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COUNCIL WORK SESSION SUMMARY ROUTING SLIP

Meeting Date August 8, 2016

TITLE: **AFFORDABLE HOUSING PLAN.**

Are there attachments to the Council Work Session Summary?	**Yes** ☒	**No** ☐
Will there be a Video Presentation for this item?	**Yes** ☐	**No** ☒
Will there be a PowerPoint Presentation for this item?	**Yes** ☒	**No** ☐
If "yes", will a copy of the PowerPoint Presentation be included on the Council Work Session Agenda?	**Yes** ☐	**No** ☒

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City of Las Cruces®
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Council Work Session Summary

Meeting Date August 8, 2016

TITLE: AFFORDABLE HOUSING PLAN.

PURPOSE(S) OF DISCUSSION:

☐ Inform/Update

☐ Direction/Guidance

☒ Legislative Development/Policy

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:

The City of Las Cruces (City) has long-recognized the need for affordable housing within the community. The City's need for affordable housing far exceeds the City's current abilities to address such need through the use of Community Development Block Grant and Home Investment Partnership Program entitlement funds from the U.S. Department of Housing and Urban Development. In 2009, City Council adopted the 2009 Affordable Housing Strategic Plan. This plan recommended that the City consider the establishment of both an affordable housing land bank and an affordable housing trust fund. In 2010, the City Council adopted an ordinance creating the Affordable Housing Land Bank and Trust Fund (AHLBTF).

The City is subject to the New Mexico Affordable Housing Act (Act) which outlines how local governments can assist with land, buildings, infrastructure, and financing of affordable housing projects for qualified low- and moderate-income families and individuals. Section 4.2 of the Affordable Housing Act Rules requires an approved Affordable Housing Plan (AHP) with the following components:

- a community and housing profile,
- a housing needs assessment,
- a land use and policy review,
- an updated approved Affordable Housing Ordinance, and
- a strategic plan with goals, policies, and quantifiable objectives.

The New Mexico Mortgage Finance Authority (MFA) has determined that the City's 2009 Affordable Housing Strategic Plan is deficient of needed components. Therefore, an updated AHP is needed to comply with the Act and to fully implement the Affordable Housing Land Bank and Trust Fund.

(Continue on additional sheets as required)

Community Development hired Community Strategies Institute to develop and prepare the AHP. Throughout Fiscal Year 2016, Community Development staff with Community Strategies Institute conducted an extensive public outreach process, which included stakeholder input from various housing related industries in conjunction with public outreach for the development of the City's 2016-2020 Consolidated Plan. Multiple general public meetings, including a meeting with the City's Land Bank and Trust Fund Advisory Committee, were held to gather input on the draft AHP. The public was encouraged to participate through multiple modes, including an online and paper citizen survey.

The draft AHP covers a myriad of housing topics and outcomes. It will provide the framework to identify priorities, needs, possible actions, potential implementers, and resources which could be utilized in affordable housing projects and programs.

Community Strategies Inc. will provide a presentation of the draft AHP, including their analysis and suggested goals and objectives in the plan. City staff and MFA will be available to answer questions.

SUPPORT INFORMATION:

1. Attachment "A", Draft City of Las Cruces Affordable Housing Plan.

(Continue on additional sheets as required)

ATTACHMENT "A"

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City of Las Cruces

Affordable Housing Plan

Prepared by:

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DRAFT

Prepared For:

City of Las Cruces, New Mexico

August 2016

The Community Strategies Institute was formed in 2003 to provide fiscal and economic analysis, education and training to individuals and groups wishing to better understand and improve the economic and social factors influencing affordable housing development, housing conditions and community infrastructure as those elements influence the economic mobility of low-income populations. The Institute Directors and Members have diverse backgrounds in housing development, finance, management, policy and research. The Institute can be your partner in designing research, programs, and investments for expanding opportunities for individuals to become economically stable members of caring communities.

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I. EXECUTIVE SUMMARY

The City of Las Cruces has commissioned this affordable housing plan as a first step to facilitate the expansion of affordable housing options for the low and moderate income residents in the City of Las Cruces. This plan will provide a framework for the City to identify priority needs, possible actions, potential implementers and resources which could be utilized in affordable housing projects and programs. The City recognizes that due to some statutory limitations contained in the Anti-Donation Act, local governments have been constrained in their ability to support affordable housing activities with City resources.

The State of New Mexico enacted amendments to the New Mexico Affordable Housing Act in 2007. These changes in the Affordable Housing Act provide more flexibility to local governments wishing to provide public resources to support affordable housing. The Affordable Housing Act permits State and local governments to provide or pay the cost of land, buildings or necessary financing for affordable housing projects. Affordable housing projects are residential housing primarily for persons or households of low or moderate income. Under the provisions of the Amended Act, a governmental entity may:

- "**A.** donate, provide or pay all, or a portion, of the costs of land for the construction on the land of affordable housing;
- **B.** donate, provide or pay all or a portion of the costs of conversion or renovation of existing buildings into affordable housing;
- **C.** provide or pay the costs of financing or infrastructure necessary to support affordable housing projects; or
- **D.** provide or pay all or a portion of the costs of acquisition, development, construction, financing, operating or owning affordable housing."

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The Act requires the local governing body to enact a local affordable housing ordinance and a resolution authorizing housing assistance. The New Mexico Mortgage Finance Authority is a quasi-public entity charged with overseeing the Affordable Housing Act Rules to provide further guidance to local governments on complying with the Affordable Housing Act. Local governments who wish to donate local resources towards affordable housing must comply with the Affordable Housing Act and Rules. The Affordable Housing Act requires a government entity to have an affordable housing plan and ordinance, approved by MFA, prior to any legal donations towards affordable housing.

Summary of citizen participation process and consultation process

The Las Cruces Community Development Department functions as the lead agency in the preparation of the plan. The City of Las Cruces sought input from local citizens, housing developers, Realtors®, impacted populations, service providers, local government officials and staff, and nonprofit and for-profit organizations involved in housing and community development activities. Key informant Interviews, public hearings and focus groups were held to gather input. A resident survey was distributed throughout the City. The Community Development Department has formed a review team, the Affordable Housing Land Bank and Trust Fund Advisory committee, to review and comment on the various sections and drafts of the plan. The final draft of the Plan will be made available for public review.

Methodology

The Community Strategies Institute (CSI) was engaged by the City to manage the research and writing for the Plan. Four main types of information were used in compiling this document:

- demographic, economic, and housing data
- local housing and related information from stakeholder interviews and public meetings,
- existing documents, plans and policies, regulations
- information from websites, articles and other published sources

Plan Outcomes

Based on the qualitative and quantitative research processes described above, the following objectives and outcomes have been established for the City of Las Cruces Affordable Housing Plan:

- **Preservation of Existing Housing Stock**, through homeowner housing rehabilitation, preservation of public and affordable housing units, and weatherization of existing homes.
- **Expand Affordable Rental Housing for Low Income Households and Special Needs Populations,** by building new rental housing for households which the private market does not serve.
- **Expanding and Preserving Homeownership,** by providing for single family development, down payment and closing cost assistance and housing counseling services.
- **Create Innovative Partnerships** between government and the private sector by creating ordinances, plans and policies that expand housing opportunities and support economic diversity.

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Organization of the Plan

The affordable housing plan is organized according to the MFA requirements for such plans, including the following sections:

Community Profile

- Demographics, including the characteristics of the local population and economic conditions
- Housing, including general characteristics of the Las Cruces housing stock

Housing Market Analysis

- Discussion of the recent development trends and the market for homes for sale and demand for affordable rentals

Housing Needs Assessment,

- Identifying existing and projected needs for rental and owner housing

Goals, Policies and Quantifiable Objectives

- Suggested target number of new and rehabilitated units per year by type
- Outcome indicators for housing assistance and supportive housing programs

Land Use and Policy Review

- Regulatory and monetary constraints to developing new housing
- Examination of potential affordable housing sites

Goals and Recommendations

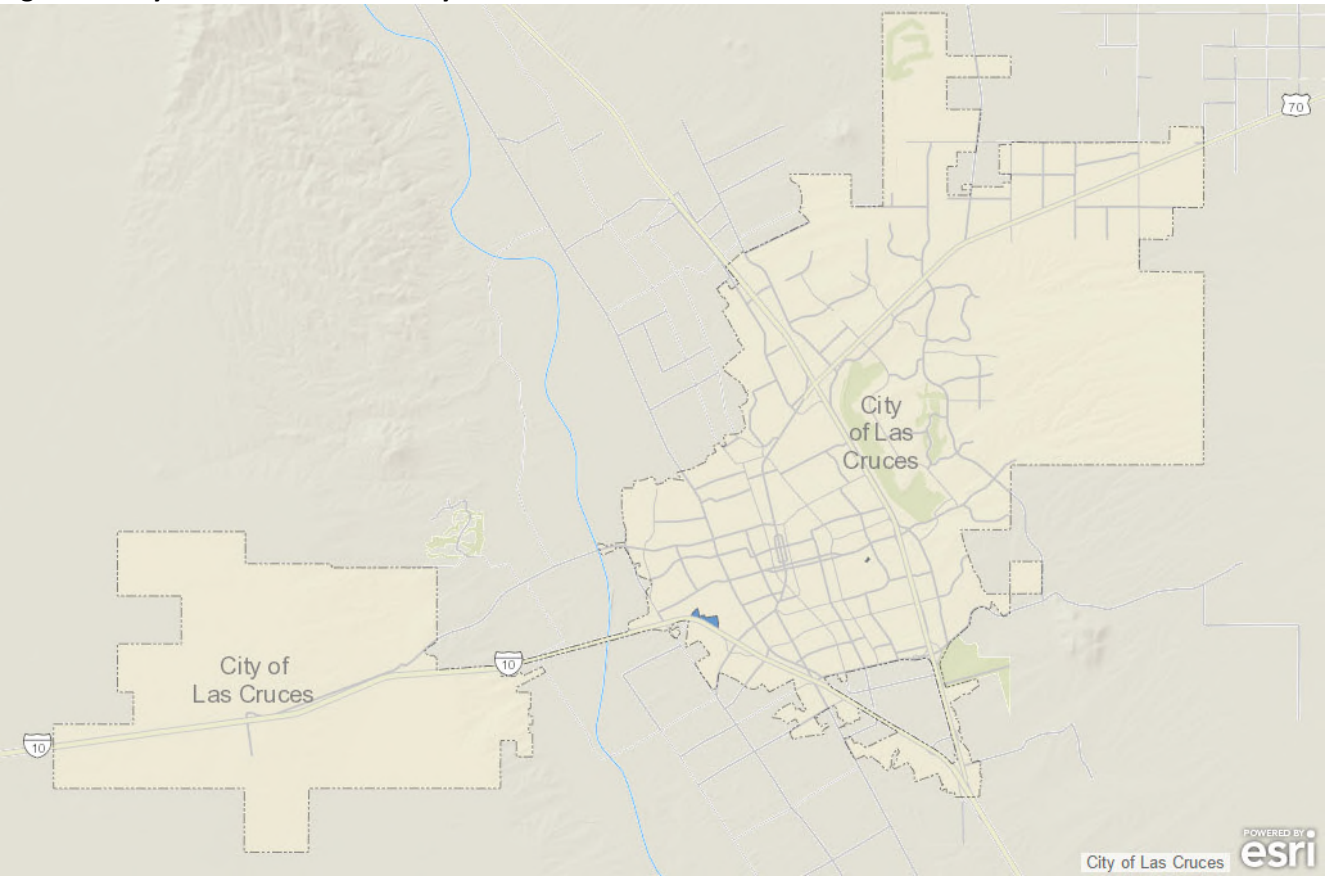
- Quantified goals and production targets to meet identified needs
- Regulatory and policy recommendations to reduce market constraints and facilitate the implementation of the plan

II. COMMUNITY AND HOUSING PROFILE

DEMOGRAPHIC CHARACTERISTICS

Las Cruces is the center of an agricultural region irrigated by the Rio Grande. This once small community was known for its rich farmland and New Mexico State University (the only land based grant university). The settlement of Las Cruces was created as an overflow area from the colony of Doña Ana. The city has grown rapidly, especially since 1960. The 1910 federal census recorded the Las Cruces population at 3,386. In 1960, the city occupied 10.79 square miles with a population of 29,367. Today, the city is projected to encompass 76.99 square miles, with a population of 101,218.

Figure 1: City of Las Cruces Boundary



Information in this Housing Plan will be presented for the City of Las Cruces, and will sometimes be compared to all of Dona Ana County and the State of New Mexico.

POPULATION

As of 2015, 101,218 people reside in Las Cruces, up from 97,618 in 2010 and 74,267 in 2000. During the past five years, Las Cruces has averaged growth of .7% per year. The annual average growth rate was higher between 2000 and 2010. Population growth is expected at the rate of .6% between 2015 and

2020, a lower rate than throughout the county or state. Population growth in Las Cruces, Dona Ana County and New Mexico is displayed in the table below.

Table 1: Las Cruces Total Population, 2000 - 2020

Measure	Las Cruces	Dona Ana County	New Mexico
2000	74,267	174,682	1,819,046
2010	97,618	209,233	2,059,179
Total Change	31.4%	19.8%	13.2%
Average Annual Change	3.1%	2.0%	1.3%
2015	101,218	226,855	2,208,450
Total Change	3.7%	8.4%	7.2%
Average Annual Change	0.7%	1.7%	1.4%
2020	104,044	243,164	2,351,724
Total Change	2.8%	7.2%	6.5%
Average Annual Change	0.6%	1.4%	1.3%

Source: US Census Bureau (2000 and 2010), UNM Bureau of Business and Economic Research (State and County projections 2015 and 2020) and Claritas Data (Las Cruces 2015 and 2020)

In Dona Ana County, population growth is a result of both births by current residents, and both international and domestic migration. The American Community Survey for 2014 shows that 72% of migrants come from Mexico, while others come from others come from other Latin American Countries, Asia and Europe. By far the largest component of population change is births and natural population growth. The State of New Mexico does not provide these estimates at the City level, though Las Cruces is the largest jurisdiction in Dona Ana County.

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Table 2: Components of Population Change in Dona Ana County, April 2010 – July 2012

	Total Population Change	Natural Increase	Vital Events		Net Migration		
			Births	Deaths	Total	International	Domestic
New Mexico	26,358	27,475	63,673	36,198	-1,069	4,229	-5298
Dona Ana County	5,211	4,174	7,408	3,234	1,084	130	954

Source: New Mexico Bureau of Business and Economic Research (BBER)

POPULATION BY AGE

The following table shows the number of residents in Las Cruces by age range. Nielson Claritas estimates that in 2015, the median age was 34 in Las Cruces, and 37 throughout New Mexico. While some of the decline in college aged residents age 18 -24 could be from declining enrollment at New Mexico State University, existing data cannot confirm this. Since 2009, 54% of the residents in this age group have been enrolled in college, though they may attend out of state and still be claimed on their parent's census form. The census missed most college students in their count, as students are most often counted in their parent's household.

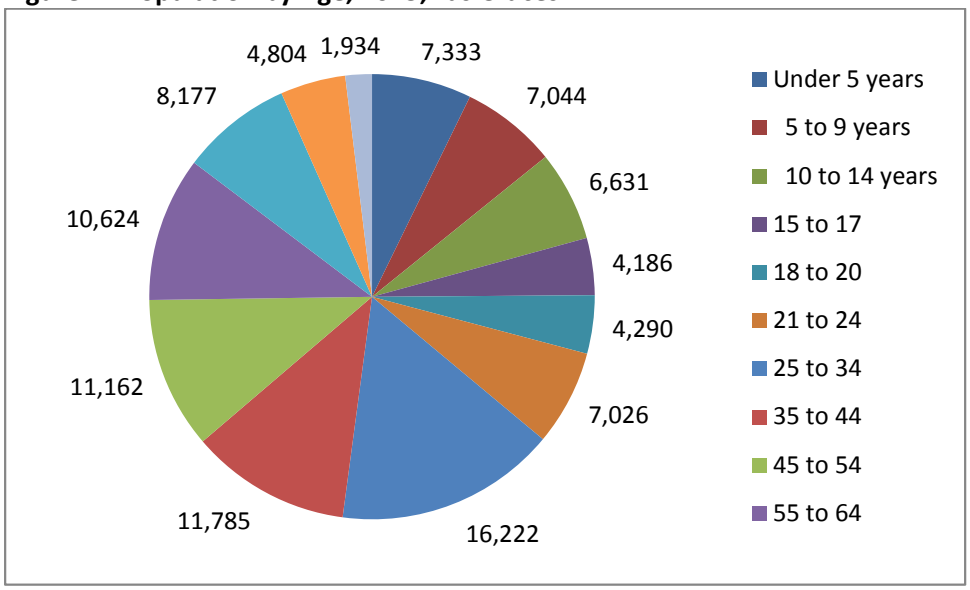
Table 3: Population by Age, 2000 - 2020

Age	2000	2010	2015	2020	Change 2015 - 2020	Percent Change '15 - '20
0 - 17	18,649	23,757	25,194	26,156	962	3.8%
18 - 24	11,866	13,372	11,316	10,293	-1,023	-9.0%
25 - 44	19,957	25,468	28,007	29,926	1,919	6.9%
45 - 64	14,074	21,704	21,786	21,406	-380	-1.7%
65 - 84	8,586	11,624	12,981	14,179	1,198	9.2%
85 and over	1,135	1,693	1,934	2,084	150	7.8%

Source: University of New Mexico BBER, Claritas Demographics, American Community Survey, CSI

The number of seniors is low compared to the number of children, younger adults and those approaching retirement. The percentage of residents in each range is very similar to the age distribution of residents throughout the state.

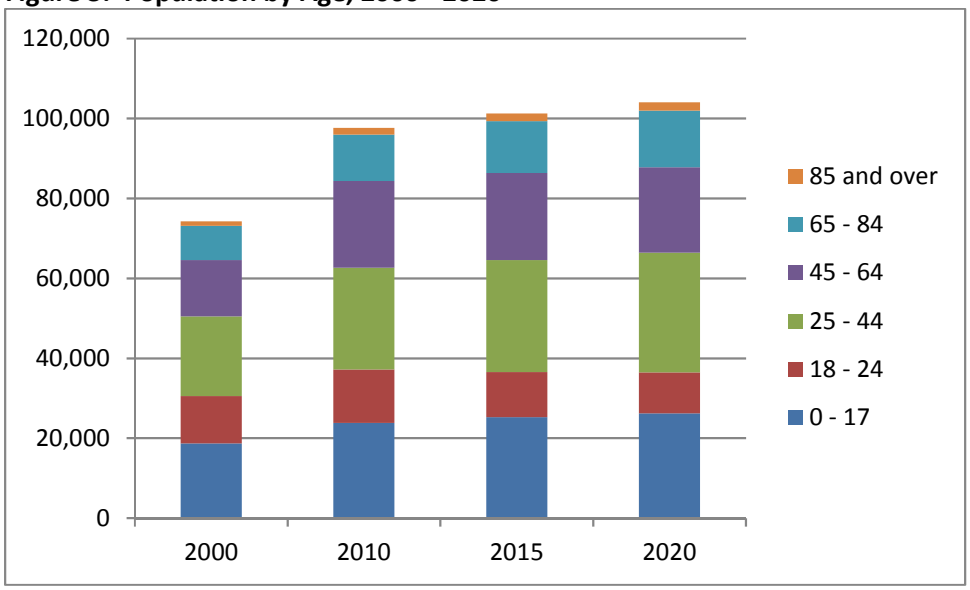
Figure 2: Population by Age, 2015, Las Cruces



Source: Source: New Mexico Bureau of Business and Economic Research (BBER), 2010 ACS, Claritas Data, and CSI

The largest shifts in population between 2015 and 2020 will be in the 18 -24 age range, which will decline by over 1,000 persons, the rise in the 25 – 44 population by over 1,900 persons, and the shift of baby boomers into the 65 – 84 age range. This could lead to a need for more senior targeted housing solutions.

Figure 3: Population by Age, 2000 - 2020



Source: New Mexico Bureau of Business and Economic Research (BBER), 2010 ACS, Claritas Data, and CSI

POPULATION BY RACE AND ETHNICITY

As 2013 American Community Survey data shows below, almost 90% of all Las Cruces residents identify their race as white, and 57% consider themselves Hispanic/Latino. The percent of population who identify themselves as non-white is higher than throughout Dona Ana County, though the percentage of Hispanic/Latino population is lower than throughout the County. Las Cruces has a higher percentage of White alone, Hispanic or Latino, American Indian or Alaska Native, and residents of two or more races than throughout New Mexico.

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Table 4: Population by Race and Ethnicity, Las Cruces, 2013

Race	New Mexico			Las Cruces		
	Total Population	% by Race	% Hispanic / Latino	Total Population	% by Race	% Hispanic / Latino
White	1,511,087	73.0%	45.2%	87,208	87.9%	57.8%
Black or African American	42,196	2.0%	13.0%	2,082	2.1%	6.9%
American Indian and Alaska Native	189,953	9.2%	6.7%	1,601	1.6%	28.9%
Asian	28,034	1.4%	6.5%	1,521	1.5%	2.8%
Native Hawaiian and Other Pacific Islander alone	1,477	0.1%	21.5%	1	0.0%	0.0%
Some other race alone	233,341	11.3%	98.5%	4,354	4.4%	96.5%
Two or more races:	63,618	3.1%	53.0%	2,419	2.4%	60.5%
Total:	2,069,706		46.7%	99,186		57.2%

Source: US Census American Community Survey and CSI

The fastest growing racial group in Las Cruces from 2000-2013 were whites, and those of Hispanic ethnic origin. The largest positive percentage change in population was Asian (76.3%), and decline was in those identifying as some other race (-72.8%). The "some other race" decline may be in part to the way households are reporting themselves to the Census.

HOUSEHOLD INCOMES

In Las Cruces, 34%, or 15,139, households have incomes below $25,000 a year (just over 55% AMI in Las Cruces). Another 21%, or 8,049, have incomes between $25,000 and $45,000 per year (just under the median income of $45,200), and 45%, or 16,950, have incomes that are higher than $45,000 per year, as shown in Table 5. The median income in Las Cruces in 2013 was lower than the median income throughout New Mexico of $44,927.

Table 5: Household Incomes in Las Cruces, 2013

Income Range	Number	Percentage
Less than $10,000	4,256	11.2%
$10,000 to $14,999	2,379	6.2%
$15,000 to $19,999	3,034	8.0%
$20,000 to $24,999	3,400	8.9%
$25,000 to $29,999	2,070	5.4%
$30,000 to $34,999	2,017	5.3%
$35,000 to $39,999	1,861	4.9%
$40,000 to $44,999	2,101	5.5%
$45,000 to $49,999	1,412	3.7%
$50,000 to $59,999	2,722	7.2%
$60,000 to $74,999	3,550	9.3%
$75,000 to $99,999	4,163	10.9%
$100,000 to $124,999	2,062	5.4%
$125,000 to $149,999	1,218	3.2%
$150,000 to $199,999	1,165	3.1%
$200,000 or more	658	1.7%
Total Household:	38,068	100.0%
Median Income	$40,040	

Source: US Census American Community Survey and CSI

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The Per Capita Income in Las Cruces was $22,311 in 2013, according to the 2009 – 2013 US Census Bureau American Community Survey. In the Las Cruces MSA, dividends, interest and rents and net earnings have had the biggest impact on income growth from 2010 to 2014. Personal current transfer receipts have also contributed to income growth according to the Bureau of Economic Analysis, though to a lesser extent. The following table shows per capita and median incomes over time in Las Cruces and New Mexico. Incomes in Las Cruces are historically lower than throughout the entire state, and have grown over time.

Table 6: Per Capita and Median Incomes Over Time

	Per Capita Income			Median Income		
	2000	2010	2013	2000	2010	2013
Las Cruces	$15,704	$19,508	$23,344	$30,374	$36,202	$40,040
New Mexico	$17,261	$22,966	$23,763	$33,974	$43,820	$44,927

Source: US Census American Community and US Census

The following table estimated the number of households in Las Cruces by tenure (renter vs. owner) and by percent of HUD median income in 2015. HUD estimated a median income for communities, and this table uses the median income in the Las Cruces MSA. Half of renter households in Las Cruces have

incomes at 50% of the AMI or less, while 66% of owner households have incomes at 80% of the AMI or above.

