-rate units will not be affordable to renters with extremely low incomes, adding moderately priced units will reduce competition for affordable units from renters with higher incomes.

Additional supply is needed even though Albuquerque has not experienced an increase in housing costs and a loss of affordable units on the same scale as coastal cities like San Francisco and Los Angeles. Albuquerque has avoided those issues in part because New Mexico is a state with higher poverty rates. Also, Albuquerque renters’ incomes have not risen at the same rate as those of renters in Santa Fe, New Mexico (Santa Fe Office of Affordable Housing and BBC Research & Consulting 2016). However, our analysis found a reduction in the number of units that are affordable to households with extremely low incomes while the number of those households was growing.

There are several supply constraints. First, the economic recovery from the Great Recession has increased the demand for housing, both from young people ready to form their own households and people moving to Albuquerque for the city’s growing film and television industries or other career opportunities. At the same time, the New Mexico Mortgage Finance Authority (MFA) reported that homeowners are staying in their homes longer than ever, limiting the number of owner-occupied units on the market. In addition, MFA reported that developers have largely stopped building “starter homes” available to first-time homebuyers in the $225,000 to $275,000 range.

These factors are contributing to the tightening of the rental market. From May 2018 to May 2019, the average rent in the Albuquerque metropolitan area rose from $778 to $837, with the largest percentage increases in two-bedroom and one-bedroom units. During this period, market-rate rental occupancy rates increased from 94.7 to 95.7 percent, and the share of rental properties whose occupancy was 95 percent or higher increased from 61 percent to 76 percent (CBRE 2019). Developers have responded to the increased demand in ways noted earlier, and new market-rate units are coming online (CBRE 2019). Although increasing development of market-rate housing is unlikely to directly benefit renter households with extremely low incomes, it may reduce affordability problems over time. As housing ages, it “filters” down in value to become more affordable to renters with lower incomes (Bier 2001). We also know that 43 percent of rental units affordable to households with extremely low incomes are being rented by households with higher incomes. This suggests that if high-quality units were built at rents affordable to households with low and middle incomes, some households occupying the lower-cost units might move, freeing up those units and relieving some pressure on the lowest-cost housing stock (Been, Ellen, and O’Regan 2019).11
People we spoke with had a few recommendations for how the City of Albuquerque could do more to support the development of market-rate housing. First, as one respondent told us, "developers like certainty in terms of regulations when they’re building." Albuquerque used to have a complicated land use and zoning permitting process, which it attempted to streamline through a new integrated development ordinance. MFA recommended that the city reach out to developers to assess whether they were aware of the ordinance and whether further actions would be needed to address barriers to development.

Respondents also reported that the city had to compete for construction labor with the San Juan Basin, where the hydraulic fracturing ("fracking") boom was driving demand for new construction. These interviews were conducted in January 2020, however, before the collapse of the global oil market, which may reduce competition for construction labor.

In addition, if demand for rental housing continues to increase, market-rate development can be leveraged to help add units to the affordable housing stock. The city should consider adopting inclusionary zoning or affordable dwelling unit programs to ensure that a portion of new units are affordable to renters with low incomes. The city would have to determine what level of inclusionary zoning or affordable dwelling unit requirements the market could bear without discouraging development. And even if new units were targeted to renters with very low or low incomes, more affordable units could be freed up for renters with extremely low incomes.

Boost Development and Preservation of Affordable Housing

To meet the needs of Albuquerque’s households with extremely low incomes, the city needs to add 15,500 units that are affordable to that group. To begin to address this gap, Albuquerque will need to build more affordable housing and preserve its existing stock. This will require making better use of existing resources and increasing overall investment from the city, county, and state.