Table 7: Households by AMI, 2015

	Renter Households		Owner Households		Total Households	
	Number	Percentage	Number	Percentage	Number	Percentage
0-30%	5,228	29.7%	2,061	8.8%	7,289	17.8%
31-50%	3,407	19.3%	2,347	10.0%	5,754	14.0%
51-60%	1,710	9.7%	1,251	5.3%	2,962	7.2%
61-80%	2,012	11.4%	2,256	9.6%	4,267	10.4%
81-100%	1,269	7.2%	2,233	9.5%	3,502	8.5%
101-120%	808	4.6%	2,163	9.2%	2,971	7.2%
120% and over	3,176	18.0%	11,129	47.5%	14,305	34.8%
Total	17,611		23,439		41,050	

Source: US Census American Community Survey and CSI

POVERTY

There were 22,265 persons living in poverty in Las Cruces, according to the2013 census. Black and Hispanic households are more likely to live in poverty than White, American Indian or Alaska Native, or Asian households. Poverty rates are higher in Las Cruces than throughout the State of New Mexico, where 20.4% of residents were living in poverty in 2013.

Table 8: Poverty Level by Race and Ethnicity, Las Cruces, 2013

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	Total Population	Below Poverty Level	Percent Below Poverty Level
White	84,653	19,582	23.1%
Black or African American	1,923	837	43.5%
American Indian and Alaska Native	1,471	276	18.8%
Asian	1,521	241	15.8%
Native Hawaiian and Other Pacific Islander	0	0	-
Some other race	4,333	928	21.4%
Two or more races	2,394	401	16.8%
All Persons	96,295	22,265	23.1%
Hispanic or Latino origin (of any race)	54,875	15,002	27.3%

Source: US Census American Community Survey and CSI

The number of persons below the poverty level in Las Cruces has risen from 2000 – 2013 for White, Black and Hispanic/Latino residents. However, White residents saw the greatest increase in poverty, followed by Black residents. While the number of Hispanic/Latino residents in poverty rose, the poverty rate for these residents declined.

Table 9: Change in Poverty Level by Race and Ethnicity, Las Cruces, 2000-2013

	Total Population	Persons in Poverty	2000 Persons in Poverty	2013 Persons in Poverty
White	75.0%	102.8%	9,655	19,582
Black or African American	38.4%	78.1%	470	837
American Indian and Alaska Native	14.8%	-49.6%	548	276
Asian	69.2%	5.2%	229	241
Native Hawaiian and Other Pacific Islander	0.0%	0.0%	0	0
Some other race	-71.8%	-81.2%	4,925	928
Two or more races	-21.6%	-58.5%	966	401
All Persons	37.5%	32.6%	16,793	22,265
Hispanic or Latino origin (of any race)	50.6%	34.9%	11,123	15,002

Source: US Census American Community Survey and CSI

According to the 2013 American Community Survey, residents of Las Cruces receive less public assistance income than residents throughout New Mexico. A lower percentage of Las Cruces residents receive Social Security income, though a higher percentage of all residents received cash public assistance or SNAP benefits, an indication of the low incomes and poverty levels in Las Cruces.

Table 10: Public Assistance Income, 2013

	New Mexico	Las Cruces
Social Security Income	27.8%	27.1%
Supplemental Security Income (SSI) or Food Stamps/TANF	7.7%	23.6%

Source: US Census American Community

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ECONOMY AND LOCAL EMPLOYMENT

The US Census Bureau American Community Survey provides information that makes it possible to estimate labor force dynamics for Las Cruces. There were 47,852 persons in the labor force in Las Cruces in 2013. Of these, 41,983 were employed and 5,374 were unemployed. The unemployment rate was 11.3% in Las Cruces. The December 2015 unemployment rate for the entire county was 7.5%, according to New Mexico Workforce Solutions (NMDWS), higher than the statewide rate of 6.7%. The unemployment rate in Las Cruces is the second highest of the MSA study areas in New Mexico, and is higher than the statewide rate of 6.7%.

Table 11: Labor Force Information, Las Cruces, 2013

	Las Cruces		New Mexico	
	Number	Percentage	Number	Percentage
Population 16 years and over	77,515	77,515	1,612,730	
In labor force	47,852	61.7%	979,565	60.7%
Civilian labor force	47,357	61.1%	970,934	60.2%
Employed	41,983	54.2%	876,823	54.4%
Unemployed	5,374	6.9%	94,111	5.8%
Armed Forces	495	0.6%	8,631	0.5%
Not in labor force	29,663	38.3%	633,165	39.3%
Percent Unemployed		11.3%		9.7%

Source: US Census American Community Survey

Employment in Dona Ana County grew from 2000 to 2014, by 23.9%, according to the Bureau of Economic Analysis. The employment market in the Las Cruces MSA has been recovering, but unemployment levels have been slow to decline and job growth over the past few years has been minimal. According to the City of Las Cruces Economic Development Department, there are no known new economic development efforts which will add large numbers of employees to the Las Cruces MSA employment market or which are expected to change the market in any significant way. The City is undertaking efforts to encourage, support and grow local businesses that can increase local employment, and is trying to establish Las Cruces as a film hub to attract film industry projects and businesses to the area.

Table 12: Labor Force Changes, Dona Ana County, 2000 – 2014

Description	2001 Employment	2014 Employment	2001 - 2014 Change Employment	2001 - 2014 Change Average Compensation (dollars)
Utilities	284	404	42.3%	46.9%
Construction	4,551	5,673	24.7%	42.2%
Manufacturing	3,363	2,943	-12.5%	71.9%
Wholesale trade	1,367	1,523	11.4%	68.6%
Retail trade	7,670	9,133	19.1%	34.1%
Transportation and warehousing	1,836	2,479	35.0%	24.3%
Information	1,034	1,087	5.1%	21.0%
Finance and insurance	1,794	2,565	43.0%	39.7%
Real estate and rental and leasing	1,816	2,525	39.0%	44.5%
Professional, scientific, and technical services	3,562	5,153	44.7%	62.4%
Management of companies and enterprises	77	56	-27.3%	38.1%
Administrative and waste management services	3,934	5,273	34.0%	77.6%
Educational services	578	1,012	75.1%	180.4%
Health care and social assistance	9,343	14,753	57.9%	57.6%
Arts, entertainment, and recreation	1,463	1,623	10.9%	34.9%
Accommodation and food services	5,150	7,442	44.5%	47.3%
Other services, except public administration	3,928	4,730	20.4%	49.4%
Government and government enterprises	19,587	21,014	7.3%	62.5%
Federal, civilian	3,350	3,640	8.7%	62.6%
Military	622	557	-10.5%	89.6%
State and local	15,615	16,817	7.7%	61.0%
State government	8,576	8,074	-5.9%	78.7%
Local government	7,039	8,743	24.2%	43.3%

Source: Bureau of Economic Analysis

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The largest employment industries in Dona County are healthcare and social assistance, state and local government, retail trade ad accommodation and food services. These industries, with the exception of state government, have also had high growth in employment and wages. NMDWS, Employment Projections show the fastest growing occupations in the Las Cruces MSA. NMDWS expects that the occupations with the highest estimated annual number of openings will include many healthcare, retail and service sector jobs.

Figure 4: Top Occupations in Las Cruces

Rank	Occupation	2012 Estimated Employment	2022 Projected Employment	Median Wage 2014	Estimated Annual Openings
1	Personal Care Aides	2,309	3,370	$17,950	122
2	Retail Salespersons	2,211	2,588	$19,890	114
3	Cashiers	1,786	1,977	$18,500	96
4	Waiters and Waitresses	1,361	1,597	$19,090	90
5	Food Preparation and Serving Workers	1,333	1,698	$19,890	87
6	Customer Service Representatives	1,308	1,629	$19,940	68
7	Secretaries and Administrative Assistants	2,067	2,341	$27,440	52
8	Managers, All Other	1,359	1,505	$82,650	45
9	Farmworkers and Laborers, Crop, Nursery, and Greenhouse	1,429	1,332	$17,930	43
10	Registered Nurses	1,049	1,259	$63,190	41

Source: NMWSD

The following table shows the largest employers located in Las Cruces. There are no large scale employment changes expected in Las Cruces, according to the Economic Development Department. White Sands Missile Range and the US Department of the Army are employ the largest number of people in Las Cruces. New Mexico State University is the second largest employer in the City. Other major employers include Honeywell Technology Solutions, Las Cruces Public Schools, the City of Las Cruces, and the Hospitals. There are a number of other space industry and military related employers and government agencies that employ large numbers of people.

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Table 13: Largest Employers in Las Cruces

Employer	Sector	Employees
United States Department of the Army/White Sands Missile Range	Government	6,700
New Mexico State University	Colleges & Universities	5,910
Honeywell Technology Solutions	Telecommunications & Airport Services	1,750
Las Cruces Public Schools	Public Schools K-12	1,514
City of Las Cruces	Government	1,400
Las Cruces Medical Center, LLC/Mountain View Medical Center	Hospitals	700
B. Johnson NASA/Lyndon Space Center	Government	621
Lockheed Martin Corporation	Guided Missile & Space Vehicle Manufacturing	600
United States Department of the Air Force	Government	508
National Institute of Food & Agriculture	Government	500
Mesilla Valley Hospital	Hospitals	450
Wal-Mart Stores, Inc.	Discount Department Stores	450
County of Dona Ana	U.S. Municipal Governments	375
Tresco, Inc.	Social Assistance/Rehab Therapy Services	354
Jacobs Technology Inc.	Engineering Services	350
Corrections Department, New Mexico	Government	300
General Dynamics Information Technology, Inc.	Information Technology Services	300
Lowe's Home Centers, LLC	Building Material Dealers	300
Rent A Wheel	Automobile Renting & Leasing	300

Source: Economic Development Department, City of Las Cruces

SPECIAL NEEDS POPULATIONS

In 2013, there were 8,738 veterans in Las Cruces. Veterans made up 11.7% of the civilian population age 18 and over, according to the 2009 – 2013 American Community Survey five year estimate. The percent of veterans in the Las Cruces civilian population is slightly higher than the statewide rate of 11.2% in 2013.

The US census American Community Survey collects data related to disability status. From 2009-2013 there were an estimated 5,375 adults age 18 to 64 with a disability in Las Cruces. Those adults may have more than one disability. There were 5,265 seniors over the age of 65 with disabilities and 657 children with disabilities between the ages of 5-17. The most common disability for seniors and disabled adults was an ambulatory difficulty. For adults the second most common disability was cognitive difficulty and for seniors it was a hearing difficulty. These disabilities all can require service enriched or modified housing.

The percent of the population with disabilities increases as the population ages. For persons age five and under, the two disabilities that are tabulated are hearing and vision disabilities. For persons age 65 and older, 37.6% have one of the disabilities listed above. As seniors age, the frequency of ambulatory, self-care and independent living disabilities increases greatly.

Table 14: Persons with Disabilities by Age, Las Cruces County

Disability Type	Under 5		5 to 17		18 to 64		65 and over	
	Number With a disability	Percent with a disability	Number With a disability	Percent with a disability	Number With a disability	Percent with a disability	Number With a disability	Percent with a disability
With a hearing difficulty	0	0.0%	121	0.7%	1,045	1.8%	2,462	18.6%
With a vision difficulty	11	0.1%	202	1.2%	851	1.4%	1,182	8.9%
With a cognitive difficulty	NA		460	2.8%	2,426	4.1%	1,299	9.8%
With an ambulatory difficulty	NA		71	0.4%	2,920	4.9%	3,292	24.9%
With a self-care difficulty	NA		95	0.6%	997	1.7%	1,094	8.3%
With an independent living difficulty	NA		NA		2,105	3.6%	2,405	18.2%
Total	11	0.1%	657	4.0%	5,375	9.1%	5,265	39.8%

Source: US Census American Community Survey 2008-2012

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The following table provides data related to the number of Las Cruces residents who have HIV/AIDS, and substance abuse issues.

Table 15: Additional Special Population Data

Persons with HIV/AID, Dona Ana County	169	(CDC AIDSVuHIV Surveillance Data, 2012)
Alcohol Abuse, Dona Ana County	184/injuries and deaths	2008 – 2012 Dona Dona Ana County, New Mexico Dept of Health, Epidemiology Profile on Substance Abuse (2014)
Substance Abuse Disorders, Dona Ana County	131 overdose deaths	2008- 2012 Dona Ana County, New Mexico Dept of Health, Epidemiology Profile on Substance Abuse (2014)
Mental Illness, Las Cruces	18,854 adults with some mental health issues	Congressional Research Services 2015 Prevalence of Mental Illness in the US Data Sources and Estimates (estimates applied to Las Cruces population)

In Las Cruces, there are nonprofit organizations that specialize in serving persons with developmental disabilities, and the elderly. Key informants interviewed when developing this Plan indicate that there is a severe lack of services for persons with mental health and substance abuse issues in Las Cruces. The following is a list of agencies serving persons with disabilities and a brief description of their services.

Seniors

In-home health care and accessible and affordable living quarters are all necessary components for some members of the aging population in Las Cruces. Transportation assistance, light housekeeping/ shopping and other disability services are necessary supportive housing for many seniors. The emotional and physical well-being of this group relies on available services, and affordable housing and service options. In addition, seniors are more likely to have a disability then other populations. Some need 24-hour care to remain safely in their homes as cognitive and physical abilities change over time.

City of Las Cruces Senior Programs and Munson Center provides comprehensive senior programs, coordination of services, nutrition and meal services, Long Term Care Services, arts and crafts, language and physical fitness activities, case management (assessments and resource referral assistance) and In-home services including meals on wheels, homecare (light housekeeping), and respite care. The City's Senior Resource Center staff offer information, referrals, assistance and advocacy to seniors at no charge. They provide Medicare/Medicaid information, a "Grandparents Raising Grandchildren" program and many other relevant workshops on –site.

Dial a Ride provides Curbside transit for people with disabilities and seniors. The program operates 7am to 7pm Monday through Friday and has a modified Saturday schedule and no Sunday service. Dial a Ride has 8 routes and 1 combined route.

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Disabilities

Members of the community who have physical disabilities need accessible, affordable housing options with a spectrum of services available to be tailored to their individual needs. Transportation assistance, medication assistance and assistance with shopping, bathing and cleaning are necessary for some members of the community.

Tresco- Tresco serves people ages 18 – 72 with disabilities throughout a three county area. Most of the people served have needs related to developmental disabilities or have Autism Spectrum related needs. Tresco provides early intervention and helps approximately 850 unduplicated children per year and 1,500 adults. Services provided by Tresco include a variety of therapies, a day shelter, group housing for up to four persons in a unit, long term home care for elderly and medically frail clients, client transportation and food assistance. Tresco also operates a work program and other vocational services to help clients who are able to work.

Mental Health

Persons with mental health challenges also need a variety of supportive services tailored to their individual needs. Safe, affordable housing coupled with in-home medication monitoring, peer to peer support, social outings, therapeutic services, life-skills and case management are all facets of the supportive housing needs of this population. As stated previously, two of the biggest gaps identified in Las Cruces by key interviews include mental health (including home based) and substance abuse treatment.

The New Mexico Behavioral Health Institute (NMBHI) is the only state owned and operated psychiatric hospital in New Mexico. Is made up of five clinical divisions and serves a range of statewide behavioral health care needs.

La Clinica de Familia has just begun to offer mental health services to low income residents of Las Cruces.

Substance Use Disorders

Individuals with substance use disorders or who are dually diagnosed with mental health and substance use disorders may also need affordable quality housing with in-home and community based on-going case management and therapy. Individualized plans may involve medication monitoring, employment and/or vocational assistance and possibly other supports. Transportation is an important factor for all of the above mentioned populations. Providers noted a lack of substance abuse treatment options in Las Cruces as a barrier for many residents, and a needed addition to the community.

HIV/AIDS

People with HIV/AIDS with limited financial resources may need affordable, supportive housing to improve outcomes related to their physical and mental well-being. Lower income people with HIV/AIDS are more likely to receive necessary medical treatments and therapeutic and other social supports which aid recovery when access to quality housing is available.

International AIDS Empowerment- International AIDS Empowerment is an umbrella organization overseeing a variety of programs to help community members with HIV/AIDS. Programs provided include Housing Opportunities for People with AIDS (HOPWA), We Care Emergency Support, the OUTright center, food pantry, HIV and AIDS counseling and testing and Caring through education, and a, Pets Are Wonderful Support (PAWS). This organization strives to serve a wide population that includes LGBTQ and their families, the general public and expanded programs for elderly disabled and youth.

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Homeless providers serving Las Cruces were interviewed to prepare an analysis of homeless needs within the city. The New Mexico Coalition to End Homelessness conducts a one night Point-in-Time (PIT) count of homelessness each year, which includes Las Cruces. The table below shows the results of the 2015 Point in Time (PIT) Count in Las Cruces. There were 333 total homeless persons counted on that day. Of those, 117 were unsheltered and 141 were utilizing emergency shelter. There were 75 people in transitional (temporary) housing during the survey.

Table 16: 2015 Las Cruces Point in Time Count

Total Homeless 2015	333
Total Sheltered 2015	216
Total Unsheltered 2015	117
Total Individuals 2015	167
Total Individuals Sheltered 2015	78
Total Individuals Unsheltered 2015	89
Total Persons in Families 2015	161
Total Persons in Families Sheltered 2015	135
Total Persons in Families Unsheltered 2015	37
Total Family Households 2015	94
Total Family Households Sheltered 2015	78
Total Family Households Unsheltered 2015	16
Total Chronically Homeless 2015	112
Chronically Homeless Sheltered 2015	53
Chronically Homeless Unsheltered 2015	72
Chronically Homeless Individuals 2015	94
Chronically Homeless Persons in Families 2015	54
Total Veterans 2015	27
Total Veterans Sheltered 2015	2
Total Veterans Unsheltered 2015	25*

*The City of Las Cruces achieved ended veterans homelessness by achieving Functional Zero in 2016.
Source: New Mexico Coalition to End Homelessness

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Mesilla Valley Community of Hope (MVCH) – MVCH is a service center designed to assist homeless and address poverty issues in Las Cruces and Dona Ana County. MVCH offers case management, day shelter, an overnight tent city for individuals who are homeless, and assistance with disability applications and other community resources to help transition from homelessness into permanent housing solutions. Continuum of Care programs administered by MVCH include Sue's House, a Permanent Housing program for chronically homeless women, the Oak Street Apartments for homeless veterans with the Mesilla Valley Housing Authority, two HUD Rapid Re-housing programs which serve 40 people, the Abode permanent supportive housing program for chronically homeless men, and a Supportive Services for Veteran's Families (SSVF) Program. Other housing programs include short term housing in apartments for up to three months, rapid rehousing assistance, and homeless prevention assistance. MVCH also offers services such as case management, laundry, showers, lockers, assistance in obtaining identification and public income, and access to computers.

Gospel Rescue Mission is the only indoor shelter in Las Cruces that offers emergency food and shelter and is accessible 24 hours per day year round. The shelter is operated by 70 volunteers and seven paid staff members, is self-funded with no city, state or federal funding sources and will take families and individuals.

El Caldito Soup Kitchen is a non-profit provider of food and meals for homeless and low-income people in Las Cruces and the surrounding rural communities. El Caldito offers a mid-day meal to approximately

300 persons six days per week and is staffed by three-part time employees and several volunteers. The agency also provides sack lunches on Saturdays.

Families and Youth Inc., is an organization geared toward helping families and at-risk youth and children. It operates an affordable housing program.

La Casa Domestic Violence Shelter can shelter up to 80 people and approximately 26 children for up to 90 days. This includes both men, women, and families. La Casa has transitional housing units which they own (5 units which are scattered site units). It provides non-residential support as well. The shelter itself is typically full about 80% of the time. The shelter expanded in 2009 due to an increasing need to assist more female and male victims of violence. The agencies transitional housing program assists 22 families with tenant based rental assistance through the continuum of care progress. Residents and those seeking services must have proof of documentation or they cannot be assisted, which agency staff identifies as an issue for undocumented community members in need. The tenant based rental assistance provided through HOME funds allows up to 24-month stay. Las Casa also provides non-residential counseling/ case management, legal advocacy, immigration specialists to determine status, and a court ordered batterer program. La Casa has an Memorandum of Understanding (MOU) with Catholic Charities who is able to help undocumented persons and immigrants in Las Cruces.

St. Luke's Health Care Clinic is significant partner of MVCH. It is located at the homeless campus and operates 5 days per week. They provide primary health care, prevention education, diagnostics/treatment center, chronic disease management, and is a Federally Qualified Health Center (FQHC). St. Luke's has a full-time nurse practitioner, volunteer doctors and provides Medicaid enrollment assistance on site. The outreach program operates an eye clinic and a foot clinic. They collaborate with the Department of Health on Harm Reduction Strategies and operate the Dona Ana Indigent program that targets low income people who are not eligible for other insurance. St. Luke's also recently started a Behavior Health Program funded by The Substance Abuse and Mental Health Services Administration (SAMHSA). The program will provide counseling, substance abuse outpatient services, and job readiness assistance. St. Luke's also collaborates with MVCH for Housing Counseling assistance for its patients in need.

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Jardin de los Ninos is an early childhood education program that provides education, therapeutic and other comprehensive services to children and their families who are homeless and at risk of homelessness. The childcare facility is located on the homeless campus and the agency coordinates with other homeless providers to support homeless families with children.

Las Cruces VA - The Las Cruces VA Community Based Outpatient Clinic (CBOC) delivers primary care services to eligible veterans in Dona Ana County and outlying areas. They provides health screening, health promotion, education, acute and chronic disease management, primary and mental health care. The New Mexico VA Health Care Systems Health Care for Homeless Veteran's Program (HCHV) is designed to end veteran homelessness through outreach, community partnerships and establishing health care access for veterans, assistance with benefits and discharge documents. Other services include psychiatric assessments, alcohol and drug treatment, case management and assistance with basic needs. The VA offers veteran's access to a Compensated Work Therapy Employment Program (CWT) for veteran's in recovery.

The VASH program is the local VA Supportive Housing Program that serves homeless veterans with health, mental health and substance use challenges in Las Cruces. The VASH program has 55 vouchers in Las

Cruces. The program provides two VASH staff located at the housing authority to discuss the program with potential program participants and to assist them in obtaining housing and health care. VASH is well coordinated with Community of HOPE which provides flexible funds for security deposit, rent arrears and in issuing vouchers to clients. The Mesilla Valley Public Housing Authority operates the HUD VASH Program for homeless veterans who have health, mental health and substance use disorders. It is a provider of 55 VASH Vouchers and works directly with the VA to serve homeless veterans.

HOUSEHOLD CHARACTERISTICS

EXISTING HOUSING

Almost 40% of all housing units in Las Cruces were constructed prior to 1980, and deferred maintenance and disrepair are an issue for some of the housing stock. The Home Rehabilitation program for low and moderate income households is offered by the City of Las Cruces and is important for ensuring that the existing housing stock is maintained. Rental units in Las Cruces have a median year built of 1983 while owner occupied units have a median year built of 1989.

In Las Cruces, the percentage of owner occupied housing units that are single family homes is much higher than throughout New Mexico. Renter households in Las Cruces are less likely to live in a single family detached or attached home than owners, and much less so than throughout New Mexico.

Table 17: Housing Units by Tenure and Type, Las Cruces, 2013

Las Cruces	**Owner**		**Renter**		**Total**	
	Number	Percent	Number	Percent	Number	Percent
1-unit Detached	17,812	81.4%	4,500	27.8%	22,312	58.6%
1-unit Attached	1,130	5.2%	906	5.6%	2,036	5.3%
2 to 4 Units	294	1.3%	3,660	22.6%	3,954	10.4%
5 to 19 Units	51	0.2%	3,718	23.0%	3,769	9.9%
20 or More Units	14	0.1%	2,116	13.1%	2,130	5.6%
Other (mobile home, RV, etc.)	2,580	11.8%	1,287	8.0%	3,867	10.2%
Total	**21,881**		**16,187**		**38,068**	
New Mexico	**Owner**		**Renter**		**Total**	
	Number	Percent	Number	Percent	Number	Percent
1-unit Detached	407,608	77.9%	91,229	38.2%	498,837	65.5%
1-unit Attached	18,201	3.5%	11,669	4.9%	29,870	3.9%
2 to 4 Units	3,301	0.6%	38,107	16.0%	41,408	5.4%
5 to 19 Units	1,470	0.3%	38,748	16.2%	40,218	5.3%
20 or More Units	864	0.2%	28,560	12.0%	29,424	3.9%
Other (mobile home, RV, etc.)	91,900	17.6%	30,281	12.7%	122,181	16.0%
Total	523,344		238,594		761,938	

Source: US Census Bureau, American Community Survey 2008 - 2012

In Las Cruces, the homeownership rate was 57.5% in 2013, according to the US Census Bureau, and has remained between 56% and 57% from 2009 - 2014. Most housing units in Las Cruces have three or more bedrooms. Renters are more likely to live in smaller units, while most units with three or more bedrooms are owner occupied.