Increase Regulatory, Infrastructure, and Funding Support for Affordable Housing Development

Respondents felt the city could do more to support affordable housing developers with units in the pipeline. For example, one developer reported that a lack of support from the city planning office regarding a zoning variance for its supportive housing development led to a six-month delay in the building process. The city reported that it is now doing more to help developers respond to infrastructure and community approval issues that can impede development. Other cities have adopted
measures such as publishing data on the average time it takes to complete different stages of the approval process, designating a point of contact in city government whom developers can go to with questions, and prioritizing approvals for designated projects like affordable housing development.

City government could also encourage rehabilitation of the existing affordable housing stock by improving aging infrastructure, including sewer and water lines. Nonprofit developers reported that they would like to do more rehabilitation of multifamily housing units but are nervous about what problems will arise when they “open up the walls.” About half of renter-occupied units in Albuquerque were built before 1980 and may need system upgrades or more significant renovation.

A commonly cited limiting factor to developing and rehabilitating affordable housing was developers’ dependence on 9 percent LIHTC awards. These credits are expected to support a growing array of projects, including the rehabilitation of public housing through the Rental Assistance Demonstration program, but the funding the state receives for the program has not expanded accordingly (it provided $4.5 million in 2019). MFA is looking for ways to support projects that do not receive 9 percent credits, particularly for rehabilitation. MFA currently looks to split its 9 percent credits evenly between new construction and rehabilitation projects, but it is considering focusing the credits on new construction and using other programs to support rehabilitation. One underused resource is the New Mexico Affordable Housing Tax Credit. Through this program, donors, such as businesses, can receive a 50 percent state tax credit for the value of monetary donations as well as in-kind donations of land, buildings, or services for affordable housing projects. MFA reported that this program has an annual budget of $4 million, but in 2019, investors claimed only about $1 million in credits. The City of Albuquerque might be able to partner with MFA to increase awareness of this program and to steer more investment to affordable housing programs.

The city’s WFHTF is a valuable resource for gap financing and low-cost loans for mission-driven developers to build affordable units or to acquire, rehabilitate, and preserve the affordability of existing units. The general obligation bond provides a dedicated source of revenue for WFHTF, which was last funded at $5 million. The city should explore whether raising more revenue for the fund through the next general obligation bond or additional dedicated revenue streams would be feasible.

PAIR AFFORDABLE HOUSING DEVELOPMENTS WITH ONGOING RENTAL SUBSIDIES
Both the State of New Mexico’s LIHTC and the City of Albuquerque’s WFHTF affordable housing production programs have preferences for units for households with extremely low incomes or households experiencing homelessness. These preferences are of limited value unless the units have an ongoing rental subsidy, such as a project-based voucher, to ensure that the renter households’ monthly

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payment does not exceed 30 percent of their income. Otherwise, households targeted for assistance cannot afford to move into the units or cannot stay in them if they experience an unexpected decrease in income or increase in expenses.

Developers seeking the highly competitive 9 percent LIHTCs from the state receive bonus points if they set aside a portion of units to people with special needs, including those who are experiencing homelessness or have disabilities. The New Mexico Human Services Department estimates that of the 390 LIHTC units created through the special needs set-aside, approximately 100 are either vacant or occupied by people who do not meet the criteria. The units are not being filled because the subsidy offered by the tax credits allows rents to be set as affordable to households at 50 or 60 percent of AMI and households that qualify for the set-aside units are unlikely to meet the properties’ minimum income requirements. Although minimum income requirements vary by property, they often require prospective renters to document that their monthly income is at least 2.5 times the monthly rent. MFA funds behavioral health agencies to serve as Local Lead Agencies to work with property managers to fill the set-aside units, but these agencies are typically underfunded and struggle to find eligible households that can meet the income requirements. After 30 days, if a unit is not filled, the property manager can submit paperwork to fill the unit with an income-eligible household that does not meet the set-aside requirements.

The city’s ranking matrix for its WFHTF gives preference to projects with a mix of market-rate units and units affordable to renter households with very low incomes and extremely low incomes. Developers that secure project-based vouchers for deeper affordability do not receive bonus points, but doing so strengthens their perceived financial sustainability. Although the city reported that projects have no problem filling the units affordable to households with extremely low incomes, developers felt the requirement to include units at that affordability level makes projects less financially viable for two reasons. First, developers reported that attracting market-rate renters to properties with a significant set-aside for households with extremely low incomes is difficult. Second, without a subsidy, retaining renters with extremely low incomes is hard because any unexpected decrease in their income or increase in their expenses can quickly lead to nonpayment of rent. Rent arrears and frequent turnover of units jeopardize the cash flow of affordable housing properties.

Respondents suggested several ways to address these issues. First, the city and state can require as a condition for receiving any set-aside bonus that developers include official assurances from local housing authorities or other providers of rental subsidies that their projects will include subsidies for renters with extremely low incomes. MFA noted that Arizona and other states require official assurances. Second, the City of Albuquerque, which appoints the AHA board, can work with the housing
authority to attach rental subsidies to a share of projects that receive city subsidies through the WFHTF or the National Housing Trust Fund. Alternatively, the city or county could use its revenue to provide rental subsidies for new affordable units, as Bernalillo County did with its gross receipts tax for behavioral health services. Third, the state can increase the funding it provides to Local Lead Agencies to identify and refer eligible households to the special needs set-aside units and better align the eligibility criteria for the units to those agencies’ target population of people with mental illnesses or behavioral health conditions.

**PRESERVE EXPIRING ASSISTED HOUSING AND UNSUBSIDIZED AFFORDABLE HOUSING STOCK**

Our analysis shows that Albuquerque has nearly 3,000 assisted housing units that will reach their affordability expiration date by 2025. The city can begin working now to preserve those units by helping mission-driven organizations maintain or acquire the properties to keep them affordable. One intervention tool to aid in preserving affordability that some local jurisdictions across the country have adopted are “right of first refusal” policies. These policies allow government agencies, residents, or another entity such as a nonprofit developer the right to make an offer first when a property, such as a large multifamily building, is put up for sale. A few jurisdictions have tenant rights of first refusal, which allow tenants to organize and buy a building up for sale or assign their rights to a nonprofit developer to maintain affordability. A right of first refusal policy could be used to preserve the affordability of a publicly assisted property whose owner exits the subsidy program or of unsubsidized but affordable rental properties.

Albuquerque also has an aging stock of market-rate affordable housing. Many of these properties are unlikely to attract private investment (CBRE 2019), so the city could help keep them affordable by funding nonprofit developers to make the investments needed to keep the properties from falling into disrepair. This would likely require collaboration across city government to make infrastructure investments in water, sewer, and gas lines in neighborhoods with aging housing stock.

**Expand Access to Tenant-Based Rental Assistance**

Albuquerque relies primarily on tenant-based rental assistance to help renters with extremely low incomes and people experiencing homelessness. Expanding this assistance is particularly important for people with prior evictions, involvement with the criminal justice system, or other barriers to finding and maintaining stable housing.
Our analysis suggests that the city’s rental market can absorb more vouchers and that much of the unmet affordable housing need can be addressed by expanding rental assistance. Data from the Census Bureau’s Housing Vacancy Survey show that rental vacancy rates for the Albuquerque metropolitan statistical area fell to 6.5 percent in 2019 from 9.0 percent in 2017. However, the housing providers we spoke with reported that they could place clients with vouchers into market-rate units, although they sometimes felt forced to rent low-quality units in neighborhoods with high poverty rates. The Bernalillo County Housing Department (BCHD) reported that it has an annual voucher utilization rate of 99.8 percent. Rapid rehousing providers reported that they can generally find units for their clients if they are willing to rent in less desirable neighborhoods. Providers can usually spend their annual allotment for rapid rehousing assistance, although the time to housing is often longer than the HUD-recommended 14 days. Additionally, 43 percent of households with extremely low incomes are living in units whose rents are affordable at 50 to 80 percent of AMI and could benefit from a voucher that would lower the units’ cost.