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Table 19: Housing Units by Tenure and Bedroom, Las Cruces, 2013

	Owner occupied		Renter occupied		Total	
	Number	**Percent**	**Number**	**Percent**	**Number**	**Percent**
No bedroom	91	0.4%	460	2.8%	551	1.4%
1 bedroom	340	1.6%	3,614	22.3%	3,954	10.4%
2 bedrooms	3,094	14.1%	6,025	37.2%	9,119	24.0%
3+ bedrooms	18,356	83.9%	6,088	37.6%	24,444	64.2%
Total	**21,881**		**16,187**		**38,068**	

Source: US Census Bureau, American Community Survey 2009 - 2013

The following table shows the age of housing units in Las Cruces and by tenure. In Las Cruces, development of owner occupied and renter occupied units has occurred fairly proportionally over time. Almost one third of all units have been constructed since 2000.

Still, there are 7,878 owner occupied units and 7,263 rental units in Las Cruces that were built before 1979. Local housing professionals and Las Cruces Housing Rehabilitation Program staff report that many older units are in disrepair and in need of rehabilitation and system upgrades. There are many units in Las Cruces which were constructed in the 1960s and 1970s of cinder blocks which are in need energy efficiency upgrades.

Table 20: Year Units Built by Tenure, 2013

	Owner		Renter		Total	
	Number	**Percent**	**Number**	**Percent**	**Number**	**Percent**
Built 2000 or later	6,550	29.9%	3,938	24.3%	10,488	27.6%
Built 1980-1999	7,453	34.1%	4,986	30.8%	12,439	32.7%
Built 1950-1979	6,761	30.9%	6,237	38.5%	12,998	34.1%
Built 1949 or earlier	1,117	5.1%	1,026	6.3%	2,143	5.6%
Total	**21,881**	**57.5%**	16,187	**42.5%**	**38,068**	
Median Year Built	1989		1983		1978	

Source: US Census Bureau American Community Survey 2008 - 2012

The following map shows the percent of housing units in each Las Cruces census tract constructed before 1980. These units are more likely than newer units to contain lead paint, lack complete plumbing and kitchens, and to need upgrades to major systems, including heating, cooling, roofs, electrical and plumbing. Units in these areas of Las Cruces are most likely to benefit from the owner occupied housing rehabilitation program than units in areas of town with higher concentrations of units constructed since 1980.

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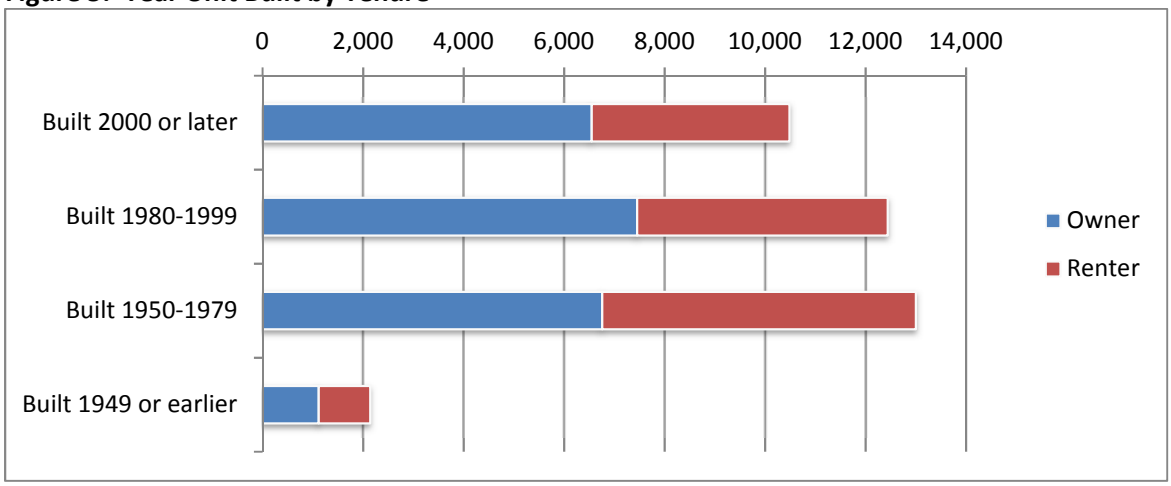
Figure 4: Units Constructed Prior to 1980 by Census Tract, Las Cruces, 2014

Source: American Community Survey 2014

While the total number of rental units constructed in each past decade has always been smaller than the number of owner occupied housing units, the ratio of rental units built compared to units for sale in Las Cruces declined during the 1980s and 1990s. The median year built for owner occupied units is 1989, while for rentals, it is 1983.

Figure 5: Year Unit Built by Tenure



Source: US Census Bureau American Community Survey 2009-2013

CSI has gathered a list of all price restricted rental units located in Las Cruces. The list includes public housing units, Section 8 financed units, LIHTC units and other price restricted units owned by the Mesilla Valley Housing Authority, Tierra del Sol, other nonprofits and private ownership interests. There are a total of 1,426 units included. Most units have income restrictions at 50%or 60% AMI. Of the total income restricted units, 298 serve seniors and 1,128 serve families and the general population. Many properties would not return calls to determine the total number of accessible or rent assisted units. This information is not collected or distributed by the New Mexico Mortgage Finance Authority or local housing agencies.

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CSI conducted a phone survey of price restricted rental units and found few vacancies in December of 2015. Owners and managers of price restricted units stated that they have waiting lists of potential tenants and few vacancies that come available throughout the year. BBER survey results from May of 2014 and 2015 show an overall vacancy rate of 8 – 9%, with higher vacancy rates in larger units. The NM Apartment Association 2015 3rd quarter survey reports a 7.3% vacancy rate overall, with rates below 5% for all but two bedroom units (see chart above).

Table 21: Rent Restricted Properties in Las Cruces

Property Name	Total Units	Price Restricted
Doña Ana Park Apartments	132	132
Highland Park Apartments	50	50
Montana Meadows Apartments	80	80
Desert Palms	100	100
Four Hills Apartments	72	60
Mesquite Village	48	48
Stone Mountain Place	84	72
Vista Montana	80	79
Casa de Corazones	15	14
Chaparral Senior Apartments	40	40
Mira Vista Senior Village	76	60
Montana Senior Village	49	48
St. Genevieve Village	42	41
Los Altos Apartments	72	60
Burley Court Apartments	40	40
Robledo Ridge Apartments	70	61
El Crucero	12	12
Cactus Gardens (Duplex)	2	2
Cactus Gardens (Duplex)	2	2
Alta Tierra	57	57
La Casa - NSP Rental Housing	5	5
MVCH - NSP Sue's House	1	1
Abode	15	15
Oak Street	20	20
Tres Arboles	64	64
San Pedro Place	38	38
Walnut Grove	100	100
Jardines Alegres	47	47
Jardines Verdes	40	40
Almendra Apartments	18	18
Pecos Apartments	20	20
Total	*1,491*	*1,426*

Source: CSI

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HOUSEHOLDS, HOUSING SIZE

As Las Cruces' population has grown, so has the number of households within the city, as Table 22 shows. Household numbers continued to grow through the last decade, despite the economic downturn, though the growth rate has slowed, and growth is occurring at a faster pace in the County than in Las Cruces. The number of households throughout the state has grown during the past four years. Households are smaller in Las Cruces than throughout the state for both renter and owner households. According to the 2013 American Community Survey, owner households in Las Cruces have an average size of 2.57 persons and 2.48 renters have an average household size of 2.48 persons, while the average household size of renter households in New Mexico is 2.55 and 2.71 for homeowner households.

Table 22: Households in Las Cruces and Dona Ana County, 2000-2020

	Las Cruces	Dona Ana County
2000	29,184	59,556
2010	39,433	75,532
Av Annual Change	3.5%	2.7%
2015	41,050	80,405
Av Annual Change	0.8%	1.3%
2020	42,294	86,314
Av Annual Change	0.6%	1.5%

Source: 2000 Census, 2010 Census, American Community Survey, Claritas Data

The following table shows household types and estimates the total number and percent of all households by type in 2013. The most common household type in Las Cruces is married couple family households, followed by non-family households. In Las Cruces, 60% of households are families. Households are less likely to be families in Las Cruces than throughout the State of New Mexico.

In New Mexico, 13.9% of households in 2013 were single females in a family with no husband present. This compares to 15.8% in Las Cruces. In Las Cruces, 4.4% of households were male householders in a family with no female present. In New Mexico, those households represented 5.7% of the total.

Table 23: Household Type, Las Cruces, 2013

New Mexico	Total Households	% of Total
Married-couple family	348,614	45.8%
Other family	149,843	19.7%
Male householder, no wife present	43,614	5.7%
Female householder, no husband present	106,229	13.9%
Nonfamily households	263,481	34.6%
Total	761,938	
Las Cruces		
Married-couple family	15,194	39.9%
Other family	7,662	20.1%
Male householder, no wife present	1,660	4.4%
Female householder, no husband present	6,002	15.8%
Nonfamily households	15,212	40.0%
Total	38,068	

Source: 2009 - 2013 US Census American Community Survey, CSI

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When residents have more than one person per room within their housing unit, they are considered "overcrowded". This happens when there is a mis-match between the number of bedrooms in the existing housing stock, and the number of persons in households, and also when households choose to live within smaller units to save money. HUD calculated the number of households in Las Cruces in 2011 that were considered overcrowded by income level and tenure. In 2011, there were 175 overcrowded renter households and 19 severely overcrowded renter households (more than 1.5 persons per room). There were many more overcrowded owner occupants. County-wide there were 519 overcrowded and 149 severely overcrowded owner occupied households. Most owner occupied units in Las Cruces have between two and four bedrooms, and the average household size in Las Cruces was 2.46 persons.

Table 24: Overcrowded Households, Las Cruces, 2011

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
Severely Overcrowded - With >1.51 people per room (and complete kitchen and plumbing)	4	4	0	0	8	0	0	30	0	30
Overcrowded - With 1.01-1.5 people per room (and none of the above problems)	110	85	65	25	285	10	35	75	75	195

Source: HUD eCon Planning Suite Data, 2011

HOUSING MARKET ANALYSIS

The Las Cruces housing market is recovering from the recession that started in 2008. Rental vacancy rates have declined and rents are on the rise, and prices of units for sale have stabilized. Realtors® interviewed for this study indicate a lack of affordable units for sale within the City. There are gaps in the inventory of housing units to meet existing and growing demand, especially in the price ranges affordable at 80% AMI or less.

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HOUSING COSTS

The New Mexico Apartment Association and BBER at the University of New Mexico both track the rental market in Las Cruces, and provide more recent rental pricing and vacancy information than the US Census.

The average rent for all units in Las Cruces in the 3rd quarter of 2015 (July – September) was $739, and ranged from $569 for a one bedroom one bath unit to $1,760 for a three bedroom 2.5 bath unit.

Table 25: New Mexico Apartment Association Rent and Vacancy Survey, 3rd Quarter 2015

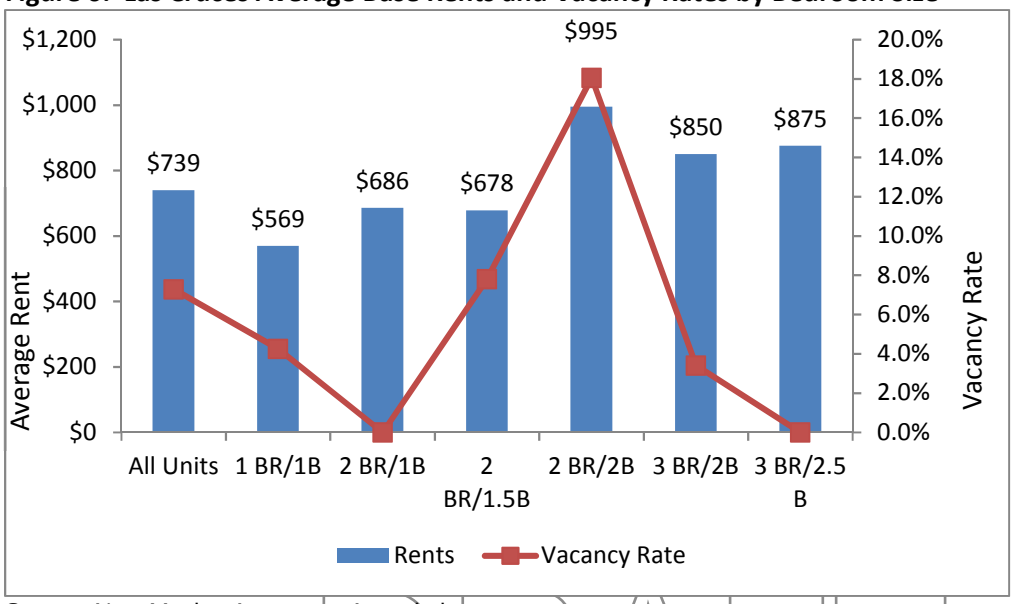
	Total Units	Vacant Units	Percent Occupied	Average SF	Average Base Mkt Rent	Average Base Rent/SF	Average Base Effective Rent	Average Base Effective Rent/SF
All Units	631	46	92.7%	934	$739	$0.79	$739	$0.79
1 BR/1B	258	11	95.7%	655	$569	$0.87	$569	$0.87
2 BR/1B	46	0	100.0%	952	$686	$0.72	$686	$0.72
2 BR/1.5B	64	5	92.2%	940	$678	$0.72	$678	$0.72
2 BR/2B	144	26	81.9%	1,201	$995	$0.83	$995	$0.83
3 BR/2B	117	4	96.6%	1,197	$850	$0.71	$850	$0.71
3 BR/2.5 B	2	0	100.0%	1,760	$875	$0.50	$875	$0.50

Source: New Mexico Apartment Association

Vacancies in Las Cruces are concentrated in two bedroom two bath unit. Housing providers and landlords interviewed during this study indicate a tight market, with waiting lists and few vacancies in price

restricted and lower rent units. However, there has been quite a bit of construction of new higher priced rental units in some areas of Las Cruces, and over the past few years, consistently higher vacancy rates in higher priced, new, two bedroom two bath rental units which are driving up overall vacancy rates. Vacancies may also be higher because students are not in town during these months.

Figure 6: Las Cruces Average Base Rents and Vacancy Rates by Bedroom Size



Source: New Mexico Apartment Association

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CSI reviewed all sales listings for units on the market in Las Cruces in December of 2015 to prepare the following tables. Units with over five acres of land were excluded from this analysis. In December, the average asking price of a single family home on the market in Las Cruces was $203,199 and the median price of a single family home on the market was $169,900. Attached units, townhomes and condos, have lower prices. The average price of an attached unit was $169,900 and the median price was $114,950. Single family homes have a larger average size of 2,006 square feet, a higher number of bedrooms than attached units, and tend to be newer.

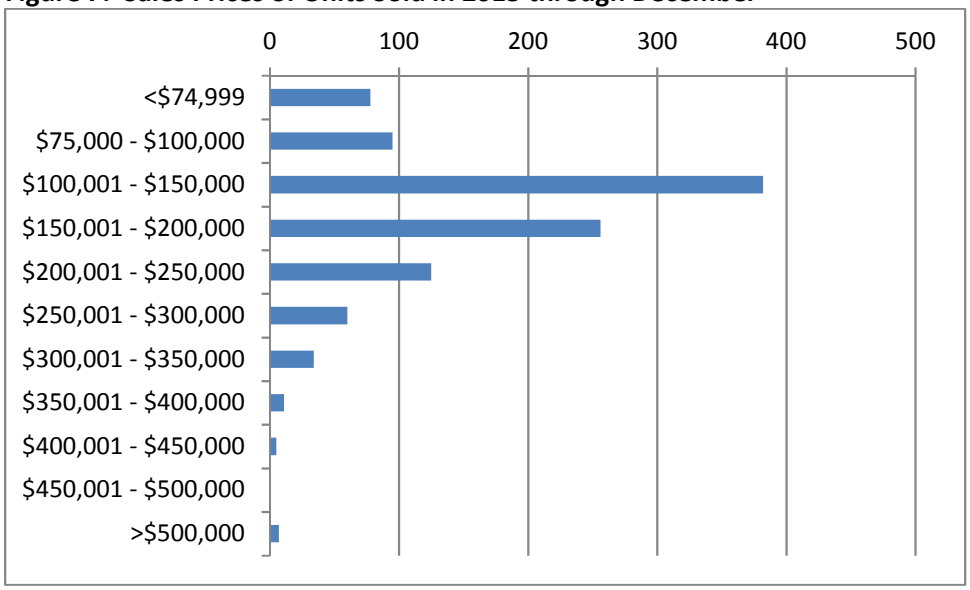
Table 26: Current Listings, December 2015, Las Cruces

	Avg Price	Median Price	Avg Bedrooms	Avg Baths	Avg S.F	Avg Year Built	Avg Days on Market	Avg Price per S.F.
Single Family	$203,199	$169,900	3.3	2.0	2,006	2002	135	$101
Condos/Townhouse	$121,470	$114,950	2.2	1.8	1,252	1997	148	$97

Source: MLS and CSI

Unit prices are concentrated in the $100,000-$200,000 price range. Few homes sold for above $300,000 in 2015. There were 173 that sold for $100,000 or less.

Figure 7: Sales Prices of Units Sold in 2015 through December



Source: MLS and CSI

While the majority of units for sale in Las Cruces are still priced at $200,000 or less and affordable to households at 100% AMI or less, the percentage of these units in the overall inventory is on the decline. In 2012, 60% of all units on the market were priced at $200,000 or less, while in 2015, only 53% were in this price range, a decline of 7%.

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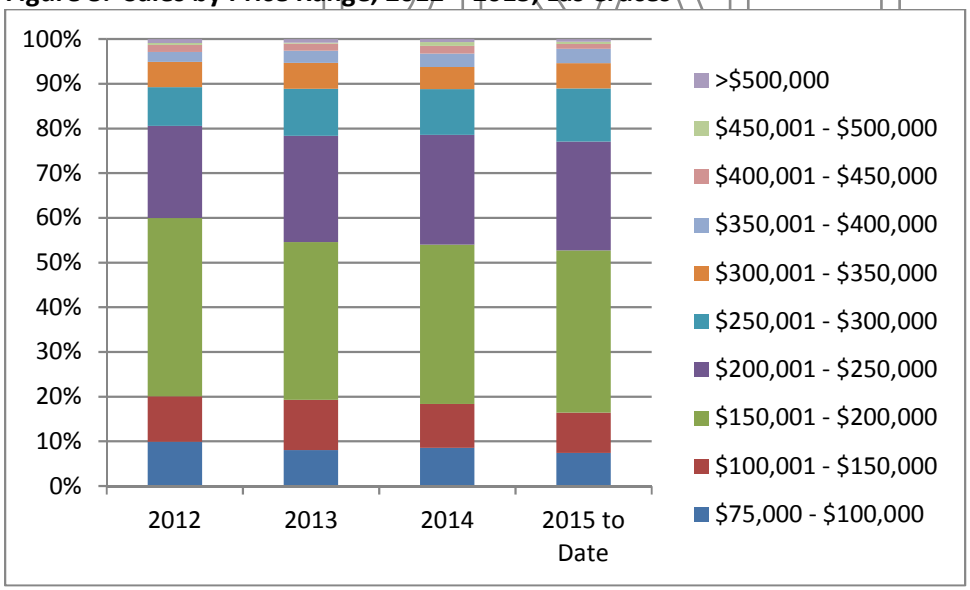
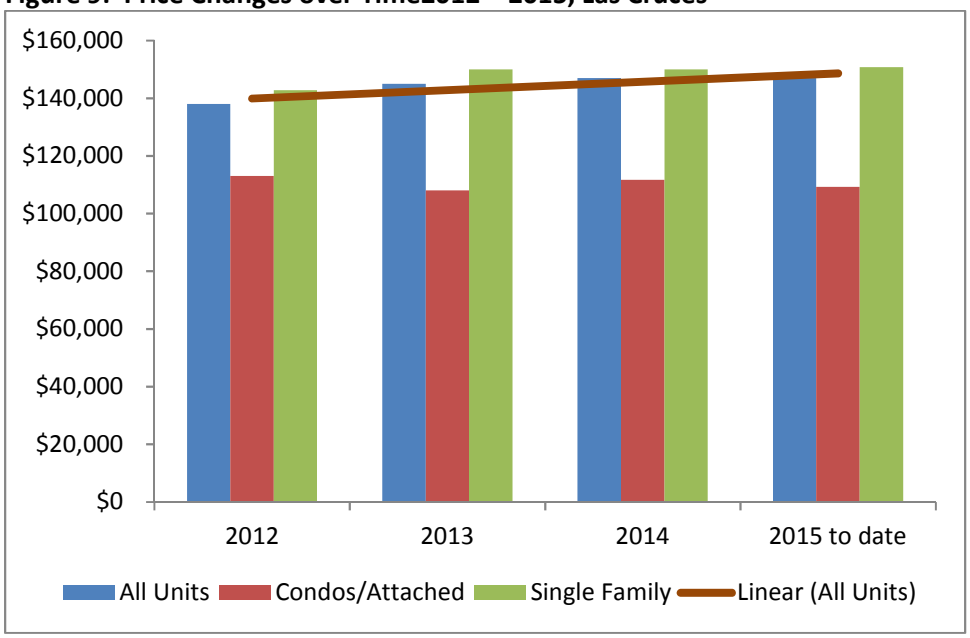
Figure 8: Sales by Price Range, 2012 – 2015, Las Cruces



Source: MLS and CSI

The sales market in Las Cruces is slowly recovering from the recession and foreclosure crisis. Median sales prices rose for all units between 2012 and 2014, and have remained stable from 2014 to 2015. No large price increases have been seen, though the inventory of lower priced units is declining as a percent of total units on the market.

Figure 9: Price Changes over Time2012 – 2015, Las Cruces



Source: MLS and CSI

AFFORDABILITY

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The following table calculates the affordability of the average rent and utility cost in Las Cruces in 2015, based on the HUD median income for Dona Ana (based on a family of four), and the 30% of income standard of affordability for rental housing. The average rent and utility cost was approximately $835 in 2015, which is affordable to households earning 74% of the AMI. Of course, this rent is less affordable to households at this income limit with less household members.

Table 27: Median Income and Rental Housing Costs, 2015

HUD 2015 Median Income	$45,200
30% AMI Median Income/Month	$1,130
Average Rent + Utilities 2015	$835
Annual Income Avg Rent Affordable To	$33,400
Percent of AMI	74%

Source: CSI

The table below shows the affordability of the median priced home in Las Cruces in 2015, using a 35% of income standard common for estimating affordability for homebuyers. The median priced home was affordable to households at 90% of the AMI in 2015.

Table 28: Median Income and Median Sales Price, 2015

HUD 2015 Median Income	$45,200
35% AMI Median Income/Month	$1,318
Median Priced Home 2015	$162,500
Monthly Payment - Median Priced Home	$1,022
Annual Income Price Affordable To	$40,880
Percent of AMI	90%

Source: CSI

Residential values are increasing in Las Cruces, as is the average value per residential parcel. Average values per parcel in 2015, however, were still below the average in 2010, and reflect the impact the recession had on the housing market in Las Cruces.

Table 29: Residential Property Valuations in Las Cruces, Changes Over Time, 2010 – 2015

	Residential Parcels	Residential Full Value	Change from Prior Year	Average Value/Parcel
2010	28,019	$4,266,328,428		$152,266
2011	29,674	$4,289,698,488	0.5%	$144,561
2012	30,198	$4,384,280,421	2.2%	$145,184
2013	30,684	$4,440,151,428	1.3%	$144,706
2014	31,093	$4,519,066,041	1.8%	$145,340
2015	31,390	$4,653,655,470	3.0%	$148,253

Source: Dona Ana County Assessor's Office

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Home Mortgage Disclosure Act (HMDA) data is available for all loans made on properties in Las Cruces. This information provides an overview of mortgage lending practices within Las Cruces in 2013 and 2014. Specific areas to evaluate (which may suggest potential discriminatory practices or trends) include high denial rates for minority and female applicants; very low denial rates; unusually low levels of applications from women, minorities and low and moderate-income persons; and a high number of applications withdrawn by minority applicants, as compared to non-minority applicants.

Data from HMDA was obtained for a total of 6,507 loan applications made in 2014 in Las Cruces. Of these, 63.2% were conventional loans, 21.0% FHA loans, and 15.7% for VA loans. Only 49.2% of loan applications were to purchase a home, while 41.6% were for to refinance a home and 9.2% were to make home improvements. The large number of refinance loans is a reflection of the very low interest rates in 2014.

Loan origination rates ranged from a low of 51.3% for Hispanic/Latinos, to a high of 64.3% for American Indian or Alaska Native households. Loan denial rates ranged from a low of 16.9% for Asian/Pacific Islanders, to a high of 29.8% for Hispanic/Latinos. Women had origination rates slightly lower than all households and denial rates slightly higher than all households in Las Cruces.

Table 30: Action Taken on Loan by Race, Ethnicity, and Sex, Las Cruces, 2014

Race/Ethnicity	Loan Originated	Loan Not Accepted by Applicant	Loan Denied	Application Withdrawn	File Closed	Total
Race						
African American	64.1%	8.4%	15.3%	10.7%	1.5%	131
Asian/Pacific Islander	69.5%	5.4%	15.0%	6.7%	3.3%	698
White	69.9%	5.7%	14.1%	8.2%	2.1%	22,747
American Indian or Alaska Native	61.9%	2.9%	22.9%	11.4%	1.0%	105
Ethnicity						
Hispanic/Latino	65.4%	5.0%	18.3%	9.3%	2.1%	777
Non-Hispanic	70.1%	5.6%	14.0%	8.2%	2.1%	22,853
Women	68.7%	5.1%	15.7%	8.3%	2.1%	6,838
Total	68.9%	5.6%	14.8%	8.3%	2.4%	26,323

Source: 2014 HMDA Raw Data and CSI

Reasons for the denial of applications are listed on the following table by race, ethnicity, and gender. The most frequent reasons for denial were "debt to income ratio", "credit history" and "collateral". There were a total of 804 loan denials during 2014. No one racial or ethnic group had higher denial rates in a majority of categories than other groups, though Asian borrowers had higher denial rates in two of the nine categories.

Table 31: Loan Denial Reason by Race, Ethnicity, and Gender Las Cruces, 2014

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	All	White	Black	Asian	Native American	Hispanic	Women
Debt-to-Income Ratio	26.2%	27.1%	50.0%	22.2%	10.0%	26.8%	26.2%
Employment History	1.4%	1.4%	0.0%	0.0%	0.0%	1.6%	0.4%
Credit History	32.7%	33.9%	25.0%	11.1%	75.0%	43.0%	40.0%
Collateral	16.2%	15.3%	12.5%	11.1%	0.0%	10.9%	14.2%
Insufficient Cash	2.0%	1.9%	0.0%	11.1%	5.0%	1.8%	1.9%
Unverifiable Information	4.6%	4.7%	0.0%	22.2%	5.0%	3.4%	3.5%
Credit Application Incomplete	8.0%	6.6%	12.5%	0.0%	5.0%	3.6%	5.8%
Mortgage Insurance Denied	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other	9.0%	9.2%	0.0%	22.2%	0.0%	8.9%	8.1%

Source: 2014 HMDA Raw Data and CSI

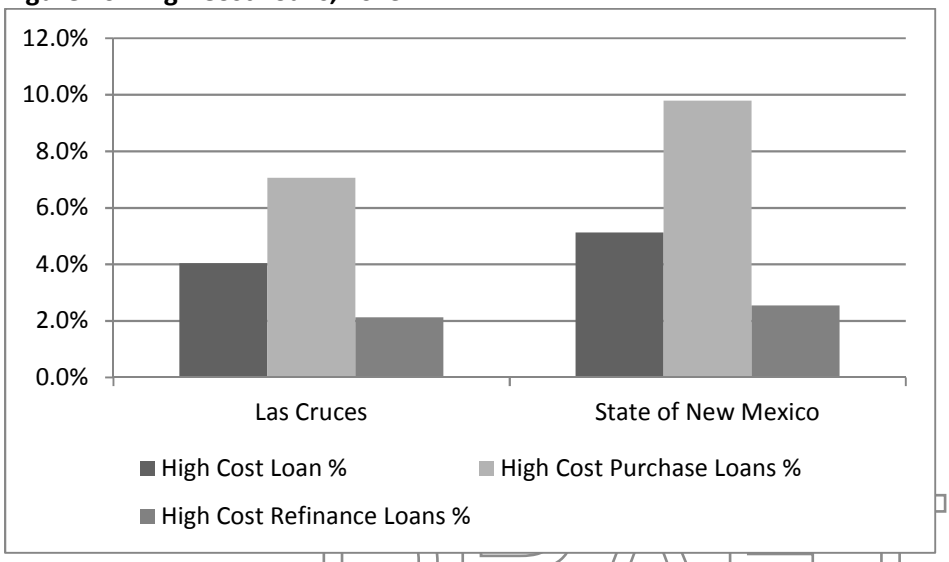
Table 40, below, shows the number of high cost loans in Las Cruces. The recent national foreclosure crisis illuminated the risks to borrowers who used high cost loans and ended up losing their homes. Risky loan products were targeted to low income households and minorities across the nation. Las Cruces borrowers had a lower instance of high cost purchase loans and high cost refinance loans as throughout New Mexico in 2013, though 7.06% of Las Cruces homebuyers used a high cost purchase loan in 2013.

Table 32: High Cost Loans, 2013

	# of Loans	High Cost Loan %	Purchase Loans	High Cost Purchase Loans %	Refinance Loans	High Cost Refinance Loans %
Las Cruces	3,394	4.04%	1,318	7.06%	2,076	2.12%
State of New Mexico	38,091	5.12%	13,548	9.79%	24,543	2.54%

Source: PolicyMap, HMDA Data

Figure 10: High Cost Loans, 2013



Source: PolicyMap, HMDA Data

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The following table shows that Hispanics are most likely to borrow using high cost loans to purchase and refinance existing loans, though the total number of these loans in Las Cruces is very small.

Table 32: High Cost Loans by Race and Ethnicity, 2013

	Las Cruces	State of New Mexico
High Cost Loans		
Loans to Whites	125	1,745
Percent of all Loans to Whites	4.2%	5.4%
Percent of High Cost Loans	91.2%	89.5%
Loans to African Americans	1	36
Percent of all Loans to African Americans.	1.7%	6.0%
Percent of High Cost Loans	0.7%	1.9%
Loans to Asians	1	23
Percent of all Loans to Asians	2.27%	3.63%
Percent of High Cost Loans	0.73%	1.80%
Loans to Hispanics	76	949
Percent of all Loans to Hispanics	5.7%	8.6%
Percent of High Cost Loans	55.5%	48.7%

Source: PolicyMap, HMDA Data

Borrowers with lower income are more likely to use a high cost loan to purchase a home than those with higher incomes, the following PolicyMap analysis of HMDA data shows. Low and very low income households are less likely to use a high cost loan in Las Cruces than throughout New Mexico, however.

Table 33: High Cost Loans by Borrower Income Range, 2013

	# of Loans	% High Cost
Las Cruces		
0 - 50% AMI	101	4.95%
51 - 80% AMI	311	7.07%
81 - 120% AMI	656	6.71%
>120% AMI	1,923	2.96%
New Mexico		
0 - 50% AMI	2,573	7.97%
51 - 80% AMI	6,059	9.19%
81 - 120% AMI	8,118	5.78%
>120% AMI	17,095	3.44%
National		
0 - 50% AMI	483,709	7.04%
51 - 80% AMI	1,200,429	6.03%
81 - 120% AMI	1,623,314	4.34%
>120% AMI	3,236,426	2.62%

Source: PolicyMap, HMDA Data

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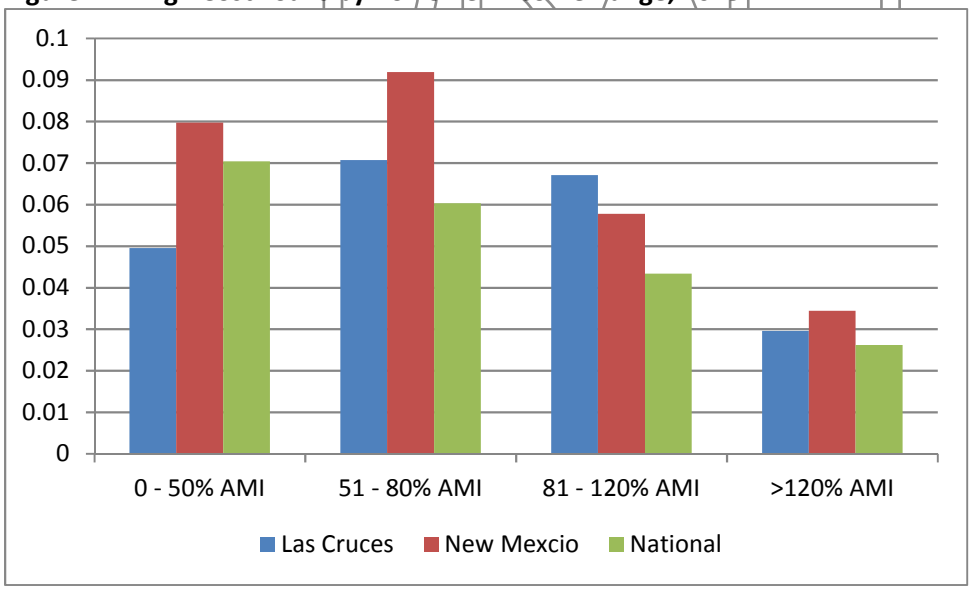
Figure 11: High Cost Loans by Borrower Income Range, 2013



Source: PolicyMap, HMDA Data

Although HMDA data is not conclusive, it does show that loan originations have a 5.4% under representation Hispanic households and that these households are those with incomes below 120% AMI are more likely to use high cost riskier loan products. Loan denials due to bad credit and debt to income ratios for minorities and low income households are an issue that could be solved with increased

homebuyer counseling efforts targeted to minority populations and down payment assistance program loans for these households.

Increased emphasis on homebuyer counseling and efforts to target populations to down payment assistance programs could help increase the success rate of loan applicants in Las Cruces. Education for area lenders about Fair Housing laws and practices should be increased, and lending practices should be watched carefully, to ensure that minorities and low income households are fairly treated**.**

HOUSING COST AND INCOME

A household is considered cost burdened by HUD if they pay more than 30% of their income for rent or for a mortgage payment and utilities. The following table shows the number of cost burdened households in Las Cruces by tenure and income range. The number of cost burdened owners and renters are, as to be expected, higher in the lowest income ranges, and for renters.

Table 37: Cost Burdened Households, 2011

	Renter				Owner			
	0-30% AMI	**>30-50% AMI**	**>50-80% AMI**	**Total**	**0-30% AMI**	**>30-50% AMI**	**>50-80% AMI**	**Total**
Small Related	915	860	1,015	2,790	145	340	695	1,180
Large Related	95	270	105	470	35	60	155	250
Elderly	465	330	494	1,289	180	455	360	995
Other	1,215	925	840	2,980	185	130	480	795
Total need by income	2,690	2,385	2,454	7,529	545	985	1,690	3,220

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Source: HUD IDIS CHAS Data, 2011

There is a gap of over 4,500 units targeting renter households at 0 – 30% AMI, and 354 at 31 – 50% AMI in Las Cruces, according to the following analysis. Rents are higher than these households can afford, causing the gap. The gap methodology looks at the number of renter households by HUD AMI income range, the rent affordable to a household at the top of the income range, or income limit, and the number of units available to these households, using 2013 American Community Survey data. The gap is the difference between the number of households with incomes in the range, and the number of units affordable to them. The census does not provide information about which households live in what housing units. While the analysis below shows a gap only at the 0 – 50% AMI ranges, many higher income households live in lower rent units, in the 51 – 80% AMI range where the bulk of rental units are priced in Las Cruces.

Table 38: Rental Housing Gaps Analysis

	Renter Households	Income Limit	Affordable Rent	Units Available	Gap
0-30%	5,228	$13,560	$243	633	4,595
31-50%	3,407	$22,600	$469	3,053	354
51-60%	1,710	$27,120	$582	4,624	None
61-80%	2,012	$36,160	$808	5,244	None
81-100%	1,269	$45,200	$1,034	3,322	None
101-120%	808	$54,240	$1,260	2,212	None
120% and over	3,176	> $54,240	$1,260	296	2,880
Total	17,611				

Source: CSI

Renters with incomes up to 80% AMI will have a hard time affording the average rent in Las Cruces of $835, based upon the New Mexico Apartment Association third quarter 2015 rent survey, and the current utility allowance average for a two bedroom apartment in Las Cruces. The low vacancy rate in rent restricted rental properties and long waiting lists for subsidized units and Section 8 rental assistance vouchers indicate a need for more rental units targeted to renters at 50% AMI or less.

Table 39: Rental Housing Price Gaps, 2015

	Renter Households	Income Limit	Affordable Housing Payment	Units Available	Average Rent + Utilities	Gap
0-30%	5,228	$13,560	$339	633	$835	$496
31-50%	3,407	$22,600	$469	3,053	$835	$366
51-60%	1,710	$27,120	$582	4,624	$835	$253
61-80%	2,012	$36,160	$808	5,244	$835	$27
81-100%	1,269	$45,200	$1,034	3,322	$835	None
101-120%	808	$54,240	$1,260	2,212	$835	None
120% and over	3,176	> $54,240	$1,260	296	$835	None
Total	17,611					

Source: CSI

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The owner housing gap table estimates the number of renter households in each income range who may want to become homebuyers in the near future, the price affordable to households at the upper end of the income range, an estimated number of units that will be on the market in their price range during the next 12 months, and the amount of subsidy needed to help these households afford to purchase the median priced home in Las Cruces. Households at 81% AMI and over do not need subsidy in Las Cruces, however, those below 80% AMI do. Households at 60 – 80% AMI are the best candidates for the MFA Down payment Assistance program, and there is inventory available for them to purchase. The table shows that households at or below 70% of the AMI need assistance purchasing a home priced at or below $162,500. The subsidy needed for borrowers at 50% AMI is significant, and these households could be served by self-help programs such as units being built in Las Cruces by Tierra del Sol and Habitat for Humanity, but most likely not by traditional homebuyer assistance programs offering down payment assistance. Homebuyers at 60 – 80% AMI should be able to purchase homes using first time homebuyer

loan products and down payment assistance. If homes are brought to market with prices under $160,000, the amount of subsidy needed by those at 60 – 80% AMI will decline.

In the analysis below, the number of potential buyers was calculated using the current ownership percentage for each income range, and applying this percentage to the total number of renters in the income range.

Table 40: Owner Housing Price Gaps, 2015

	Potential Buyers	Income Limit	Affordable Price	Units Available (12 m supply)	Median Priced Home	Subsidy Needed
0-30%	1,478	$13,560	$63,000	17	$162,500	$99,500
31-50%	1,390	$22,600	$105,000	172	$162,500	$57,500
51-60%	723	$27,120	$126,000	87	$162,500	$36,500
61-80%	1,063	$36,160	$162,750	269	$162,500	None
81-100%	809	$45,200	$210,000	316	$162,500	None
101-120%	588	$54,240	$252,000	73	$162,500	None
120% and over	2,471	> $54,240	>$252,000	252	$162,500	None

Source: CSI

DEVELOPMENT MARKET

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The number of new single family housing units constructed in Las Cruces has declined from 2010 – 2014. The average value of new permits has been increasing as the housing market slowly begins to recover. Remodel and demolition permits are also tracked by the city. The number of these permits had declined from 2011 – 2013, and increased in 2014 to almost the same level as 2011. Many remodel permits are for additions to existing units. There have been seven permits to construct multi-family housing o during this time period, in 2010 and 2012.

Table 41: Las Cruces Building Permits 2010 – 2014

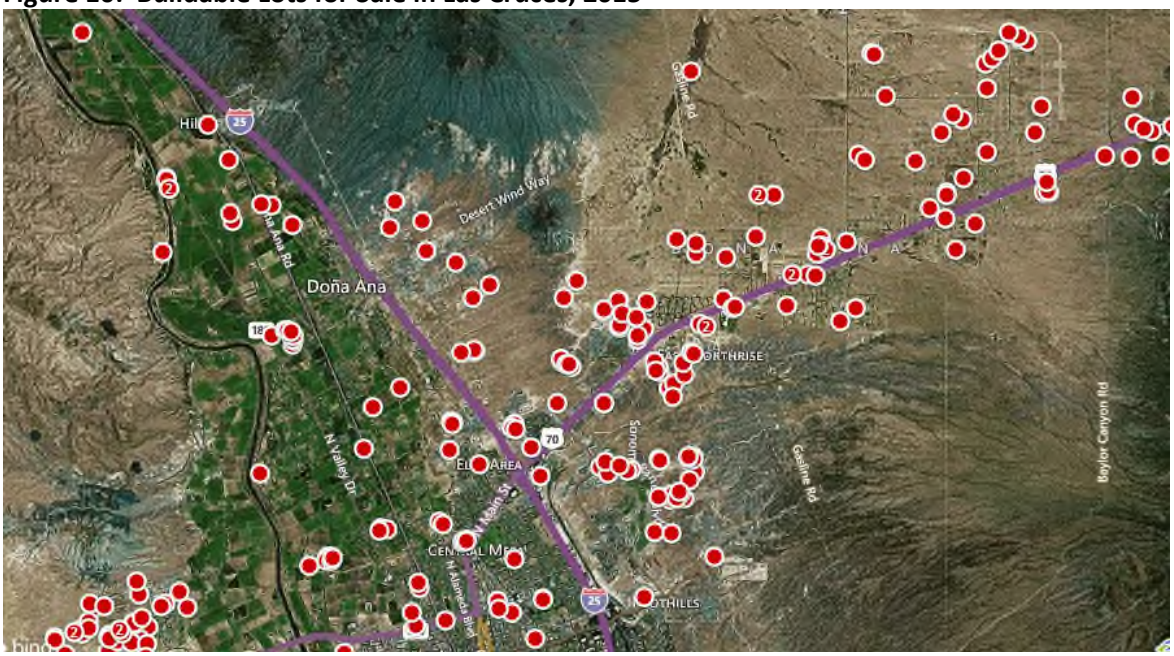
	Remodel	Valuation	Average Valuation	Single Family	Single Family	Average Valuation
2010	72	$877,904	$12,193	576	$101,096,354	$175,515
2011	59	$1,477,052	$25,035	439	$80,874,613	$184,225
2012	38	$564,515	$14,856	414	$72,867,414	$176,008
2013	37	$709,956	$19,188	397	$75,772,622	$190,863
2014	64	$1,225,753	$19,152	293	$58,700,080	$200,342

Source: City of Las Cruces

Las Cruces planners note that there are still plenty of lots available in newer Las Cruces subdivisions to construct single family and attached for sale units. Sites for multi-family development exist in these same newer areas, however finding larger available parcels for construction of new housing closer to central Las Cruces is more of a challenge. Please see the Land Use section of this report for more information related to current redevelopment efforts.

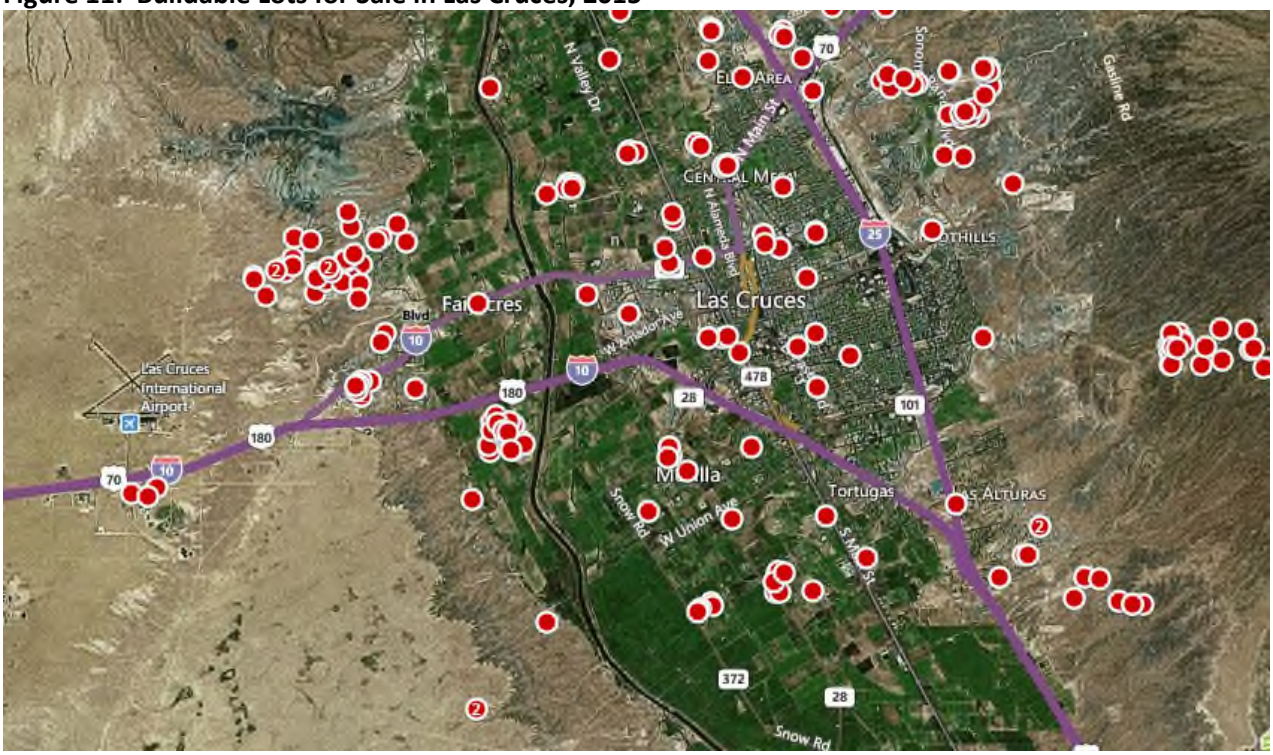
The availability of single family lots for the construction of more single family homes is not an issue in Las Cruces. A search of Zillow.com found 524 buildable lots in Las Cruces. Lots range in price from $25,000 to $495,000 for single residential homes, depending upon the size and location of the land. There are large parcels of land for sale as well, in the newer areas of Las Cruces still being subdivided for larger single family development or that are zoned for multi-family development. The average square foot price for raw land in Las Cruces was $.81/sf. for land sold in 2015. MLS data from 2015 for smaller single family lots with water, sewer, and which are closer to major streets and amenities have prices that average $6.65/sf, or an average price of $29,622 per lot sized 5,000 s.f. or less. Lots are available throughout Las Cruces, though concentrated in areas in northeast Las Cruces and northwest Las Cruces.

Figure 10: Buildable Lots for Sale in Las Cruces, 2015



Source: Zillow Listing March 2016

Figure 11: Buildable Lots for Sale in Las Cruces, 2015



Source: Zillow Listing March 2016

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III.HOUSING NEEDS ASSESSMENT

This section of the Affordable Housing Plan outlines both existing and future housing needs. The following analysis points out the need for more rental housing units in Las Cruces, especially for the very lowest income households at 0 – 50% AMI. Small households have lower incomes in Las Cruces, and have a higher incidence of housing needs. Cost burden is an issue for many households who earn 80% or less of the area median income.

There is a price gap for renters in the 0 – 50% AMI range, and a lack of units affordable to households at 0 – 50% AMI. Those with incomes below 80% or less of the AMI who wish to become owners in Las Cruces will need some sort of subsidy to afford the median priced home.

EXISTING NEEDS

POVERTY/COST BURDENED HOUSEHOLDS

HUD calculates cost burden by tenure, AMI level and household type by county. The following table shows the total number of cost burdened households in Las Cruces in 2010. The highest numbers of cost burdened household in Las Cruces are small related households, both owners and renters. Households at 0 – 30% AMI also have the highest incidence of cost burden of any income range for renters, while owners at 50 – 80% AMI are most likely to experience cost burden. Housing cost burden can leave households with little remaining income to pay for other necessities such as food, daycare, clothing, or medical costs.