With the right services in place, people experiencing homelessness and renters with extremely low incomes can successfully use tenant-based rental subsidies—even in very tight rental markets like San Francisco’s (Perez et al. 2019). Dramatically increasing funding for tenant-based rental assistance is the fastest, most efficient way for Albuquerque to address the increase in homelessness and the unmet need for affordable housing among renters with extremely low incomes. The federal government has traditionally played a large role in housing assistance for households with the lowest incomes, although funding for subsidies has decreased in real dollars (Theodos, Stacy, and Ho 2017). Nevertheless, the city should take full advantage of all federal resources and collaborate with other cities and the State of New Mexico to advocate for increased federal housing assistance. We have the following recommendations for how the city can strengthen its rental assistance programs and scale up to serve additional households.

**IMPROVE MONITORING TO ENSURE TIMELY RENT PAYMENT**

Albuquerque needs to retain the landlords participating in its programs by making sure that rent is paid on time and that concerns are addressed in a timely manner. Some respondents reported that landlords are increasingly reluctant to accept their clients. Respondents attributed this to several factors, including the following:

- The December 2018–January 2019 federal government shutdown raised fears among landlords that HUD voucher payments were not guaranteed.
• The recent increase in rents has made it more difficult to find units priced below HUD’s fair market rent, where landlords have greater incentives to accept vouchers.

• The failure of some supportive housing providers to make timely rent payments has made landlords less willing to participate in the program.

Though the city cannot prevent another government shutdown and has limited ability to affect trends in the rental market, it can help ensure that landlords are paid on time and that their concerns are addressed. One long-term staff member at a supportive housing provider reported that landlords with whom her organization had worked for years were no longer accepting clients in her programs because some supportive housing programs do not pay rents on time. A respondent from NMCEH believes this failure reflects limitations to its monitoring approach. Specifically, he recommended that NMCEH switch from monitoring CoC grantees at the end of each year for grant renewals to monitoring year-round and being more aggressive about providing technical assistance to grantees when performance issues arise.

CONSIDER LEGISLATION TO PROHIBIT VOUCHER DISCRIMINATION AND OFFER LANDLORD MITIGATION FUNDS

Albuquerque has a more favorable rental market than many cities do, but it has relatively few protections to prevent discrimination by landlords against potential tenants because of their source of income, criminal background, poor credit, or poor rental history. Nearly all respondents reported that these potential tenants have extremely limited rental options. Landlords can screen out voucher holders because Albuquerque has no source-of-income law. Also, it provides limited enforcement of federal fair housing violations. Cunningham and coauthors (2018) found in their pilot study of source-of-income discrimination in five communities that the places with the highest rejection rates for voucher holders did not have any source-of-income protections. States and localities have been increasingly interested in adopting these protections—for example, Maryland and Virginia both passed laws in their most recent sessions (PRRAC 2020a, 2020b). The city should consider adopting legislation that prohibits source-of-income discrimination and includes a specific prohibition against voucher discrimination. The legislation should also articulate (and fund) enforcement mechanisms such as regular paired testing and complaint investigations (Bell, Sard, and Koepnick 2018).

Absent new legislation, landlord mitigation funds are one way to entice landlords to relax screening requirements. These funds can cover damages, lost revenue from unpaid rent, and legal fees that exceed the security deposit. Communities that use these funds have found that they are an effective way to increase landlord participation in homelessness programs and that damage claims are rare,
which keeps costs low (USICH 2016). At least one service provider expressed interest in setting up a landlord mitigation fund in Albuquerque. The experiences of other communities suggest that a fund could be established through a relatively small one-time investment of either public or private funds, but city leadership would be vital to educate the community about the fund and recruit landlords to participate.