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Table 42: Cost Burden by Tenure, Income Range and Household Type, 2011

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
Small Related	915	860	1,015	2,790	145	340	695	1,180
Large Related	95	270	105	470	35	60	155	250
Elderly	465	330	494	1,289	180	455	360	995
Other	1,215	925	840	2,980	185	130	480	795
Total need by income	2,690	2,385	2,454	7,529	545	985	1,690	3,220

Source: HUD CHAS Data, 2006 - 2010

There were 23,345 persons living in poverty in Las Cruces in 2013. The poverty rate in Las Cruces was 23.9% overall. This rate is higher than the New Mexico rate of 20.4%. As the next table shows, the poverty rate for most household types in Las Cruces was higher than throughout New Mexico in 2013, and was highest for female headed households, especially those with children under the age of 5.

Table 43: Poverty Status in Past Year, Las Cruces, 2013

	New Mexico	Las Cruces
Families	15.6%	16.8%
With related children under 18 years	24.2%	26.0%
With related children under 5 years	24.1%	17.9%
Families with female householder, no husband present	34.9%	37.0%
With related children under 18 years	43.9%	47.6%
With related children under 5 years	45.5%	43.4%
Individuals	20.4%	23.1%
18 years and over	17.6%	20.5%
65 years and over	18.2%	19.2%
Related children under 18 years	28.6%	30.8%
Related children 5 to 17 years	33.0%	32.0%
Unrelated individuals 15 years and over	29.8%	35.3%

Source: 2009-2013 American Community Survey, CSI

EXISTING MARKET NEEDS

The rental market vacancy rate in September of 2015 was 7.3% in Las Cruces, according to the New Mexico Apartment Survey conducted by the New Mexico Apartment Association. That rate is higher than a market equilibrium rate of 5%, however, the rate is below 5% for all unit types except two bedroom units. Housing cost gaps data, cost burden data, and overcrowding data indicate a need for more income restricted rental units targeting households at 0 – 50% AMI, and a vacancy survey of price restricted rentals in December of 2015 found few vacant price restricted rental units and waiting lists at all properties surveyed.

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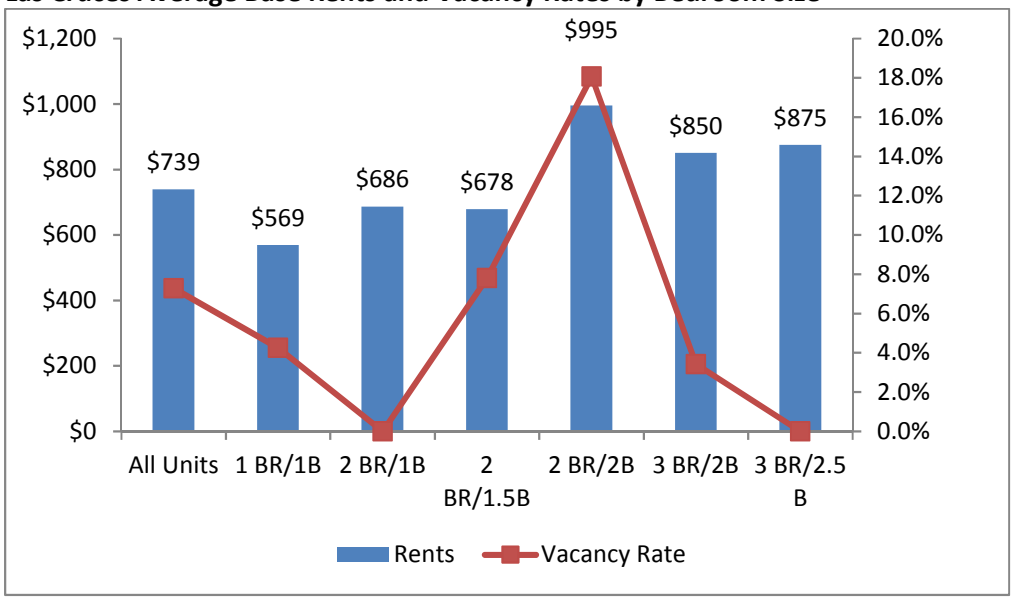
Vacancies in Las Cruces are concentrated in two bedroom two bath unit. Housing providers and landlords interviewed during this study indicate a tight market, with waiting lists and few vacancies in price restricted and lower rent units. However, there has been quite a bit of construction of new higher priced rental units in some areas two bedroom of Las Cruces, and over the past few years, consistently higher vacancy rates in higher priced, new, two bath rental units have driven up overall vacancy rates. While this is a high vacancy rate for one type of units, the vacancy rate for these units are not affecting the rest of the Las Cruces rental market. Vacancies are tight for most rentals and for many other lower prices two bedroom units.

Las Cruces Average Base Rents and Vacancy Rates by Bedroom Size



Source: New Mexico Apartment Association

CSI conducted a phone survey of price restricted rental units and found few vacancies in October of 2015. Owners and managers of price restricted units stated that they have waiting lists of potential tenants and few vacancies that come available throughout the year. The Mesilla Valley Housing Authority has 600 households on their waiting list, which is closed. BBER survey results from May of 2014 and 2015 show an overall vacancy rate of 8 – 9%, with higher vacancy rates in larger units. The NM Apartment Association 2015 3rd quarter survey reports a 7.3% vacancy rate overall, with rates below 5% for all but two bedroom units (see chart above).

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Table 44: Average Rents and Vacancies, Las Cruces, 3rd Quarter 2015

	Total Units	Vacant Units	Percent Occupied	Average SF	Average Base Mkt Rent	Average Base Rent/SF	Average Base Effective Rent	Average Base Effective Rent/SF
All Units	631	46	92.7%	934	$739	$0.79	$739	$0.79
1 BR/1B	258	11	95.7%	655	$569	$0.87	$569	$0.87
2 BR/1B	46	0	100.0%	952	$686	$0.72	$686	$0.72
2 BR/1.5B	64	5	92.2%	940	$678	$0.72	$678	$0.72
2 BR/2B	144	26	81.9%	1,201	$995	$0.83	$995	$0.83
3 BR/2B	117	4	96.6%	1,197	$850	$0.71	$850	$0.71
3 BR/2.5 B	2	0	100.0%	1,760	$875	$0.50	$875	$0.50

Source: NM Apartment Association Market Survey Summary, CSI

In Las Cruces, there is no indication that older, price restricted, or market rate affordable rental properties are in danger of redevelopment or sale. At this time, the Mesilla Valley Public Housing Authority does not have any plans to dispose of public housing units located in Las Cruces that are owned by the Housing Authority. A review of the National Preservation Database from the National Low Income Housing Coalition for Las Cruces shows that there are a few privately owned subsidized properties that will have expiring subsidies within the next five years. These properties have a total of 541 price restricted units,

and were funded with a variety of sources, including HOME, LIHTC, and HUD Mortgage Insurance. While owners may not choose to leave the subsidy programs they are currently under, these properties should be tracked to ensure that they are not lost to the affordable inventory.

Table 45: Expiring Housing Assistance Contracts

Property Name	Subsidy End Date	Total Units	Owner	Owner Type
Montana Meadows Apartments	12/31/2017	81	Montana Meadows Apartments LP	Non-Profit
Mira Villa Vistas	12/31/2018	76	Mira Vista Housing LP	For Profit
Montana Senior Village II	12/31/2018	84	MSV II LP	For Profit
Desert Palms 2	12/31/2020	100	Desert Palms Apartments LP	Non-Profit
Four Hills Apartments	12/31/2020	72	Tierra Four Hills LP	For Profit
Mesquite Village	12/31/2020	48	Mesquite Village Apts LP	Non-Profit
Vista Montana	12/31/2020	80	Las Cruces Vista Montana Associates, LP	For Profit

Source: National Preservation Database, National Low Income Housing Coalition

CONDITION OF HOUSING

While only a small percentage of units in Las Cruces lack complete kitchens, the census bureau estimates a total of almost 250 units lack a complete kitchen. Owner occupied units are candidates for the housing rehabilitation program operated by the City of Las Cruces.

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Table 46: Tenure by Kitchen Facilities, 2013

	Number
Owner occupied	21,881
Complete kitchen facilities	21,881
Lacking complete kitchen facilities	46
Percent lacking complete kitchen facilities	0.21%
Renter occupied	16,187
Complete kitchen facilities	15,997
Lacking complete kitchen facilities	190
Percent lacking complete kitchen facilities	1.17%
Total	38,068

Source: US Census Bureau American Community Survey 2009 - 2013

Almost 240 lack complete plumbing. Las Cruces has many older housing units that were built before building codes existed, and many were built without basic systems. A lack of complete indoor plumbing is a health and safety hazard.

Table 47: Lacking Complete Plumbing by Tenure, 2008 - 2012

	Number
Owner occupied	21,881
Complete plumbing	21,855
Lacking complete plumbing	26
Percent lacking complete plumbing	0.12%
Renter occupied	16,187
Complete plumbing	15,980
Lacking complete plumbing	207
Percent lacking complete plumbing	1.28%
Total	38,068

Source: US Census Bureau American Community Survey 2009 - 2013

The City of Las Cruces does not track information about housing units that are suitable for rehabilitation or those in need of rehabilitation. The 2013 American Community Survey estimates the number of housing units that are occupied, and those that are vacant. The following table shows the status of vacant units in Las Cruces. While the census estimates a 9.7% vacancy rate overall, 587 vacant units are used for seasonal or occasional use, and are not available for rent or for sale, and another 919 are "other vacant", but not on the market. Some of these units may be older, abandoned or family owned units that are unoccupied. The vacancy rate for units for sale, for rent, sold or rented, is 5.2% of all occupied and vacant for sale or rent units.

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Table 48: Vacancy Status, Las Cruces, 2013

	Number	Percentage of Vacant Units
For rent	1,513	37%
Rented, not occupied	319	8%
For sale only	682	17%
Sold, not occupied	80	2%
For seasonal, recreational, or occasional use	587	14%
For migrant workers	0	0%
Other vacant	919	22%
Total Vacant Units	4,100	
Total Occupied Units	38,068	
Total Housing Units	42,464	
Percent Vacant	9.7%	

Source: US Census Bureau American Community Survey, 2013

Approximately 5% of owner occupied units and 6% of renter occupied units in Las Cruces were built before 1950. Another 30% of owner occupied units and 39% of renter occupied units were built between 1951 and 1979. Units built in or before the 1980s may be in need of rehabilitation, especially those units built over 40 or 50 years ago. Housing providers indicate that there are a significant number of older owner occupied properties that are in need of major repair and upgrades in Las Cruces, especially in the central older neighborhoods close to downtown.

Staff of housing and service providers for low and very low income renters, as well as property owners and managers of price restricted rental housing, expresses a need for more affordable rental housing choices in Las Cruces. As the Las Cruces rental market prices rise and vacancies in affordable units are on the decline, providers are noticing that households are having a much harder time finding landlords willing to take Section 8 vouchers, and waiting lists at existing affordable properties are growing.

The New Mexico Mortgage Finance Authority requires that the need for substantial rehabilitation of Housing Rehabilitation Need be calculated using the percentage of building permits that are for substantial rehabilitation of housing units or by conducting a windshield survey of units. The ratio of substantial rehabilitation permits to total permits is the percentage of total housing units in need of rehabilitation. In 2014, 22% of all building permits were for substantial rehabilitation of units. Therefore**,** up to 22% of all housing units in Las Cruces, or 8,375 units, are in need of rehabilitation, of which, 4,814 are owner occupied housing units.

SPECIAL NEEDS

Providers for persons with disabilities, who often have very low fixed incomes, indicated that their clients have a very difficult time finding affordable, accessible, rental units, especially near transit options. Many units are too expensive, and finding units that are accessible is a challenge.

HUD provides the following special census tabulation, or CHAS, data for jurisdictions. The following table breaks down households by tenure and by income level by disability status. These are the total number of households in Las Cruces who have a member with each disability. It is possible for households to be counted under more than one disability category. There are more owner households with a disabled household member than renter households with a disabled household member, but renters with disabilities are concentrated in the very lowest income ranges, while many owners with disabilities have incomes higher than 80% of the area median income.

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Table 49: Households with a Disabled Household Member by Tenure and AMI, Las Cruces, 2011

	Total	0-30% AMI	31-50% AMI	51-80% AMI	> 80% AMI
All Households					
Household member has a cognitive limitation	3,050	560	390	610	1,490
Household member has a hearing or vision impairment	4,070	505	505	755	2,305
Household member has a self-care or independent living limitation	3,655	690	590	520	1,855
Household member has an ambulatory limitation	4,695	780	740	880	2,295
Household member has none of the above limitations	29,425	3,200	3,095	4,835	18,295
Renters					
Household member has a cognitive limitation	1,315	440	205	285	385
Household member has a hearing or vision impairment	1,355	390	215	260	490
Household member has a self-care or independent living limitation	1,495	505	285	205	500
Household member has an ambulatory limitation	1,870	595	320	360	595
Household member has none of the above limitations	12,580	2,600	1,995	2,925	5,060
Owners					
Household member has a hearing or vision impairment	1,735	120	185	325	1,105
Household member has an ambulatory limitation	2,715	115	290	495	1,815
Household member has a cognitive limitation	2,160	185	305	315	1,355
Household member has a self-care or independent living limitation	2,825	185	420	520	1,700
Household member has none of the above limitations	16,845	600	1,100	1,910	13,235

Source: HUD CHAS Data Tables Special Tabulations 2009 – 2011, CSI

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HUD further breaks this data down to show those households with a Housing Problem, most often cost burden, which is the highest reported housing problem in Las Cruces. Though there are fewer renter households with a disabled household member than owner households with a disabled household member, renters with disabled household members are much more likely to have a housing problem than owners.

Table 50: Households with a Disabled Household Member and a Housing Problem, 2011

	Total	0-30% AMI	31-50% AMI	51-80% AMI	> 80% AMI
All Households					
Household member has a cognitive limitation	1,360	330	295	430	305
Household member has a hearing or vision impairment	1,460	360	365	310	425
Household member has a self-care or independent living limitation	1,560	520	395	285	360
Household member has an ambulatory limitation	2,120	585	485	520	530
Renters					
Household member has a cognitive limitation	805	275	175	190	165
Household member has a hearing or vision impairment	790	265	205	125	195
Household member has a self-care or independent living limitation	1,005	400	250	140	215
Household member has an ambulatory limitation	1,245	455	290	275	225
Owners					
Household member has a hearing or vision impairment	555	55	120	240	140
Household member has an ambulatory limitation	670	95	160	185	230
Household member has a cognitive limitation	555	120	145	145	145
Household member has a self-care or independent living limitation	875	130	195	245	305

Source: HUD CHAS Data Tables Special Tabulations 2009 – 2011, CSI

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This data underscores the need for more rental housing that is accessible and affordable to households with a disabled household member, especially those in the 0-30% and 31 – 50% AMI ranges. Homeowners may need accessibility modifications to ensure that they can access and continue living in their homes.

Table 51: Percent of Households with a Disabled Household Member with Housing Problem, 2011

	Total
All Households	
Household member has a cognitive limitation	44.6%
Household member has a hearing or vision impairment	35.9%
Household member has a self-care or independent living limitation	42.7%
Household member has an ambulatory limitation	45.2%
Renters	
Household member has a cognitive limitation	61.2%
Household member has a hearing or vision impairment	58.3%
Household member has a self-care or independent living limitation	67.2%
Household member has an ambulatory limitation	66.6%
Owners	
Household member has a hearing or vision impairment	32.0%
Household member has an ambulatory limitation	24.7%
Household member has a cognitive limitation	25.7%
Household member has a self-care or independent living limitation	31.0%

Source: HUD CHAS Data Tables Special Tabulations 2009 – 2011, CSI

Homelessness

Homeless and housing providers interviewed for this study report an increase in the number of homeless households in Las Cruces seeking services, especially families with children. The PIT counted 161 homeless persons in families with children and 87 children in Las Cruces. Households seeking homeless prevention services are also on the rise, and resources to meet the needs of these households are not adequate. Homeless providers cited a lack of affordable rental housing units, Tenant Based Rental Assistance and Section 8 rental assistance for very low income households and for those who have experienced bad credit as a need. Increases in rental prices and the reduction in vacancy rates make it hard for the lowest income households and homeless households to compete in the rental market. Waiting lists for existing affordable properties and rental assistance have been growing, with longer wait times to get assistance than in the past.

Mesilla Valley Community of Hope (MVCH) is a service center designed to assist homeless and address poverty issues in Las Cruces and Dona Ana County. MVCH offers case management, day shelter, an overnight tent city for individuals who are homeless, and assistance with disability applications and other community resources to help transition from homelessness into permanent housing solutions. Continuum of Care programs administered by MVCH include Sue's House, a permanent housing program for chronically homeless women, the Oak Street Apartments for homeless veterans with the Mesilla Valley Public Housing Authority, two HUD Rapid Re-housing programs which serve 40 people, the Abode permanent supportive housing program for chronically homeless men, and a Supportive Services for Veteran's Families (SSVF) Program. Other housing programs include short term housing in apartments for up to three months, rapid rehousing assistance, and homeless prevention assistance. MVCH also offers services such as case management, laundry, showers, lockers, assistance in obtaining identification and public income, and access to computers.

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Gospel Rescue Mission is the only indoor shelter in Las Cruces that offers emergency food and shelter and is accessible 24 hours per day year round. The shelter is operated by 70 volunteers and seven paid staff members, is self-funded with no city, state or federal funding sources, and will take families and individuals.

La Casa domestic violence shelter can shelter up to 80 people and approximately 26 children for up to 90 days. This includes both men, women, and families. La Casa has transitional housing units which they own (5 units which are scattered site units). It provides non-residential support as well. The shelter itself is typically full about 80% of the time. The shelter expanded in 2009 due to an increasing need to assist more female and male victims of violence. The agencies transitional housing program assists 22 families with tenant based rental assistance through the continuum of care process. Residents and those seeking services must have proof of documentation or they cannot be assisted, which agency staff identifies as an issue for undocumented community members in need. The tenant based rental assistance provided through HOME funds allows up to 24-month stay. La Casa also provides non-residential counseling/case management, legal advocacy, immigration specialists to determine status, and a court ordered batterer program. La Casa has an MOU with Catholic Charities who is able to help undocumented persons and immigrants in Las Cruces.

EXISTING HOUSING NEED CONCLUSIONS

Based on quantitative data, key stakeholder interviews, and analysis of housing trends, the following are the highest housing needs in Las Cruces. The population groups have the highest housing needs:

- Non-senior renter households at 50% AMI or less – mostly families and individuals within the local workforce
- Owner households at 80% AMI or less living in substandard housing units
- Renters at 60 – 80% AMI with the desire to become homeowners
- Special needs and disabled renter households in need of accessible, low cost, transit oriented housing choices
- Homeless prevention services and permanent supportive housing units

Specifically, the types of housing units and programs that are needed in Las Cruces are:

1. **Subsidized Rental Housing for the General Population.** The housing analysis indicates the highest need for the preservation and construction of price restricted rental housing for households between 0 – 50% of the AMI. Demand for affordable rental units by very low and low income households is far greater than the present supply. This gap is especially acute at 0 – 30% of the AMI, and while many of the rental units located in the Las Cruces are affordable to households at 31 – 50% AMI, there are few vacancies in lower priced units, according to housing agency personnel interviewed for this study, and long waiting lists for existing price restricted units. The shortage of decent rental housing poses a cost burden for low wage households who cannot effectively compete in the housing market. There is "catch up" need to create subsidized rental opportunities for the many cost burdened renters in Las Cruces, and development of new units has been halted by a reduction in preference points for the LIHTC program. New units should be constructed throughout Las Cruces, near downtown, at key redevelopment sites in established neighborhoods, and in newer areas still being developed near amenities, and should target families, persons with disabilities, and local employees.

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The following analysis of units needed uses the total number of cost burdened households by AMI range in Las Cruces (US Census American Community Survey 2013), and Ribbon Demographics estimate of renter households by income range and household size in Las Cruces in 2015. The HUD 2015 income limits per household size were used to determine how many renter households are within each range in Las Cruces in 2015.

Table 55: Renter Households by Income Level, 2015

	1-Person	**2-Person**	**3-Person**	**4-Person**	**5+-Person**	
	Household	**Household**	**Household**	**Household**	**Household**	**Total**
$0-10,000	1,603	954	259	389	28	3,233
$10,000-20,000	1,089	701	507	195	313	2,805
$20,000-30,000	738	975	872	210	297	3,092
$30,000-40,000	532	410	266	69	201	1,478
$40,000-50,000	318	202	255	122	118	1,015
$50,000-60,000	269	128	66	73	71	607
$60,000-75,000	221	303	164	72	58	818
AMI	**1 Person**	**2 Person**	**3 Person**	**4 Person**	**5 Person**	**Total**
30% AMI	1,603	1,543	414	477	206	4,243
50% AMI	388	231	223	95	162	1,098
60% AMI	369	272	287	101	155	1,184
80% AMI	357	362	380	102	142	1,343
Total	499	696	464	80	195	1,934

Source: Ribbon Demographics, CSI

The following table shows the distribution of renter households by income range and household size to estimate the total number of rent burdened households by AMI range. There are an estimated 2,786 cost burdened renters earning 80% of the AMI or below in Las Cruces.

Table 56: Cost Burdened Renter Households by AMI Range, 2015

	1 Person	2 Person	3 Person	4 Person	5+ Person	Total
30% AMI	600	263	15	13	5	896
40% AMI	214	89	21	44	4	372
50% AMI	203	102	44	4	17	370
60% AMI	189	79	77	5	14	365
80% AMI	119	187	155	10	13	484
Total	1,325	720	312	76	54	2,487

Source: CSI

The following table estimates the number of units by bedroom size needed to house these households using the following methodology. One bedroom units will have no more than two person households, two bedroom units will have no more than three person households and three bedroom units will have four or five person households. Two and three person households were distributed evenly between one bedroom and two bedroom units.

Table 57: General/Family Units Needed by Bedroom Size, Current Need

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Bedrooms Needed	Cost Burdened Renter Households	1 BR	2 BR	3 BR
0 - 30% AMI	896	732	146	18
31-50 % AMI	742	512	161	69
51 - 60% AMI	365	254	116	19
Total Units	2,003	1,498	423	107

Source: CSI

There are a total of 2,003 renter households in need of an affordable housing option to meet the needs of all cost burdened renter households at 60% AMI or less in Las Cruces. There should be a mix of new rental assistance vouchers, acquisition and rehabilitation of existing rental properties that become price restricted, and new construction of affordable rental units.

Not all households should be served by newly constructed rental units. In order to determine a feasible number of new units to construct, without creating adverse effects on the rental market in Las Cruces, an analysis of absorption, penetration, and capture rate were calculated. The following analysis shows that the **addition of 150 total units constructed sometime during the next five years** will not create a negative effect on the existing market, and units can be easily absorbed by income qualified households already living in Las Cruces.

The Absorption Rate, the rate for absorbing proposed units by the number of total units needed in Las Cruces, is 4.8% of cost burdened households over five years, a very low rate. The Absorption Period, the

period to construct and lease these units, is a total of five years for all units (not a five year construction and lease up period for one project).

Table 58: Absorption Rate

Proposed Units	150
Existing LIH Units Required	2,003
Absorption Rate	7.5%

The Penetration Rate is the percentage of income qualified households in the area that all existing units must capture to achieve stabilized occupancy. Currently, there are 1,426 price restricted units in Las Cruces.

The current Penetration Rate is 18.1% of all income qualified households in Las Cruces, and indicates that there is room in the market for more price restricted rental housing.

Table 59: Penetration Rate

Existing LIH Units	1,426
Income Eligible Households	7,867
Penetration Rate	18.1%

The Capture Rate is the percentage of income qualified renter households in the area that new units must capture to achieve a stabilized level of occupancy. In Las Cruces, there are 7,867 qualified households at 60% AMI or less. New units constructed during the next five years would need to capture just 1.9% of all income qualified households in the city, a very low capture rate.

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Table 60: Capture Rate

Units	150
Income Eligible HHs	7867
Capture Rate	1.9%

The impact on the vacancy rate in a market can also be calculated per year as units are absorbed in the market. Currently, there are approximately 18,019 occupied and vacant rental units in Las Cruces. The current vacancy rate is 7.3%. The estimated number of currently vacant units is 1,315. The following analysis shows that adding approximately 30 units at a time into the market (30 units added each year for five years) would only affect the market slightly as units were absorbed. This analysis shows an average number of units per year, and does not necessarily reflect a specific project or development. With a low penetration rate, capture rate, and absorption rate, new price restricted units should not take long to lease and the vacancy rate should remain stable during lease up, which typically takes 3 -4 months for most projects in the area.