INCREASE TENANT PROTECTIONS IN ASSISTED HOUSING AND BEYOND

The city can also do more to ensure that people who successfully use their vouchers can remain housed. Tom Prettyman is a housing attorney at New Mexico Legal Aid and is focused on eviction cases for households in assisted housing. In Albuquerque, landlords can initiate evictions for nonpayment of rent and for “material noncompliance” with the lease, which Prettyman noted can be “pretty much anything.” Landlords must give tenants written notice to initiate the eviction process (three days’ notice for nonpayment of rent and seven days’ notice for most other violations). After the notice period expires, landlords can file in court. Prettyman reported that most renters facing eviction do not have legal counsel. He estimated that landlords prevail in 95 percent of eviction hearings.

Albuquerque’s mainstream housing programs do little to protect renters from eviction or its consequences. Both the AHA and the BCHD typically terminate households from the voucher program if they receive an eviction. In addition, one interviewee said property managers for LIHTC and HUD multifamily housing programs do not always follow federal regulations that limit when they can evict tenants.13 Princeton University’s Eviction Lab estimates that Bernalillo County had an eviction rate of 4.5 percent in 2016, compared with 3.2 percent for New Mexico and 2.3 percent for the US.14 Roman Seaburgh of NMCEH reported that the CoC is seeing “a lot more people with evictions” coming into the homeless system.

The city could take several steps to reduce evictions as a way to decrease inflow into homelessness. First, it could work with the housing authority to reduce evictions in assisted housing through better staff training and, when evictions do occur, amend its administrative policies to limit the circumstances in which eviction results in termination of assistance. At the state level, MFA can increase training and monitoring of companies managing LIHTC properties to ensure that they are compliant with federal eviction rules. Second, the city could increase funding for legal aid. Prettyman reported that New Mexico Legal Aid has four housing attorneys and that 10,000 evictions are filed in Bernalillo County every year. Data from other communities indicate that access to counsel is effective at reducing eviction rates and that the costs can be more than offset by reductions in the use of shelters, emergency departments, courts, and other public services (Stout Risius Ross 2018). In addition to increasing the
overall availability of legal assistance for renters, the city could fund additional housing attorneys who speak Spanish and Navajo.

**IMPROVE AND EXPAND HOUSING AUTHORITY HOMELESS PREFERENCES**

The AHA and BCHD are the two largest providers of rental housing assistance in Albuquerque; in 2019, they managed nearly 9,000 units of assisted housing across the voucher, public housing, multifamily housing, and Section 202/811 programs.¹⁵ HUD data indicate that 75 percent of households that receive assistance from the two agencies have extremely low incomes. Both housing agencies reported that they are funded to serve only a small fraction of the total number of eligible households. BCHD reported that the wait time for a housing voucher is five years and that the program has been closed to new applicants for almost three years. The AHA has switched from a waiting list to an annual lottery for housing assistance.

Housing authorities can prioritize housing assistance to people experiencing homelessness by creating a general preference, meaning that any person who meets the preference criteria moves to the front of the line for assistance. They can also create a limited preference, setting aside a defined number of vouchers or public housing units for people experiencing homelessness. Neither housing authority has a general preference. BCHD does not have a limited preference, although it does operate some “boutique programs” (including Linkages, HUD-VASH, and the Family Unification Program) focused on people experiencing homelessness. With these programs, BCHD reported that it has had great success. It attributes the success to strong partnerships with organizations that refer eligible households, help participants navigate the lease-up process, and provide services to help participants remain housed.

In the AHA lottery, the first preference goes to any family who has previously been terminated because of insufficient program funds. The second preference goes to participants in transitional, rapid rehousing, or permanent supportive housing programs within the housing authority’s service area (AHA 2019a). AHA sets aside 125 vouchers through this second preference. In interviews, some service providers reported that this is a great program that helps participants receive a voucher (or “golden ticket”) while freeing up the resources of homeless programs to help other people. However, the program has created significant challenges for the housing authority. AHA’s executive director, Linda Bridge, reported that in 2019, the department pulled 350 names of households that had applied under the second preference but issued only 82 vouchers, and as of October 2019, only 68 vouchers were in use. The failure to use most of these vouchers helped drive down AHA’s overall voucher utilization rate from the 98 to 100 percent range to the 94 to 95 percent range. Because housing authorities’ HUD
funding is tied to their ability to use their allocated vouchers and housing assistance payment funds, this negatively affects the amount of assistance AHA can provide.