Table 61: Impact of New Units on Vacancy Rate – Short Term Impact

Total Rental Units	18,019
Estimated Vacant	1315
Vacancy Rate	7.3%
New Affordable Units	30
Vac with all New Inventory	7.5%

Acquisition and rehabilitation of existing market rate units is another strategy for serving cost burdened households. Reducing or stabilizing existing rents in these properties can insure affordability without expanding the inventory of rental units. Currently, American Community Survey data reports that there are 5,834 rental units in Las Cruces with five or more units at the property. A portion of the 150 total rental units to price restrict could be units acquired, rehabilitated and price restricted. Realistically, a total of up to 50 units could be acquired and price restricted.

Rental assistance is another tool for assisting cost burdened households. Adding rental assistance Section 8 vouchers in Las Cruces will also help alleviate the cost burden on low and very low income renter households in Las Cruces. The analysis above shows that up to 1,853 renters (those not served by newly constructed or acquired units) could benefit from rental assistance that would bring housing down costs to 30% of their household income.

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2. **Homeowner Rehabilitation and Repair Program**. Much of the housing stock in the older central neighborhoods of Las Cruces is in need of rehabilitation. Forty percent (40%) of all housing units in Las Cruces were built before 1980, 2725 of which are owner occupied. This includes older multi-family properties and single family owner occupied housing units. There is still a strong need to continue modernizing the older housing stock. Preserving the existing housing is an economically effective way of minimizing the cost and environmental impact of new housing construction. The City of Las Cruces should choose to operate housing rehabilitation services in areas of the city that have numbers of homes that are more than 40 years old, and consider expanding the program to serve more households at 80% AMI or less.

The MFA requires an analysis of building permits to determine the number of homes that may need substantial rehabilitation. In 2014, 21% of building permits for residential structures were for significant home rehabilitation. Applying this percentage to the existing housing stock indicates that 7,994 units could be in need of rehabilitation, of which, 4,595 are owner occupied housing units.

3. **Affordable Home Ownership Opportunities.** Renters who wish to become homeowners earning less than 80% of the AMI find it challenging to afford the median priced home in Las Cruces. Realtors and housing experts interviewed for this report did not suggest constructing new single family housing units except for units using the self-help models used by Tierra Del Sol and Habitat for Humanity. Homebuyers also need assistance in the form of free or low cost down payment assistance, and low interest loans, and homebuyer counseling, to make the move to homeownership, especially for those at 61 – 80% of the AMI, and those at 81% AMI to the maximum income limits for MFA mortgage products. The number of potential new owners is estimated by using the current homeownership rate for households earning 61 AMI through the HUD income limits, which is 81%, and applied this rate to the number of renter households within

the 61 – 80% AMI range by household size. Most potential owners have one to three person households, and would need one or two bedroom units.

Table 62: Potential New Homebuyers, 61% AMI +, 2015

AMI	1 Person	2 Person	3 Person	4 Person	5 Person	Total
Total Non-Senior Renters 61 - 80%	499	696	464	80	195	1,934
81% - Max Income for MFA	1281	674	278	241	198	2,673
Total Renter Households in Range	1,780	1,371	742	321	392	4,606
Potential Homebuyers	944	726	393	170	208	2,441

Source: Ribbon Demographics, US Census American Community Survey, CSI

4. **Special needs and disabled renter households in need of accessible, very low cost, transit oriented housing choices.** Included in the general population estimate of cost burdened households in need of new rental housing units are those with disabilities. Providers in Las Cruces have indicated that residents on fixed incomes with the need for accessible, deeply subsidized units are being priced out of the rental market. Many of these are one person households who need one bedroom units that are accessible, and near public transportation.

5. **Homeless Prevention Services and Permanent Supportive Housing**. Homeless providers in Las Cruces have created a strong network of funding resources and agency coordination to help people in danger of becoming homeless. However, as more renters become cost burdened and struggle to pay rent in Las Cruces, additional funding for homeless prevention services, as well as additional permanent supportive housing units for individuals and families who are homeless. Permanent supportive housing provided a long term rental housing units with intensive case management services for tenants. There is a need to provide supportive services and financial assistance to individuals and households who are in danger of losing their housing. Stagnant incomes and escalating housing costs place pressure on many residents who cannot afford to meet their basic expenses for shelter and other essentials. Preventing an individual or a family from losing their current housing is more effective than trying to place the family in substitute housing. Due to a variety of challenges, however, some households cannot maintain their housing and end up on the streets, in cars or seeking assistance from service providers. The lack of an adequate supply of permanently affordable housing makes it virtually impossible for service providers to place a homeless family in decent housing in a timely manner. In 2010, HUD CHAS data counted 3,305 renter households at 30% AMI or less that were severely cost burdened, paying 50% of their income for housing or more in Las Cruces. These households are most in danger of becoming homeless. US Census data from 2014 was used to estimate that there are 1,013 relatives living with families that are not their immediate relatives in Las Cruces, and 471 non-relatives living with family households. These households are considered “doubled-up”, and many of the individuals who are not family members may be homeless otherwise.

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PROJECTED NEEDS

Ribbon Demographic household projections from 2015 and 2020 were used to estimate the change in households by tenure, income range, and household size in Las Cruces. The following tables show these forecast changes. Ribbon Demographics (using Nielson Claritas household forecasts) forecasts that there will be a decrease in renter and owner households at 80% AMI or less. Therefore, no new housing needs are projected based on population or household growth.

Table 68: Change in Renter Households by Income Range and Household Size, 2015 – 2020

	1 Person	2 Person	3 Person	4 Person	5+ Person	Total
30% AMI	-44	-136	-19	-25	-14	-238
40% AMI	-23	-24	-4	-5	-11	-67
50% AMI	-22	-28	-7	1	-4	-61
60% AMI	-19	-19	-11	1	-3	-51
80% AMI	194	-181	138	123	91	365
Total	86	-389	96	96	59	-52

Source: Ribbon Demographics and CSI

Table 69: Change in Owner Households by Income Range and Household Size, 2015 – 2020

	1 Person	2 Person	3 Person	4 Person	5+ Person	Total
30% AMI	-21	-64	-18	-16	-13	-132
40% AMI	-8	-17	-7	-19	-9	-60
50% AMI	-8	-20	-9	-14	-6	-56
60% AMI	-8	-13	-11	-14	-3	-49
80% AMI	0	0	0	0	0	0
Total	-45	-114	-45	-63	-31	-297

Source: Ribbon Demographics and CSI

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IV. LAND USE POLICY REVIEW

GENERAL PLAN

THE GENERAL PLAN AND ITS APPLICABILITY TO CITY PLANS

The City of Las Cruces has recently began the public engagement phase of a major update to its general plan, "Comprehensive Plan 2040", also known as "PLAN4LASCRUCES". Because this update will be substantial there may be items and concepts which change as the updated plan evolves. It is anticipated that the new plan will be completed by the end of 2016 or in the early months of 2017. Presently "Comprehensive Plan 2040" has substantive elements that address affordable housing needs and makes provisions for incentives to encourage more affordable housing in the community. The comprehensive plan has one overarching goal:

GOAL : "Continue to make Las Cruces a great place to live, work and play for persons of all ages, backgrounds, cultures and economic levels. In support of this, Las Cruces promotes a sustainable natural and built environment, compatibility among differing land uses, preservation of desirable vistas/views and open spaces, equitable mobility opportunities, context-sensitive design, housing opportunities for all income levels, intergovernmental cooperation, and a robust economy."

There are two principles in the general plan that are particularly relevant to this review:

PRINCIPLE:
"Housing: Provide a range of housing alternatives within neighborhoods that are safe, well built, clean, comfortable and affordable at varying economic levels to promote equity and choice."

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PRINCIPLE:
"Transit: Provide for a safe, efficient, effective, convenient and connected multi-modal transportation system which promotes healthy living and provides mobility alternatives."

In order to make those two principles operational, the Las Cruces "Comprehensive Plan 2040" includes a number of policy provisions to encourage a mix of housing types and facilitate the provision of greater housing choice particularly for those with limited income. Below are some policy provisions that support the overall goal and principles in the Comprehensive Plan:

"2.2 Maintain fair housing opportunities for all residents regardless of race, religion, sex, marital status, ancestry, national origin, color, age, disability, sexual orientation or gender identity.
a. Enforce Federal, State, and Local law in the case of a discriminatory practice in the sale or rental of any unit.
b. Provide assistance and/or referral services to appropriate agencies for those households unable to obtain housing because of unlawful discriminatory practices."

"2.3 Provide a supply of housing available to low and moderate income families within all areas of Las Cruces. To accomplish this, the City supports a partnership approach, between public and private sectors, to ensure affordable housing needs are met. Accomplishment of this policy may be achieved through a variety of means, but not limited to the following policies.
a. Use density bonuses or similar incentives as a means to facilitate the implementation of this provision.
b. Require that Master Plan, Concept Plan and other similar development documents clearly identify proposed locations of affordable housing, in context with surrounding land uses in a manner consistent

with the Growth Management section of this Comprehensive Plan. Developers are encouraged to make additional efforts such as disseminating the subject land use information in marketing brochures and other similar means to ensure area residents are aware of proposed phasing/build-out.
c. Regularly update the City Affordable Housing Strategic Plan."

"2.4 Utilize PUD and Infill development regulations to address:
a. Provisions for design standard flexibility as a means of offering suitable opportunities for successful affordable housing creation.
b. Incentives such as density bonuses, streamlined development reviews, and waivers to or payment from other City sources of applicable development impact fees as a means to support and enhance development opportunities, especially those which primarily propose affordable housing for the target groups."

"2.5 The City will consider the recommendations in the final report of the Las Cruces Affordable Housing Strategies, or as amended.
a. Set production and preservation goals, establishing a goal for an overall proportion of affordable rental and units for sales, also setting annual production goals to meet these overall goals and monitor the affordable stock on an annual basis.
b. Seek ways to stock a land bank, whereby land is acquired by donation, trade or purchased with the purpose of developing affordable housing or revitalization activities. Land in the land bank could also be sold with revenues from the sale of land to be used for affordable housing activities.
c. Strengthen the Affordable Housing Trust Fund by acquiring specific funds through legislation, ordinance or resolution. Through these mechanisms, the cost of affordable housing is shared throughout the community and the dollars can be used for a variety of affordable housing activities and be tailored and changed to meet the needs of the market.
d. Make changes to development policies that impact zoning, parking requirement/ accessory dwelling unit regulations, and expand impact fee exemptions.
e. Develop a vacant building ordinance and mobile home park redevelopment program."

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"2.6 Provide various lot sizes for single-family residential developments to promote a variety of lifestyles."

"2.7 Not concentrate populations of low-income residents and housing, like group homes and shelters, in any one neighborhood or city area; rather encourage the dispersal of uses throughout the city in locations where they are compatible with neighborhood or city area building densities."

"2.8 Encourage the use of alternative housing types, styles, and living arrangements (i.e. conventional single family homes, apartments, mobile homes, modular homes, group homes, housing for older persons, accessory units, transitional housing etc.) as a means of making available additional housing opportunities for those who may not otherwise obtain suitable housing through conventional means."

"2.9 Maintain existing affordable housing stock well-distributed throughout the city."

"2.10 New affordable housing stock shall be well-distributed throughout the city and compatible with surrounding densities."

There are two important elements that tie the housing items to transit concerns:

"9.5 Increase usage of public transportation and other modes of transportation that decrease the use of single-occupancy vehicles, including increased transit service to underserved neighborhoods and the placement of transit pull-off lanes in new developments."

"9.6 Encourage Transit-Oriented Development (TOD) along or near transit routes.

a. Generally, locate TOD within a radius of one-quarter to one-half mile from a transit stop.
b. b. Promote high density within the TOD radius that is compatible with the future planned context for the area.
c. c. Develop mixed income housing.
d. d. Create pedestrian and bicycle connections.
e. Mitigate vehicular traffic flow through adjacent neighborhoods when necessary.
f. Support TOD when market conditions warrant it"

CONCLUSION:

The Las Cruces "Comprehensive Plan 2040" deals substantively with the important issues to meet the affordable housing needs in the community. The general plan," Las Cruces Comprehensive Plan 2040", includes a number of concepts that can impact housing affordability. The City is taking action to implement the vision stated in the general plan. Below is a partial listing of the policies and actions the City has initiated:

- The City has established affordable housing production targets in its HUD 2016-2021 Consolidated Plan.
- The City has a planning policy to ensure that there are not over concentrations of lower income or minority populations in any area of the city and that underserved households have access to various housing types.
- The City has provided a range of incentives including: density bonuses, smaller lot sizes, a land banking system, impact fee waivers, an affordable housing trust fund, financial support for housing preservation, a commitment to fast track affordable housing proposals in an effort to lower carrying costs for those projects.
- The City encourages and envisions a mix of housing types for all incomes and lifestyles. It lists a variety of housing types including manufactured housing and group homes or congregate living arrangements that can provide lower cost as well as support services needed by special populations.
- The City has linked housing with transit access. City plans provide for a multi-modal transit system that can be accessed by residents and for lower income households, public transit access is a prime consideration in review of affordable developments.
- The City has formed a vision for Transit Oriented Developments. Greater densities with access to public transit and good connectivity to other parts of the community can provide a way of assisting households with limited incomes in keeping their transit and housing outlays at a portion of income that leaves money for the other necessities.

The City views the Infill Development Overlay District as an area of high opportunity. The City has provided incentives to encourage the redevelopment of older neighborhoods. Activity in this area has been limited and the City is weighing the feasibility of adopting a substandard building abatement ordinance that would provide an impetus to property owners to either sell their properties or improve them. Such a policy could serve as a motivator for rental property owners and owners of vacant properties to better maintain and improve their properties.

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GENERAL ANALYSIS OF LAND USE PARCELS INCLUDING ZONING, SIZE AND EXISTING USE, ENVIRONMENTAL CONSTRAINTS, AVAILABILITY OF INFRASTRUCTURE

Development Area Designation and Desired Housing Densities

The Las Cruces zoning and development codes allow for a variety of land uses that can be utilized to supply a diverse housing stock. Based on the City's analysis of existing land use classifications and an analysis of the amount of vacant land within the various zoning classifications, there is an adequate supply of suitable land on which to construct the various types of needed housing products. In addition to the land that is zoned to allow single family or multifamily construction as a use by right, there are also a couple of large parcels that could accommodate new residential development with a change in zoning designation. Both the abandoned cotton gin site and the country club site could accommodate a large number of both multifamily and single family residential units. Both sites have access to good transportation and infrastructure and could be highly desirable as multi-use residential zones.

A review of the residential zoning areas finds a reasonable range of zoning classifications for a variety of housing types ranging from large lot estate development to urban classes which allow smaller lot sizes and greater densities per acre. The densities call for I dwelling per I acre lot down to 12 dwellings per acre with a minimum lot size of 3,500 square feet in the Urban R1-b classification. For multi-family uses there are several classifications that allow densities ranging from 4 units per acre to 40 units per acre. With City approval, in some R-4 zones the densities may be higher. While they City has not established a multi-use district designation, the zoning code does allow for the mix of office and commercial with residential in multiple zone districts bearing the office and commercial designation. Following the Las Cruces Zoning Map, the table on the following page lists the residential zoning districts with the number of acres in that classification and what percentage of the total zoned land in Las Cruces is covered by each zoning designation.

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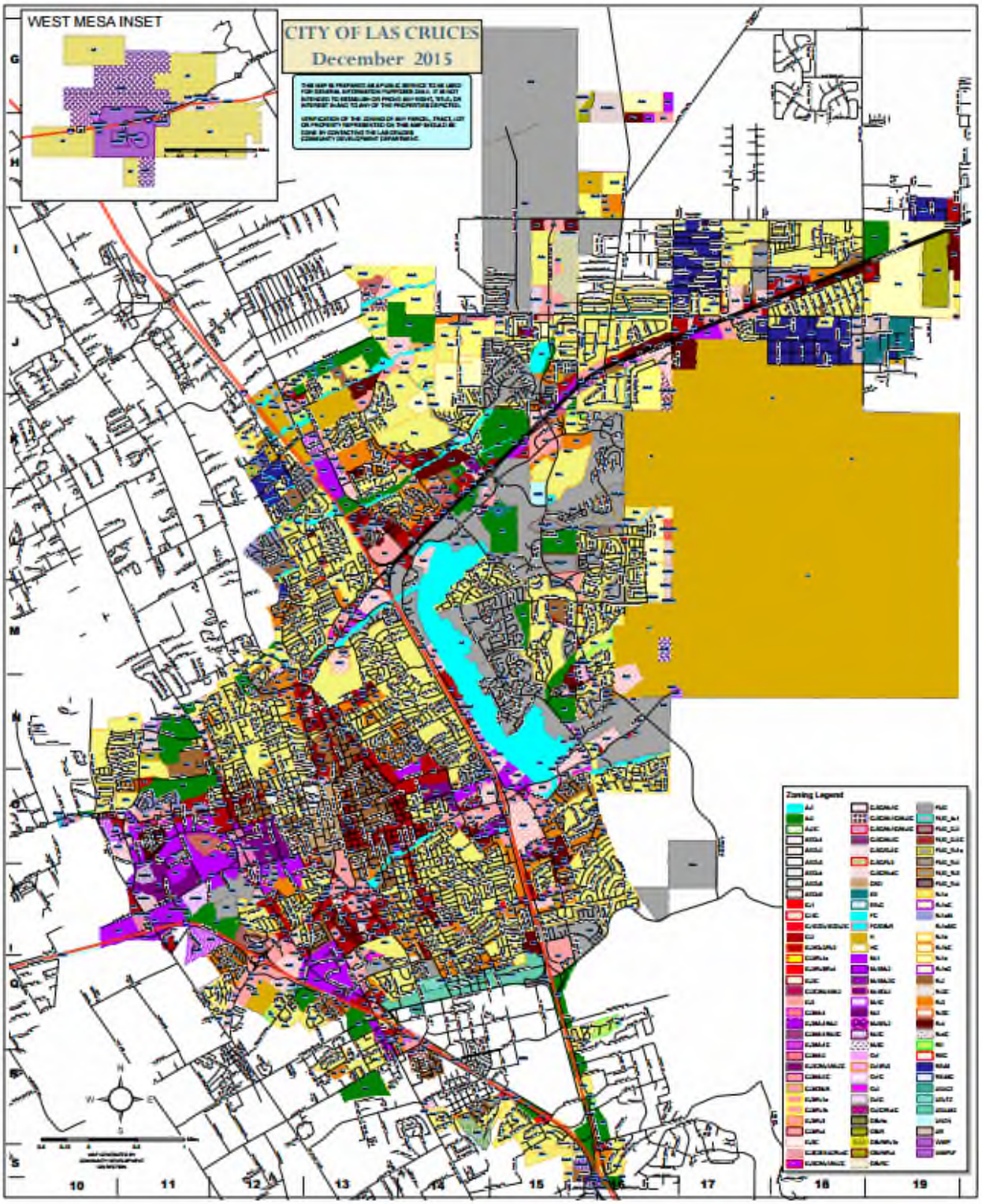
City of Las Cruces Zoning Map



Residential Zoning Classifications in Las Cruces

Zone Class	# of parcels	Acres	% of all zones
C-2/R-3/R-4	1	4.999174	0.0001137815
C-3/R-4	4	34.35791	0.0007819879
C-3C/EE-C/R-4C	5	8.99184	0.0002046548
C-3C/R-4C	1	4.40214	0.0001001930
R-1a	17736	5933.93	0.1350565896
R-1aC	1224	626.5647	0.0142606487
R-1aM	436	110.1003	0.0025058896
R-1aMC	2	0.541904	0.0000123338
R-1b	1222	1270.056	0.0289065504
R-1bC	590	241.8169	0.0055037661
R-1c	117	52.21204	0.0011883490
R-1cC	1	0.545534	0.0000124164
R-2	2644	885.5605	0.0201554083
R-2C	30	27.66288	0.0006296088
R-3	2633	904.3565	0.0205832064
R-3C	52	27.68342	0.0006300762
R-4	753	435.302	0.0099074977
R-4C	41	80.50885	0.0018323860
PUD_R-1a	327	64.96273	0.0014785555
PUD_R-2	153	52.01872	0.0011839490
PUD_R-3	116	93.72692	0.0021332301

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The zoning classification system adopted in Las Cruces contains many zone designations. While the system is complex for a municipality with the population of Las Cruces, the residential zone designations offer many opportunities for residential development as a use by right. The City has prepared a land use study that estimates the potential number of dwelling units for all of the zone districts that could allow some form of residential development. As of 2015 Las Cruces has approximately 45,000 residential units. The land use study indicates that with the present jurisdictional boundaries and present zoning districts, the build out potential of residential units would be approximately 61,250 residential units. Within that total, 29,070 of those potential units, are in a multifamily/multi-use zone district. This portion of multifamily units represents 47% of all potential residential units. That portion of multifamily units, would indicate that under present zoning designations, there is likely an adequate supply of land to address present and future multifamily rental and for sale demand. In some R-4 districts and multiuse districts, there is the potential that greater densities than the established 40 unit per acre measure, could be approved by the City. Greater densities may be appropriate in the downtown business district and in some mixed use designations in the infill overly district.

While the present zoning grid doesn't appear to restrict the supply of land for multifamily, attached housing, the "2009 Las Cruces Affordable Housing Strategy" does suggest that the City will examine options for proactively up zoning parcels into the R-4 use when appropriate. This strategy could ensure that there is adequate land zoned for multifamily to address future demand. The Affordable Housing Strategy also suggests that the R-4 zone building height limit of 60 feet be increased to 75 feet in order to accommodate structural parking on parcels that do not present the option of surface parking. This

increase in building height could be advantageous to larger affordable multifamily projects. Engineers estimate that below-grade structural parking can add another $10,000 to the cost of one parking space.

DEVELOPMENT STANDARDS AND FEES FOR RESIDENTIAL ZONE DISTRICTS

The chart on the following page summarizes various development requirements for the zone districts that are exclusively planned for residential uses. In zones with a multi-use designation, the development standards differ because of the need to accommodate various uses such as residential, commercial and or office. The Las Cruces development standards generally reflect typical requirements that are imposed in a community with land use patterns that reflect a low to medium density as opposed to communities with a denser, more urbanized land use pattern.

As part of previous land use reviews, the City has reduced the minimum lot size in some zone parcels. The Urban R-1aM zone allows for 5,000 square foot lot sizes. The Urban R-1bM allows for a minimum lot size of 3,500 square feet. On the 5,000 square foot the allowed density is 8 units to the acre. On the smaller lot size, a density of 112 units per acre is allowed. The smaller lot configurations provide more development flexibility particularly in the infill overlay district because many of the older legacy lots are smaller than the lots platted in the new subdivisions in the City. In keeping with the smaller overall lot size, the City could consider allowing smaller minimum lot dimensions as well. In the older parts of the City, it may be feasible to have lots with narrower frontages. Many of the legacy lots have been platted with 25 foot frontages. In those areas, lots have been split and some existing homes have suitable siting on 37.5 foot wide lots. If a developer were to pursue an assemblage of the legacy lots, the narrower lot frontage may facilitate the placement of a few more homes on the same amount of ground. The greater density is allowed and by utilizing the greater permitted densities, lower land costs could enhance affordability of new detached units. The side setback requirements presently in place in the R-1aM and R-1bM zones allows flexibility. The side setback can vary between 0 and 5 feet depending on the development plan for the parcel.

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In the multifamily zone districts, R-2, R-3 and R-4 the lot size requirements and setback requirements are set at bare minimums. There could arise safety and esthetic issues if large attached complexes were built on parcels with less square footages than the minimum allowance. Depending on the location of an R-4 development, the minimum front setback of 20 feet may not be desirable if the development plan calls for some office or commercial space on the ground floor of the complex. Urban design preferences encourage the placement of buildings closer to walkways with parking situated in the rear of mixed use buildings. The hybrid (mixed use) zone districts requirements do allow more flexibility in the siting of the structures in terms of setbacks and lot size configurations.

In addition to the various development regulations, on-site parking requirements can also impact the development cost of affordable housing. Las Cruces requires two on-site parking spaces for most residential, detached units. There is some flexibility in the requirements for attached rental and for sale units. The standard for those type of units is 1.5 to 2.0 spaces per dwelling unit. There are further reductions in parking requirements for facilities which house elderly clients or those with disabilities. Generally, those types of residential land uses allow for a parking ratio of less than one parking space per unit or bed, depending on the configuration of the facility.

Sec. 38-31D DEVELOPMENT STANDARDS -- RESIDENTIAL ZONING DISTRICTS:
Development standards identified in Matrix I are in addition to the following:

Art. IV. Sec. 38-31.D
(Also appears w/ Art. IV. Sec. 38-32.D CommDevStandards)

Standard	RURAL EE Site-Built/ Manufactured Dwelling ONLY	RURAL RE Site-Built/ Manufactured Dwelling ONLY	RURAL REM Site-Built/ Manufactured Dwelling or Mobile Home	URBAN R-1c Site-Built/ Manufactured Dwelling ONLY	URBAN R-1a Site-Built/ Manufactured Dwelling, Patio Home (b) or Townhouse (b) (f)	URBAN R-1b Site-Built/ Manufactured Dwelling, Patio Home (b) or Townhouse (b) (f)	URBAN R-1cM Site-Built/ Manufactured Dwelling or Mobile Home	URBAN R-1aM Site-Built/ Manufactured Dwelling, Mobile Home, Patio Home (b) or Townhouse (b) (f)	URBAN R-1bM Site-Built/ Manufactured Dwelling, Mobile Home, Patio Home (b) or Townhouse (b) (f)	MULTI-DWELLING R-2 Site-Built/ Manufactured Dwelling, Patio Home (b), Townhouse (b) (f), Apartments (f) and Mobile Home Parks (a) (d)		MULTI-DWELLING R-3 Site-Built/ Manufactured Dwelling, Patio Home (b), Townhouse (b) (f), Apartments (f) and Mobile Home Parks (a) (d)		MULTI-DWELLING R-4 Apartments (f), Mobile Home Parks (a) & Limited Retail & Office
Maximum # of DU's per lot, parcel or tract	1	1	1	1	1	1	1	1	1	N/A		N/A		N/A
Maximum Density (DU's per acre)	1	2	2	4	8	12	4	8	12	15		20		Minimum 10, maximum defined by developer. (g)
Lot, parcel or tract Area Minimum	1 acre	½ acre	½ acre	10000 sq. ft.	5000 sq. ft.	3500 sq. ft.	10000 sq. ft.	5000 sq. ft.	3500 sq. ft.	5000 sq. ft.		5000 sq. ft.		8500 sq. ft.
Min, parcel dimensions														
>Depth (feet_	100	100	100	100	70	70	100	70	70	50		50		100
>Width (feet)	100	100	100	90	50	40	90	50	40	50		50		70
Min. Bldg Setback (h)										MF	SF	MF	SF	
>Front Yard (feet)	25	25	25	20	15 (e)	15 (e)	20	15 (e)	15 (e)	20	20 (e)	20	20 (e)	20
>Rear Yard (feet)	15	15	15	25	20	15	25	20	15	7	20	7	20	7
>Side Yard (feet)	15	15	15	15	5 or 0 (b)	5 or 0 (b)	15	5 or 0 (b)	5 or 0 (b)	7	5	7	5	7
Max. Height (feet) ©	35	35	35	35	35	35	35	35	35	35		35		60
Recommended Roadway Access												Major Local		Collector

(a) See Mobile Home Park , Sec. 38-57. Note: Mobile Home Park minimum size is five (5) acres.
(b) See the Exceptions and Modifications, Sec. 38-62.
(c) See the Antennas, Towers, Communications Structures, and Other Vertical Structures, Sec. 38-59.
(d) Minimum roadway access for a Mobile Home Park is a Collector.
(e) No garage or carport shall be within twenty-five (25) feet of the front property line. Sec. 38-62.
(f) A Maximum number of attached Townhouses by zoning district - R-1a and R-1aM Districts (3), R-1b and R-1bM Districts (5), R-2 Districts (8), R-3 Districts (10).
Maximum number of attached Apartments by zoning district (per building): R-2 Districts (8), R-3 Districts (10), R-4 Districts (unlimited).
(g) For all parcels, tracts or lots zoned R-4 prior to the effective date of the 2001 Zoning Code, as amended (September 4, 2001), the maximum density allowed shall be no greater than what was allowed pursuant to the 1981 Zoning code, as amended (40 dwelling units per acre - Effective date August 3, 1981). This shall remain in effective until such time as the parcel, tract or lot goes through a rezoning action making it subject to current code requirements. Other Regulations: The regulations in this section list unique conditions for land uses and development standards in these zoning districts. Other regulations, e.g. parking, signs, found in other sections of this Code also apply.
Sites within special zoning districts, e.g. overlay zones, may be subject to different regulations.
(h) See Staff Interpretation No. 02-002 (Z) in Section 38.62.C.2

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Development and Impact Fees for Residential Development

The costs for water and waste water appear to be in-line for an arid environment. Below is a listing of the tap fees associated with varying development sizes, typically detached homes use either a three quarter inch water tap or a one-inch tap depending on size of the dwelling. Multi-family residences require larger sizes depending on the number of units and how many fixture units are counted for each living unit. Wastewater charges are based on the size of the water meter because the larger the water connection, the more waste water is deposited into the system.

WASTEWATER
DEVELOPMENT IMPACT FEES

APPLICABILITY
A Wastewater Development Impact Fee is assessed for each new connection to the Las Cruces Utilities wastewater supply system based on water meter size of capacity whether the water provider is the City of Las Cruces, a public water utility, a mutual domestic, a private well, or other entity.

Wastewater Development Impact Fees will not be assessed to properties within the West Mesa Industrial Park per Resolutio 15-16-LCU007.

The fee is also applicable to any increase in size of capacity. The fee will be assessed for any such increase in an amount representing the difference between the fee that would be imposed for the existing size of capacity and the fee imposed for the proposed size of capacity.

FEE

Size of Capacity	Total Fee	Fee to Builder	Customer Surcharge	Fee to Rate Base
⅝– ¾ inch meter	$1,943.00	$971.00	$389.00	$583.00
1.0 inch meter	$4,858.00	$2,429.00	$972.00	$1,457.00
1.5 inch meter	$9,715.00	$4,857.00	$1,943.00	$2,915.00
2.0 inch meter	$15,544.00	$7,772.00	$3,109.00	$4,663.00
3.0 inch meter	$31,088.00	$15,544.00	$6,218.00	$9,326.00
4.0 inch meter	$48,575.00	$24,287.00	$9,715.00	$14,573.00
6.0 inch meter	$97,150.00	$48,575.00	$19,430.00	$29,145.00
8.0 inch meter	$155,440.00	$77,720.00	$31,088.00	$46,632.00

Fees for meters greater than 8 inches will be based on $46.66 per gpm.

WATER
DEVELOPMENT IMPACT FEES

APPLICABILITY
A Water Development Impact Fee is assessed for each new connection to the Las Cruces Utilities water supply system based on water meter size of capacity.

The fee is also applicable to any increase in size of an existing meter. The fee will be assessed for any such increase in an amount representing the difference between the fee that would be imposed for the existing meter size and the fee imposed for the size of the proposed meter.

FEE

Size of Capacity	Total Fee	Fee to Builder	Customer Surcharge	Fee to Rate Base
⅝– ¾ inch meter	$2,420.00	$1,210.00	$678.00	$532.00
1.0 inch meter	$6,050.00	$3,025.00	$1,694.00	$1,331.00
1.5 inch meter	$12,100.00	$6,050.00	$3,388.00	$2,662.00
2.0 inch meter	$19,360.00	$9,680.00	$5,421.00	$4,259.00
3.0 inch meter	$38,720.00	$19,360.00	$10,842.00	$8,518.00
4.0 inch meter	$60,500.00	$30,250.00	$16,940.00	$13,310.00

In addition to water and sewer impact fees, the City also has Public Safety Impact Fee. Presently it assessed at $466.00 per dwelling unit. The fee is the same for detached residences and multifamily units. The City of Las Cruces is considering an increase in the Public Safety Impact Fee. If the proposed fee schedule is adopted by the City Council, some residential units will see a moderate increase. Other smaller units would see a reduction in the fee. Part of the proposed new fee schedule would base the fee charged on habitable square footage of the dwelling. Therefore, smaller dwellings would see a reduction and larger ones would see the increase. The reduction in the fee will tend to increase affordability for those purchasers of smaller units. Below is the comparison between the proposed fee schedule and the current Public Safety Impact Fees.

Public Safety Development Fees

Residential (per dwelling by square feet of living space)	Current	Proposed	Change
900 or less	$466	$337	-$129
901 to 1300	$466	$552	$86
1301 to 1700	$466	$712	$246
1301 to 1700	$639	$712	$73
1701 to 2100	$639	$835	$196
2101 or more	$639	$887	$248

The City also requires a Parks Impact fee. The fee is set at $2,600.00 per residential unit including multifamily units. There is a provision that if the developer of multi-family housing provides on-site open space areas, that conform with the requirements of the Parks Impact Fee regulation, that $2,600.00 fee will be reduced to $1,300.00 per unit.

SUBDIVISION REGULATIONS FOR THE CITY OF LAS CRUCES

The City of Las Cruces has four subdivision processes. The City has categorized the subdivision process into discrete parts in order to make it simpler and less costly for smaller, simpler subdivision requests. The City of Las Cruces' four basic processes for subdividing land:

- *Alternate Summary Subdivision*- allows division of one parcel of land into no more than two lots. This simple subdivision can be processed ad approved administratively without going through a more detailed process.

- *Infill Subdivision*- covers land that is located in the Infill Development Overlay District. Subdivision requests are expedited and application fees are waived. An expedited procedure which allows variances, special use permits, and other land use issues may be used in conjunction with an Infill Development Overlay District subdivision application. Smaller subdivisions of one or two lots may follow the Alternative Summary Process.

- *Major Subdivisions*-subdivision requests which do not meet the requirements of the above two types will be considered as a major subdivision. Major Subdivisions require both a preliminary plat and a final plat for approval.

- *Replat Subdivisions*- these requests cover changes requested on previously subdivided land. Depending on the specific situation, these requests may follow the Alternative Summary Process, Infill or Major Subdivision Processes.

The fee schedule for various subdivision processes is listed below:

- Master Plan $300
- Preliminary Plat(s) $220 + $5 per lot
- Final Plat(s) $150
- Alternate Summary Procedure $150

The City has provided a range of simpler approval procedures for smaller, less complex subdivision proposals. For simpler subdivisions, the process is streamlined and allows land owners to complete their

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intended subdivision changes with a minimum of time and money invested. For larger subdivision proposals the process is more complex and entails more documentation for a complete application. The key steps in processing a Major Subdivision Application are listed below:

1. Complete and submit a Las Cruces Development Application
2. Complete and submit a preliminary plat. The Preliminary Plat should reflect quality site design that demonstrates the compatibility of the development with surrounding physical and cultural features of the City. Preliminary Plats need to be completed by a licensed surveyor.
3. Phased or complex proposals will need to include a Master Plan prior to submission of the preliminary plat. The Master Plan will need to include utilities, drainage and roads to demonstrate the phasing of development over time.
4. A Pre-Application meeting with City staff will be scheduled to review the Preliminary Plat and Master Plan if needed.
5. Submit a complete application packet based on the Pre-Application meeting recommendations.
6. Application Review will be completed by City staff and the City Development Review Committee.
7. The staff level review with any recommendations will be submitted to the Planning and Zoning Commission.
8. If the staff review requires more information or submittals, the staff will have five days to complete the review of new information.
9. The Preliminary Plat will be presented before the Planning and Zoning Commission in a public hearing. Depending on the characteristics of the proposal and the quality of submittals supporting the proposal, the Preliminary Plat may have to go through multiple reviews before a Planning and Zoning Commission ruling.
10. The Planning and Zoning Commission will make the final decision to approve the Preliminary Plat.
11. Once a Preliminary Plat has been approved, the applicant will have up to two years to complete a Final Plat. The Final Plat will be reviewed and approved by City staff and then the Final Plat will need to be recorded by the County Clerk.

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The Major Subdivision approval process is not overly burdensome on applicants, provided that the applicant can supply quality designs and complete information in the submittals. Depending on the complexity or issues involved with a development proposal, City staff may require other information such as a traffic impact analysis or other information and reports they deem necessary. It is typical in a subdivision review, that requests for more information will arise. The Las Cruces process, as outlined above, does provide some safeguards to the applicant that if further submittals are required, they will be processed by City staff in a timely manner.

City fees associated with the Subdivision Application appear to be reasonable. The Preliminary Plat application fee is $250.00 plus $5.00 for each lot included in the plat. If a Master Plan is required, the additional fee is listed above. Additional costs for public notices concerning the subdivision application must also be paid by the applicant.

The City has adopted comprehensive design standards for subdivision developments. The overriding principle of the design standards is that public and utility improvements must be constructed to comply with City standards or the standards required by agencies providing water, sewer or other utilities. The City guidelines do provide various alternative design and construction options. In the case of some infrastructure improvements, such as roads, drainage systems and arroyo crossings, the City has a provision for cost sharing arrangements with developers. Such cost sharing arrangements have to be approved by City Council and included in Capital Improvements Plans and City budget documents.

The Las Cruces Subdivision Design Standards do provide some options for alternative designs that could lower development costs. For instance, common trenching for certain utility installations is allowed provided that the placement of the utility components will still meet the installation standards of the cognizant agency. The City road design standards provide various options depending on the classification of the road in question. Low density roadways can be narrower and can provide a parking lane on only one side of the street. As the anticipated usage of the roadway increases, turn lanes, bike lanes and parking lanes need to be included on those roadways with higher traffic counts.

CONCLUSION: The City Subdivision and Subdivision Design Standards provide a solid basis for encouraging quality development within the jurisdiction. For simpler subdivision requests, the approval process is streamlined and places a minimal burden on applicants. The Major Subdivision Process entails more steps and requires greater planning and engineering efforts. In order to preserve the health and safety of the community, the City has adopted a set of processes and standards to ensure that as new residential units are added to the inventory, the quality of the developments and the physical improvements serving those developments should meet or exceed the standards found in the remainder of the built environment. If a major development is constructed in a substandard manor, dealing with the shortcomings and problems will place greater burdens on the residents and also on City resources to address the shortcomings. The Major Subdivision Process is not overly complicated and there are safeguards built in to the process to ensure that development application requests don't languish in the review process.

Changing Zoning and Fees

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A request for a change in zoning on a lot or parcel can potentially be complicated. Because zoning changes can have significant impacts on adjoining properties and land uses, most zoning change requests are going to require an extensive public notification and public hearing process. Potentially, a zoning change request could become as complicated as a subdivision development application. The Las Cruces Zoning Code does provide allowances for City staff review and approval of simple, non-controversial zoning change requests. The established fee for a Zone Change Request is $600.00. Depending on the nature of the zone change request, there may be fees to recover the cost public notice and hearing notices. Additionally, the Community Development Department staff may require applicants to provide engineering, design or survey documents that could be costly.

Infrastructure

Las Cruces has an adequate supply of land that is served by a functioning infrastructure system. City staff maintain a comprehensive Capital Improvements Plan and inventory of assets owned by the City. The general assessment is that land that is currently platted within the City boundaries has adequate infrastructure to serve new development. There are some larger parcels that would be suitable for redevelopment which would need upsizing and expansion of some public utilities such as water, sewer and electrical lines. The potential cost of those infrastructure improvements does represent a challenge in formulating redevelopment plans for some of those larger infill parcels such as the cotton gin site and the vacated county club site. Both sites possess excellent locational qualities which would make them viable redevelopment projects. In both cases, a master developer would need to structure the financing and design plans for use of the sites as multiuse developments. There may be the opportunity to lessen the financial burden of redevelopment by designating those parcels as blighted so that tax increment financing might be available to assist with the infrastructure costs of development. The Infill Overlay District represents multiple redevelopment opportunities. However, in some subareas of the Overlay District, street and drainage improvements would be needed to bring them up to the standard currently

established by the City. Water, sewer and other utility infrastructure is in place in those neighborhoods and the presence of that infrastructure could help make a redevelopment more financially feasible.

Environmental Constraints

The climate and topography of Las Cruces poses some challenging environmental conditions. The arid climate places demands on the water supply. The water is obtained from 29 wells that are drawn at various depths. Generally, the community has an adequate water supply and unless extreme drought conditions persist, and the aquifer is not recharged, there are no restrictions on the ability of new residences to purchase water service from the City. The topography makes it challenging in ensuring adequate water pressures throughout the City and the Public Works Department has invested in several water storage and pressure equalization tanks that provide supplemental head pressure in areas of the City where the distribution system does not have adequate pumping power to deliver pressurized water in the higher elevations in the community.

Because portions of the City are located in the foothills of the Dona Ana mountains, there are drainages and arroyos which present challenges in extending infrastructure, particularly roads across the arroyos. In some subareas, the arroyos present connectivity challenges because the cost of extending bridges over the arroyos can be substantial. As the City growth continues north of the I-25 freeway, the irregular typography will make it more challenging to provide adequate arroyo crossings to link new neighborhoods with the existing road system.

RECOMMENDATIONS FOR LAND USE REGULATIONS AND OTHER DEVELOPMENT REQUIREMENTS

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CONCLUSION:

The City of Las Cruces has made past efforts to lessen the potential impact of zoning and development regulations on housing affordability. Many of the recommendations found in the "2009 Affordable Housing Strategy" have been incorporated into City policies. Presently, because there is a supply of land zoned appropriately for medium density and high density multifamily development, the supply of land is not considered a constraint for the expansion of the affordable rental housing supply. While there is a supply of lots suitable for single family detached ownership development, the City could encourage new subdivisions to include a greater number of smaller lots as a way of lowering the cost of new ownership units for low and moderate income households.

EVALUATION OF SUITABILITY, AVAILABILITY, AND REALISTIC DEVELOPMENT CAPACITY OF DEVELOPMENT SITES, INCLUDING APPROPRIATE ZONING FOR SPECIAL NEEDS HOUSING

Land Availability and Opportunities for Development to Increase Supply

An examination of the land supply options in Las Cruces yields a finding that there presently is an adequate supply of land within the City boundaries that can absorb a level of development that could accommodate current demand. Prior to 2008, Las Cruces was growing at a higher rate than presently. As a result of the Great Recession, there are a number of platted lots for sale in Las Cruces that are reasonably priced. Square foot costs for residential lots generally range from $3.00 per square foot to $5.00 pre square foot. The smaller lots bear a higher per square foot price. Even with a higher per square foot cost for smaller lots, the total amount is feasible for affordable ownership housing. It is possible, according to the

December, 2015, Multiple Listing Service to purchase a lot meeting the smaller lot size requirements of the City, for around $30,000. Based on a selected average of lot prices for lots in the 5,000 square foot range, it is estimated that square foot cost of small residential lot is in the $6.75 per square foot range. There are also a number of larger residential zoned parcels that could be subdivided into smaller lots with finished lot prices of around $25,000-30,000. The raw land cost for those larger parcels, greater than three acres, averages around a $1.40 per square foot. If the necessary zoning changes could be enacted, smaller lots could be brought to the market for around $6.75 per square foot.

Land parcels that are zoned for multifamily uses are less available and the price is somewhat variable. Many of the parcels that presently are zoned for medium or high density multifamily housing are located in the newer subdivisions in the City. The inclusion of multifamily sites in the newer areas that have been annexed is a positive factor and contributes to a supply of land that could be used for multifamily housing. Those parcels are not necessarily in close proximity to basic services and public transit as ones located in the central areas of Las Cruces. Many of the R-3 and R-4 parcels in the newer areas will require more reliance on auto travel in order to access basic services.

The table below details current listing prices and development potential for feasible parcels within the city limits.

Address	Zoning	Acres	Listing price	S/Ft price	units	unit land cost
130 N. Walnut	R-3	4.11	$390,000	$2.18	40	$9,750.00
3211 Jupiter Road	R-3	1.14	$119,000	$2.14	16	$7,437.50
3725 S. Main	R-4	6.01	$895,000	$3.42	80	$11,187.50
1 Thurmond Road	R-4	2.76	$241,234	$2.00	40	$6,030.85
Calle Abuelo &Calle Jitas	C-2 (R-4)	2.8	$298,822	$2.45	40	$7,470.55

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The City has also made the Infill Development District an area of emphasis and opportunity for new development. In addition to a number of single family detached housing sites, there are a few vacant sites that have R-3 or R-4 zoning. Those sites could also provide land for new multifamily affordable development. Some of the potential sites would involve and assemblage process but if a developer or City representative could engage property owners in a discussion about a possible sale, those sites would provide more opportunities for close-in multifamily housing. The multifamily "opportunity" sites are listed below:

General Location	Size/acres	Zoning	Potential Units
Jones Road & Montana	2.64 assemblage	R-4	24
Pinon and N. Santa Fe	4.4	R-4	48
N. Solano new Elite Auto	3.5	R-4	40

In addition to the sites highlighted above, there are other parcels that also could be assessed for development. The Planning and Revitalization office of the Community Development Department is in the process of completing an updated land analysis of the Infill Development District. This analysis will assist in identifying properties that are not only vacant but also underutilized. Formulating an updated land inventory in the Infill Development District is a crucial first step in encouraging development within the target area. A second useful tool that could be used with the land inventory would be a set of

development readiness measures that could be applied to the most promising land parcels in the inventory. A development readiness measuring tool could provide a basic analysis of the following items:

- Ownership, past use of the property including any known hazardous materials
- Zoning and other regulatory considerations
- Density analysis indicating general ranges of density of DUs for the parcel
- Adequacy of infrastructure including roads, sidewalks, utilities to property
- Any known geotechnical or environmental conditions
- Connectivity for multi-modal transit options
- Convenience to basic services such as shopping, personal services, governmental services
- Proximity to schools
- Walk score

By providing a land analysis tool to interested developers, the City would provide useful information to assist developers in determining which parcels offered the greatest opportunity for development. Having the information available would also benefit the development process by saving time on the necessary predevelopment due diligence which can be costly and time consuming for the developer.

The Infill Development Overlay District represents a broad opportunity area. As referenced earlier, the City has provided incentives to encourage new development in the area referenced on the map. There are a variety of parcels and some adjoining individual lots that could be opportune for multifamily development. There also are smaller single family lots that could accommodate new detached owner units. The City of Las Cruces owns some parcels that potentially could be transferred to the Land Bank for future development.