AHA attributes its difficulties using these vouchers to a few factors. First, only about half of households that are pulled from the lottery show up to their orientation meeting, which is a prerequisite for receiving a voucher. Second, of the roughly 175 applicants who did show up, only 82 were issued vouchers. The other applicants either did not meet AHA’s voucher eligibility requirements because of their criminal histories, prior evictions, or other factors or did not properly complete the application process. Third, of the 82 applicants who were issued vouchers, nearly 20 percent did not successfully use them to lease an apartment; they were either still searching or had to return their voucher to AHA because they had exceeded the time limit.

We heard conflicting accounts from respondents about the set-aside program, including who was eligible and the services that participants received. Service providers that have worked with participants in the program reported positive things about it and the benefits that a voucher conferred. Even for people already in supportive housing, a voucher from the housing authority is seen as preferable to other forms of rental assistance. But NMCEH concurred with AHA that the set-aside was not functioning as well as it had hoped. Although we did not do an extensive analysis of the set-aside, we can share effective practices from previous evaluations of these type of programs to transition people from homeless assistance or supportive housing to mainstream rental assistance (Perez et al. 2019).

- Service providers, the city, and the housing authority should communicate extensively about how potential participants will be screened and referred for a voucher (including screening out applicants who will not meet the housing authority’s eligibility requirements).
- Designating a service provider to help people selected for the program navigate the application and housing search process is helpful.
- Staff with real estate experience should recruit landlords to participate in the program.
- Offering time-limited housing retention services is helpful.

**Improve the Homeless Service System**

Nearly every person we interviewed felt that homelessness in Albuquerque was worsening. Respondents cited the HUD point-in-time count numbers and an increase in visible homelessness in parks, bus stops, and downtown areas. Respondents also reported longer lines for food programs and more people visiting drop-in centers. Mark Oldknow at NMCEH reported that homelessness is
increasing across the state at the fastest rate he has seen in his 12 years with the organization. Other respondents suggested that the increase in visible homelessness could be because people experiencing homelessness are moving to well-lit, high-traffic areas for safety. Some said the increase may be a result of changes to the point-in-time count methodology, noting that the CoC has improved efforts over the past decade to canvass all four quadrants of the city, rather than focusing on the downtown area and corridors. The CoC does not have data on how many additional people were identified as homeless because of this change.

Respondents also reported that the people they are seeing now are younger and have more severe addiction and behavioral health issues. Roman Seaburgh at NMCEH reported that it is hard to determine whether that is a change in the characteristics of the population or a reflection of the CoC’s success in engaging people who were previously not known to homeless service providers through coordinated entry.

When respondents were asked what was driving the increase in homelessness, only a few pointed to the loss of affordable housing, which researchers have shown is strongly correlated with a rise in homelessness. Many respondents believed the statewide reduction in services and some closures of behavioral health providers during a crackdown on suspected Medicaid fraud by the former gubernatorial administration of Susana Martinez helped drive the increase in homelessness. They said that the state has still not recovered from these closures and that wait times for mental health and substance abuse treatment are long, which can contribute to homelessness.

Overall, respondents felt that Albuquerque had strong homeless service providers and data systems in place but could benefit from stronger leadership, improved coordination, and greater resources. We provide our specific recommendations below.

ADDRESS CHALLENGES WITH THE COORDINATED ENTRY SYSTEM
Coordinated entry is meant to ensure that people experiencing homelessness have fair access to housing assistance and that their needs can be identified and met quickly (HUD 2015). But it can present challenges for service providers that are used to having more control over how clients are referred into their programs. Most providers we spoke with acknowledged some initial challenges but believed the system had improved the city’s approach. Providers reported that outreach providers have become more effective at engaging people on the streets, collecting the needed documentation of their homelessness status and referring them to the appropriate resources. Permanent supportive housing providers reported that they are getting people with more acute needs, longer homeless histories, and
fewer connections to community resources, which indicates that the system is helping improve prioritization.

Other studies, however, have identified significant gaps in how Albuquerque engages individuals experiencing chronic homelessness and prioritizes them for supportive housing. Thirty percent of ABQ StreetConnect clients—individuals who are experiencing chronic homelessness with mental illness—had not completed an assessment through coordinated entry before their involvement in the program (Ransom 2019). When they were assessed, many ABQ StreetConnect clients lacked the functional capacity to “fully understand the [assessment] questions and respond with accurate answers.” Under normal circumstances, these individuals would not have scored high enough to be prioritized for supportive housing despite being chronically homeless, having acute medical or psychiatric needs, and being high utilizers of emergency services (Ransom 2019).

Albuquerque uses coordinated entry to prioritize access to CoC-funded programs, but not to shelter. For family shelter providers, which are accustomed to providing housing assistance to families ready to exit shelter, this creates a problem because the families in shelter are often not the families at the top of the of the priority list for rapid rehousing assistance. This can result in longer lengths of stay in shelters. It can also reduce the use of rapid rehousing assistance because the families who do come to the top of the list are doubled-up or living in their cars, so it takes rapid rehousing providers more time to find and engage these families and help them use the available assistance to find permanent housing. The 2019 Assessing Shelter Capacity and Dynamics report recommended that Albuquerque implement a single access point for families seeking shelter. This could help address the coordination problem that family shelter providers are experiencing.

The city should also consider sharing information from its coordinated entry system with service providers, government agencies, and the public, to expand what is known about homelessness in Albuquerque beyond the point-in-time count. For example, the data show that a significant share of single adults are discharged from a jail, prison, or juvenile detention facility into homelessness. Sharing this information could help the CoC make the case for better coordination with the Bernalillo County Sheriff’s Department and New Mexico Corrections Department. Similarly, coordinated entry assessment data show that more than 200 families assessed in 2019 spent the previous night in a place “not suitable for human habitation.” Sharing this information—which suggests that families are sleeping in their cars, abandoned buildings, or public places—could help raise the community’s sense of urgency about getting homeless families into housing.
INCREASE SUPPLY OF PERMANENT SUPPORTIVE HOUSING WITH ENHANCED SERVICES

The city is developing the Gateway Center to provide emergency shelter and services to people experiencing homelessness. Respondents generally felt that having a facility, or facilities, closer to downtown would give people experiencing homelessness a place to go during the day and help providers engage people and connect them to services. Everyone agreed that adding shelter beds will have a minimal impact on reducing homelessness unless the city also increases the availability of permanent housing.

The Keller administration has called for an additional 1,000 vouchers for supportive housing for people experiencing homelessness, at an estimated annual cost of $18 million (Albuquerque Department of Family and Community Services 2019). Supportive housing providers reported that they generally can use their existing vouchers and indicated that they could scale up. The New Mexico Human Services Department reported that its providers typically use their entire rental assistance allocation from the Linkages program each year and could serve many more households with additional funding. In this report’s “Housing Needs” section, we estimated that meeting the need for additional supportive housing and rapid rehousing will likely require extensive collaboration between the City of Albuquerque, Bernalillo County, the State of New Mexico, and other partners. Based on our interviews, there appeared to be an appetite for ambitious efforts across city, county, and state government. The shape that a collaboration takes will depend on local leadership. The city will likely need to make a significant investment in supportive housing and use that investment to leverage additional funds.

Models the city can look to include the following:

- The New York/New York supportive housing agreements. Contractual agreements between New York City and New York State specified how much each party would contribute to capital and operating costs, the number of units that would be created, the target populations, and the time frame. New York also created a joint funding application for capital, operating, and service costs for supportive housing projects funded under this agreement (Leopold 2014).
- Los Angeles Flexible Housing Subsidy Pool. This public-private partnership allows foundations and public agencies to pay into a fund that provides rent subsidies and supportive services for various populations. The fund can also cover move-in expenses and a contract with a service provider that specializes in securing housing units and helping participants with the housing search process (Abt Associates 2017).
- Houston’s Integrated Care for the Chronically Homeless Initiative. The initiative started when a former mayor of Houston made a pledge to end chronic homelessness and homelessness among veterans. The city vastly expanded supportive housing in partnership with a large city
developer and property manager, the Houston Housing Authority, and federally qualified health centers funded through a Medicaid waiver (CSH 2016).

Our respondents also suggested that Albuquerque may need to increase access to behavioral health services. They pointed to the state’s 2013 freezing of Medicaid funding for 15 behavioral health agencies during a fraud investigation and said New Mexico’s providers never recovered from the shutdown. The respondents felt that having sufficient behavioral health providers was necessary for keeping people with a history of homelessness and mental illness stably housed. Other respondents raised questions about whether the lack of behavioral health providers was linked to the increase in homelessness.

Another opportunity is the state’s recently approved Medicaid waiver, which makes supportive housing services an eligible expense. The New Mexico Human Services Department is piloting this with the Linkages program, relying primarily on peer support specialists to provide assistance. Respondents felt that the Medicaid reimbursement could help expand the services available to supportive housing tenants but that it would not be enough to replace the existing supportive housing funding stream.

Conclusion

Households with extremely low incomes and people experiencing homelessness in Albuquerque have serious and increasing housing challenges. But Albuquerque has a strong network of affordable housing and homelessness professionals. It also has political leadership and a public willing to invest the resources to properly address these issues. The city can turn the corner on increasing housing affordability and reducing homelessness by acting on these recommendations, starting with the need for enhanced leadership and coordination and then working as a community to increase the development and preservation of affordable housing, to expand access to rental assistance, and to improve the homeless system.
Notes


4. Thirteen percent of renter households with extremely low incomes have no or negative income and are included as both cost-burdened and severely cost-burdened in the text and figures used in this report. This may slightly overestimate the rates of cost-burden for this group if some households are paying no rent.

5. For a maximum estimate of how many deeply subsidized units are affordable to households with extremely low incomes, we used the unit estimates for Section 8 and public housing units presented in table 2 and the current number of voucher holders (4,660) obtained through email communication with the Albuquerque Housing Authority. From HUD’s “Picture of Subsidized Households,” we applied the 2019 share of households with extremely low incomes in Albuquerque that received each type of assistance to the number of units or vouchers: 73 percent for Housing Choice Vouchers and 78 percent for Section 8 and public housing. This gave us a total assisted units or vouchers of 7,067 for the 22,300 extremely low income households in 2012–16, or 28 units or vouchers per 100 households.

6. Data on the WFHTF pipeline were provided by the City of Albuquerque Family and Community Services Department.


10. Until 2016, the CoC had transitional housing projects, most of which were later converted to rapid rehousing.


13. With the onset of the COVID–19 pandemic, the federal Coronavirus Aid, Relief, and Economic Security Act established a temporary moratorium on evictions for nonpayment of rent in many properties subsidized by the federal government, including public housing, Section 8, and LIHTC. For more details, see National Housing Law Project 2020. The New Mexico Supreme Court also issued a moratorium on carrying out eviction orders for nonpayment of rent.


These interviews took place before the COVID-19 outbreak, and how the pandemic will affect governments’ budgets and their ability to make long-term investments is unclear.

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