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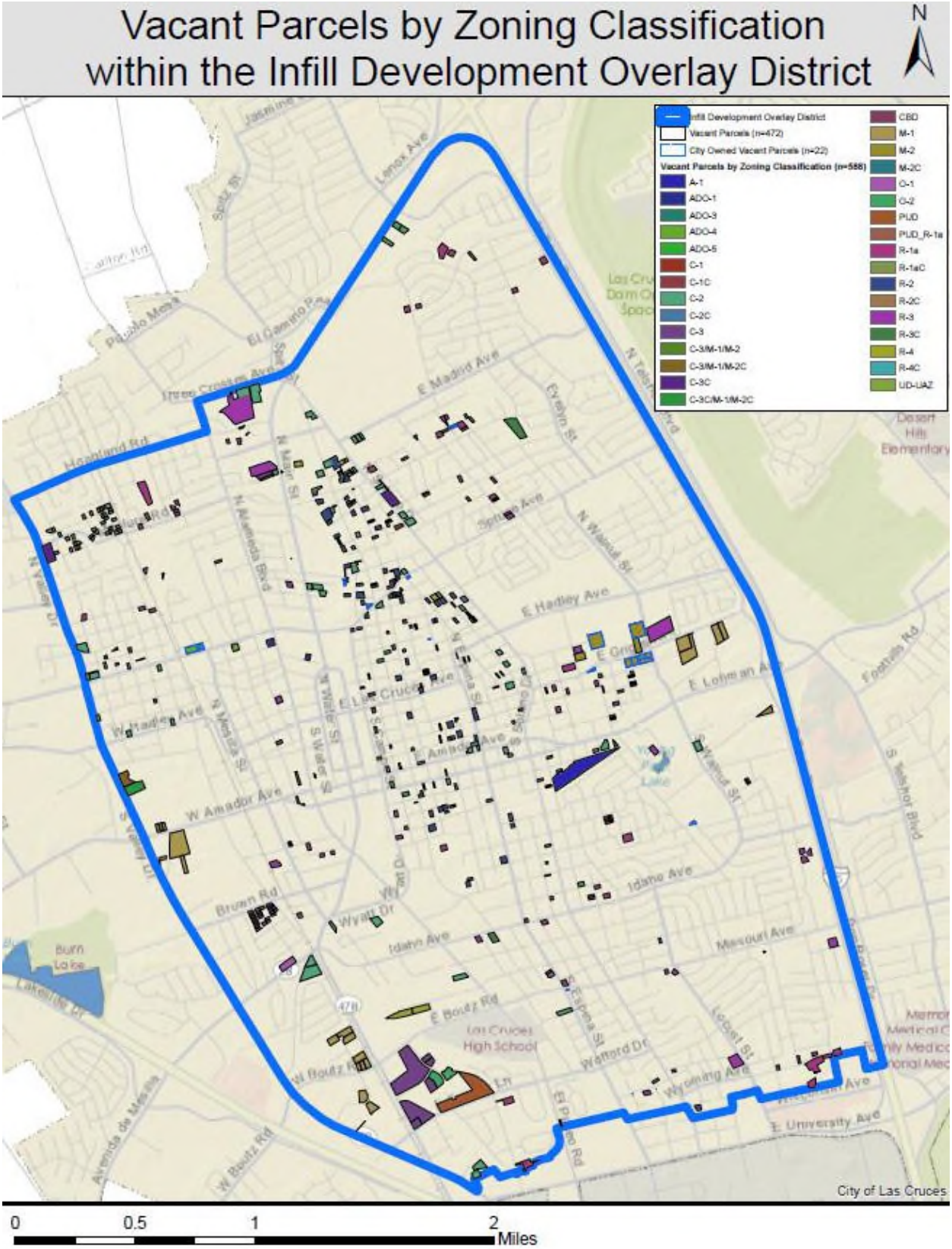
On the following page, is a map showing vacant potential parcels that could be available for both multifamily and single family development. Most of the parcels are not actively marketed for sale. The Infill Development District does represent a subarea of Las Cruces that could provide very sustainable, walk friendly sites compared to other neighborhoods in Las Cruces. New development would have good access to basic services for daily needs. The area also has some significant blight conditions that could be mitigated with new investment in housing.



As part of its "2009 Affordable Housing Strategy" the City also established an Affordable Housing Land Bank and Trust Fund. The Land Bank currently contains two parcels. One is a somewhat narrow irregularly

shaped parcel that could accommodate a small zero lot line development. A master plan for the parcel would need to be developed but with a master plan, the arrangement of dwellings could produce some new homeownership units. The second parcel was added to the Land Bank as a result of negotiations between the City and the Las Cruces Public School District. The parcel represents the best opportunity for development in the short term.

The property pictured below is referred to as Lot 2 of the Sierra Summary Subdivision. The surrounding uses of the property are institutional and residential. The highest and best use of the property would be to develop a medium density, multifamily affordable rental development. There will likely be some opposition from neighbors who would prefer that the property carries less density. However, because the property is in the Land Bank and the Land Bank is dedicated to increasing the supply of affordable housing in Las Cruces, the greatest benefit to the community at-large, would be to develop the property as attached, affordable rental units. The property could alternately be used either as single family detached on small lots or could be developed as a mix of both rental and homeownership units with the owner occupied homes facing the residential development across the street from the subject property.

In order to maintain the sustainability of the Land Bank and concurrently, the Housing Trust Fund, the City is willing to negotiate a below market price for the property with an affordable housing developer. However, the City does intend to structure an agreement that would replenish resources into the Land Bank or alternatively, into the Trust Fund. However, when the final agreement takes shape, the land will be a below market component in the total development cost of a project.

Lot 2, Sierra Summary Subdivision

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Aerial image from Google Earth dated November 2012

Lot 2, Sierra Summary Subdivision

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The current zoning on this site is R-1A. In order to build multifamily attached units, a zone change would have to be initiated. The present zoning classification could allow smaller lot, detached units without seeking a zoning change. One advantage to the Infill Development Overlay District is that the City does encourage flexibility in the zoning and design requirements for parcels in the Overlay District. If the Sierra Summary Lot 2 Parcel were to be used for a small lot subdivision, the project costs and the affordability gap is illustrated in the chart below.

For Sale Development Example

	Medium Density R-1A	High Density R-1b
Density (Units/Acre)	**8**	**12**
Development Costs		
Unit Size	1,500	1,100
Lot Size (Square Feet)	5,445	3,630
Land Cost $6.65/sf	$36,209	$24,140
Cost to Build		
Site Prep/Utilities/Landscaping ($3/sf)	$16,335	$10,890
Building	$157,440	$115,456
Contingency (5% of Building Costs)	$7,872	$5,773
Soft Costs Profit (25% of Hard Costs)	$34,755	$25,269
Total Cost to Build	**$252,611**	**$181,528**
120% AMI Max Purchase Price	$252,000	$252,000
Surplus Capacity/Gap	($611)	$70,473
100% AMI Max Purchase Price	$210,000	$210,000
Surplus Capacity/Gap	($42,611)	$28,473
80% AMI Max Purchase Price	$162,750	$162,750
Surplus Capacity/Gap	($89,861)	($18,778)
60% AMI Max Purchase Price	$126,000	$126,000
Surplus Capacity/Gap	($126,611)	($55,528)
50% AMI Max Purchase Price	$105,000	$105,000
Surplus Capacity/Gap	($147,611)	($76,528)

* assumes 4.5% interest, 35% of income for housing, 5% down

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For Sale Development Example

Densities were calculated using existing City zoning classifications. Land costs are based on a 2015 MLS survey of parcels on the market, referenced earlier in this plan. Construction costs are based on the 2015 International Building Code Building Valuation Data and has been adjusted down by a factor of 18% to reflect the Las Cruces construction market. The comparison is $141.00 per square foot, adjusted down to $115.62 per square foot. Site preparation and soft costs are typical for residential construction and also include the cost of utility connections and fees. Since the parcel is in the City Land Trust, the value placed on the parcel could be lowered as one way to lower the amount between the cost of development and the affordability gap. For the larger units (1500 s.f.), with larger lots, the development cost is higher. For buyers in the 80% AMI range, the affordability gap would be $89,000. Such a large gap may not be possible to fill. Conversely, the smaller units (1100 s.f.) on smaller lots, carry a lower development cost. The affordability gap of 18,778 for the 80% AMI level is in the range that with some buy downs of development costs, the unit would be affordable. The chart below offers an example of how possible development "buy downs" could make the smaller homes more affordable to households with incomes in the 60%-80% AMI range.

Item	Amount
City Impact fees deferral	$3,500
Building permit fees waiver	$2,300
Utility Connection fees deferral	$4,360
Land Cost reduction	$8,000
Total Development Cost Buy Downs	$18,160

By applying any or all of these waivers or deferrals, the smaller for-sale homes could be made affordable to those households with incomes in the 80% range. If that amount of buy down wasn't possible, down payment assistance funds could also be used. For the higher end of the income range, no further assistance would be needed once the family provided the 5% down payment.

A scenario using the property for a rental project would look differently than the homeownership scenario. The Chart on the following page illustrates how the development costs would compare to rental affordability based on incomes. The affordability gap on the rental housing example is substantial. The rent needed to carry operating and debt service costs far exceeds the market rents for the Las Cruces area. Without multi-layers of public finance, it is not possible for lower income households to afford the rent and maintain the standard of paying 30% of their income for shelter expenses. Affordable rental housing is financed with multiple sources which provide high percentages of equity in order to minimize debt service and create a cash flow stream that will pay operating expenses and a minimal mortgage on the complex. It is not unusual for a rental housing development to carry a 15/85% loan to value ratio. Depending on how deep the affordability level is targeted, there may not be room for any debt service payment. This finance scenario is common with permanently affordable rentals that are targeted to the chronically homeless.

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Multi-Family Development Example

	R-2
Density (Units/Acre)	**8**
Development Costs	
Unit Size	950
Lot Size (Square Feet)	5,445
Land Cost $3.40/sf	$18,513
Cost to Build	
Site Prep/Utilities/Landscaping ($3/sf)	$16,335
Building	$109,839
Common Area (10%)	$10,984
Parking ($2,500 per space)	$5,000
Contingency (5% of Building Costs)	$5,492
Soft Costs Profit (30% of Hard Costs)	$37,852
Total Cost to Build/Unit	**$204,015**
Monthly Rent Needed	***$2,190***
120% AMI Max Rent	$1,260
Surplus Capacity/Gap	($930)
100% AMI Max Rent	$1,034
Surplus Capacity/Gap	($1,156)
80% AMI Max Rent	$808
Surplus Capacity/Gap	($1,382)
60% AMI Max Rent	$582
Surplus Capacity/Gap	($1,608)
50% AMI Max Rent	$469
Surplus Capacity/Gap	($1,721)
40% AMI Max Rent	$357
Surplus Capacity/Gap	($1,833)
30% AMI Max Rent	$243
Surplus Capacity/Gap	($1,947)

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The amount of debt the property can carry is also influenced by the incomes of potential renters. If there is a mix of incomes ranging from higher income households to lower income households, conceivably the higher income households could pay market rents. Households at 50% AMI could only afford $469 per month. The higher the percentage of lower income households in the project, the higher the amount of subsidy is required in order to achieve a stabilized cash flow that would cover operating expenses. This income band also is the group most in need, particularly those special needs populations living on some kind of fixed retirement or disability payment.

For purposes of illustration, the project outlined in the development budget above will have 50% rents. The project would have a total of 32 units. For an affordable rental project, this is a low density, however, because of the adjacent uses near the Sierra Lot 2 property, that density would be more acceptable. The total development costs for a 32 unit project would be $6,528,480. In order to meet lender underwriting, the debt coverage ratio on the project would need to be 1.2. Using a 30 year loan with an interest rate of 6.5% the amount that could be financed is approximately $300,000. Subtracting the debt service from

the total development cost of 6,528,480, leaves an equity gap of 6,228,480. The table bellows shows possible sources of equity/soft loans to fill that gap.

Source	Amount	Comment
Low Income Housing Tax Credits	$4,567,800	Depends on eligible basis for $6,528,400 project costs @.95 purchase price
HOME Grants/loans- City and MFA	$500,000	May be in the form of residual receipts loan
Community Development Block Grant	$100,000	Entitlement funds
Land Donation	$00	
Federal Home Loan Bank Board loan	$200,000	Competitive Application
Impact Fee waiver	$112,000	City
Building Fee Waiver	$62,720	Based on 2%of building costs
Utility Connection Fees	$139,520	City
Tax Increment Financing Bonds	000	Based on property tax bill
Total potential Public Finance Savings	**$5,882,040**	
Debt Carrying capacity of 32 unit project @ 50% AMI	$300,000	Carrying a mortgage at the stated amount at 6.5% Interest
Overage or (shortfall) of debt capacity	$346,360	The project can carry this ($300,000) amount of debt so all public financing tools are not needed in the amounts projected.

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While the above scenario is a "what if" portrayal, the finance details illustrate the various options and tools that could be used in reducing the carrying costs of the project to a level that is affordable to the restricted rent flow that would be available if all rents were at the 50% AMI level. If $5,882,040 are the costs that can't be covered by a mortgage, then that amount would have to be applied from other sources. The example above contains a $346,000 surplus. That surplus could be reduced by modifying the amounts imputed for some of the public finance items. For instance, CDBG or HOME grants/loans could be reduced, the project may not be successful in winning a $200,000 grant from the FHLBB and in that case, more equity would need to be raised or development costs could be reduced by adding more units or savings on construction costs, or providing some portion of the land cost on the City owned parcel as a grant or soft loan. By using a development costs simulator like the one above, it is possible to easily manipulate the various cost and revenue items forming the project. More detail on the assumptions used for cost estimates is included in the Minimum Density Calculation that follows later in this report.

Downtown, Central Business District Opportunity Area

The City of Las Cruces has invested significant resources in improving the appearance and physical infrastructure of the Central Business District. As part of the planning for enhancing the Central Business District, the City has commissioned a demand analysis to examine the potential demand for residential uses in the downtown area. The findings are interesting because they point to significant demand for multi-family rental and ownership in the downtown area and blocks adjacent to the Central Business District. The demand analysis, created by Zimmerman/Volk Associates, 2016, used a base analysis of households earning over $40,000 per year. This income benchmark, is at the top end of those households in need of affordable housing. However, because there is strong demand among higher income groups, it is likely that mixed income projects that contain some affordable units as well as market rate units would be absorbed well.

The Central Business area contains a variety of land uses and community assets. There are a number of retail outlets, eating and drinking establishments and institutional uses such as museums, theaters, cultural facilities and government offices which employ workers who would qualify under various affordable housing programs. There is a limited supply of development options in the area; however, there are a few parcels that could accommodate residential uses stacked above various other street level outlets. In order to bolster the non-residential uses, more downtown residents could enhance the economic viability of the commercial and cultural facilities located downtown. It may also be possible to add residential space to some of the existing low rise buildings that house retail and other commercial activities. Below is a chart showing the demand analysis for residential units in the downtown area:

Tenure/Multi-Family Housing Type Propensities
Average Annual Market Potential For New Housing Units
Households In Groups With Median Incomes Over $40,000
Downtown Las Cruces
City of Las Cruces, Doña Ana County, New Mexico

	..... Households	
Housing Type	Number	Percent
Multi-Family For-Rent (lofts/apartments, leaseholder)	865	82.0%
Multi-Family For-Sale (lofts/apartments, condo/co-op ownership)	190	18.0%
Total	1,055	100.0%

A multi-use building in this district would reflect the financing context on the minimum density bonus calculation model found on page 84 of this report. Based on the density involved, the costs could be lowered by incorporating higher density residential units. Higher density, taller buildings would be more appropriate in the Downtown area than in the neighborhood of Sierra Summary, lot 2.

Financial Constraints

In order to finance, almost any affordable rental development, the Low Income Housing Tax Credit (LIHTC) Program must be utilized to deliver the needed equity for affordable rental developments. Presently, the Rental Vacancy Rate Survey conducted for the New Mexico Mortgage Finance Authority(MFA), represents a constraint to new multifamily development. The last rent survey conducted in Las Cruces, reported a higher vacancy rate for Las Cruces rentals than other communities in New Mexico. The New Mexico Qualified Allocation Plan (QAP) which defines the criteria by which LIHTC are awarded to rental housing

development proposals, has listed Las Cruces as having a higher vacancy rate than other communities. This finding, makes it difficult for developers to use the LIHTC to finance multifamily rental development for low and very low income households in Las Cruces. Development proposals from Las Cruces, would be less competitive based on the points they could score. While the findings of the survey which listed Las Cruces in a lower position of need are factual, the slightly higher vacancy rate in Las Cruces is attributable to a surplus of two bedroom, two bath units, which have been added to the inventory. The City plans to work with the MFA staff to review their QAP criteria in the hope that this anomaly can be dealt with so that a more accurate vacancy rate for the larger market can be used instead of the present survey that is overly influenced by an excess one type of larger market rate units in the market. The demographic and housing analysis data used in this plan, demonstrates that a disproportionate supply of one type of unit should not prevent the City from addressing the severe affordability problems renters face.

Las Cruces has established an Affordable Housing Trust Fund. The City has provided infusions of capital from the General Fund. While these infusions have been essential and unique for most communities, other budget demands limit the amount of General Fund dollars the City has to invest in the trust. During the time horizon of this five-year Affordable Housing Plan, the City will join with state and local leaders to identify new sources of capital to support the Affordable Housing Trust Fund. Additionally, the City will expand its financial partnerships with local and national banks which do business in Las Cruces. By forging stronger ties with banking establishments, the City will encourage their partners to provide below market loans for affordable housing activities that the City will also invest in.

Housing Sustainability

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Las Cruces has its environmental challenges. It is a high desert environment. Cooling costs often exceed or are equal to heating expenses. A dependable supply of potable water will be an ongoing challenge. The well system presently in use is providing water for present and future needs. However, the possibility of sustained droughts could challenge the present system. Housing construction consumes substantial natural resources and the ongoing operation and maintenance of housing consumes more resources and represents a sizeable expense to property owners. A growing population, albeit slowly growing presently, demands more housing units in the face of limited resources. The demand for housing often pushes lower income wage earners out of the market. The affordable housing needs documented in Las Cruces, reflect the fact that there are a sizeable number of households who cannot compete in the housing market and the greater pressure on natural resources will only exacerbate that problem.

Affordable housing is an important but costly element of any community's development plans. It is critical that both new housing and older housing incorporate the best ideas in green building, energy conservation, and long term sustainability of the housing stock. Las Cruces has not taken a proactive approach in encouraging sustainable residential building practices including offering any incentives for homes which meet the various LEED or Energy Star standards. Following the housing collapse of 2009, the City has been very cautious in adopting new building policies or requirements that would, at least in the short term increase the cost of housing. The City has adopted a Sustainability Action Plan that does call for a variety of energy conservation actions and promotes sustainable construction practices. Another important consideration for lower income owners and renters is the size of the combined housing and transportation expense. In housing markets where the price of homes and apartments is increasing, consumers will choose to live further away from service and job centers because the cost of housing can be cheaper. This phenomenon, known as "Drive till You Qualify", often results in a false economy. While

consumers may spend less on their direct shelter expenses, by living further away from economic and job centers, the cost savings is often consumed by greater transportation expenses.
HUD has embraced the linkage between shelter and transit expense and the Office of Sustainability at HUD, has encouraged federal housing program administrators to begin applying the Housing and Transit Affordability Index as an underwriting criterion when assessing requests for housing development assistance from local communities. HUD has promulgated a guide that suggests combined Housing and Transit costs should not exceed 45% of household income. The Housing and Transit Affordability Index was developed by the Center for Neighborhood Technology to assist housing consumers, as well as builders and developers in evaluating locations for new housing development.

Infill Development Overlay Zone Properties Not Actively Marketed

General Location	Size/acres	Zoning	Potential Units	H/t Score
Jones Road & Montana	2.64 assemblage	R-4	24	20/26 total :46
Pinon and N. Santa Fe	4.4	R-4	48	19/28 total : 47
N. Solano near Elite Auto	3.5	R-4	40	31/30 total: 61

Parcels Currently Listed For Sale

Address	H/T Score	Zoning	Acres	Listing Price	S/Ft price	Units	Unit Land Cost
130 N. Walnut	36/31 total 67	R-3	4.11	$390,000	2.18	40	$9,750.00
3211 Jupiter Road	25/28 total 53	R-3	1.14	$119,000	2.14	16	$7,437.50
3725 S. Main	27/27 total 54	R-4	6.01	$895,000	3.42	80	$11,187.50
1 Thurmond Road	38/34 total 72	R-4	2.76	$241,234	2	40	$6,030.85
Calle Abuelo &Calle Jitas	45/32 total 77	C-2 (R-4)	2.8	$298,822	2.45	40	$7,470.55

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The addresses above illustrate the differences in the combined housing and transit cost analysis. For new residential development, it will be more cost efficient for consumers if new product is introduced into the market in the areas closer to service centers. Development locations with good access to public transit can lower transit costs by allowing the use of other transportation options beside the auto. Housing costs can also be influenced by operating costs. Green and building concepts and energy conservation measures can ensure that the operating costs of a home are in line and stable from season to season. Often buyers will retreat to housing further away from the central area in the hope that because the house is cheaper to buy initially, that their overall shelter costs will be less. However the expenses involved in commuting by car to work and the expenses if the home is not built to the most stringent construction standards, consumers will spend more on both housing expenses and transit costs.

Affordable housing is an important but costly element of any community's development plans. It is critical that both new housing and older housing incorporate the best ideas in green building, energy conservation, and long term sustainability of the housing stock. The City has chosen to take a go-slow approach in adopting new policies and codes that will increase the cost of a new home. Following the housing downturn in 2009, the City has refrained from new policies that could serve the effect of tampering an already slow market. However, as those conditions have improved and home building is showing signs of recovery it may be an opportune time to encourage green policies. Las Cruces plans to take a more proactive approach in encouraging sustainable residential building practices. The City will consider a program for waiving a portion of the customary impact fees for homeowner/rental residential projects which meet one of two criteria:

a) A home which achieves a HERS (Home Energy Rating System) of 60 or Lower. This rating would mean that the home was 40% more energy efficient than a home built to the energy performance standards of the 2004 International Building Code.
b) A Silver or higher rating in either the Build Green New Mexico Program or in the National LEED-H (Leadership in Energy and Environmental Design for Homes).

Both criteria are supported by third part certification that examines the home and rates it on the following factors:

- Energy Efficiency
- Water Efficiency
- Resource Efficiency
- Indoor Air Quality
- Lot Design and Building Orientation proper for the Climate Zone
- Homeowner/resident education on maintaining a sustainable residential building

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By adopting policies that encourage a more environmentally sensitive approach for home construction, the City can reduce negative impacts on the environment and also lower operating costs for the homeowners with limited incomes.

IDENTIFICATION OF CONSTRAINTS: GOVERNMENTAL AND NONGOVERNMENTAL

Summary of Land Use, Development and Zoning Regulations that Pose Constraints to Affordable Housing

Issue	Recommendation	Priority Level
Lack of multi-family sites close to public transit and employment centers	Proactively up-zone parcels into R-4 classification and multi-use classifications to increase the number of parcels available for affordable development.	Medium
Lack of smaller lot sub-divisions which facilitate greater densities per acre.	Utilize existing flexible setback requirements for smaller lot subdivisions located in Infill Overlay Zone.	Medium
Insufficient monetary resources for Impact Fee Deferral Program for Affordable Housing. Limit of 25 units annually is too low for larger multifamily developments	Increase budget ceiling for affordable rental and for sale units that qualify under the fee waiver standard.	High
Lack of use of incentives in Zoning Code/Comprehensive Plan to make denser rental housing more affordable for households with incomes less than 50% of AMI.	Apply existing provisions for greater density and other non-cash incentives to incent developers to provide rental housing to the lowest income residents. Provide incentives that match those in the Infill Development Overlay District.	High
Limited use of Accessory Dwelling Unit Ordinance(ADU) to create more dwellings on existing lots	Add flexibility to ordinance by opening the occupancy requirement to non-family individuals	Medium
Lack of smaller lots for single family homeownership development	Encourage the inclusion of the R-1A Zoning classification at least in some areas to allow for smaller lots for single family homes. Incorporate minimum lot size to 8 DUs per acre in new subdivision proposals.	High
Lack of compact development with population to support commercial uses in Downtown Business District	Encourage and support through cash and non-cash incentives, new residential development including adding additional living units above low rise commercial buildings.	High
Parking requirements that drive higher percentages of land devoted to car parking	Reduce parking requirements for MF development located close to public transit in compliance with reduced requirements in Comprehensive Plan & Central Business District vision for higher density development. Provide conditions for less on-site parking by allowing developer imposed restrictions on the number of autos owned by residents.	Medium
Lack of guidance that would allow for narrower road widths and other innovative techniques that would lower onsite and offsite infrastructure costs for new denser development	The City will convene a task force to address infrastructure requirements that could be modified to lower costs and preserve public health and safety in higher density development.	Medium

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The table above outlines a summary of the constraints that may pose either affordability or physical development constraints to the production of more affordable for sale and rental housing in Las Cruces.

Non-Governmental Constraints to Affordable Housing Development

The economy has created some challenging constraints in Las Cruces. Following the Great Recession of 2008, wages have been stagnant and those working in front line jobs either service or construction have

seen little wage growth in the last eight years. The City has launched an economic development effort to both recruit and retain new and existing businesses. The housing market is becoming more vigorous but the demand for homes for sale is largely driven by households moving into the community who are not dependent on community based wage rates for their income. More residents are moving to Las Cruces because the climate is mild and housing is relatively less expensive than other areas with similar climatic characteristics. This creates a challenge for residents living and working in Las Cruces because their income doesn't necessarily allow them to compete in the local housing market.

The City is still absorbing a surplus of rental units that were in the pipeline prior to the employment downturn. As employment increases, there will be greater demand for more rental and for sale housing. Las Cruces is dependent on a significant number of jobs related to the Federal Department of Defense. During the sequestration period, imposed by Congress, that number of jobs has shrunk and expansion plans for new defense activities have been curtailed. Now that Congress has moved away from the sequestration approach for budgeting, further expansion of defense related jobs should occur.
Affordable housing projects are often dependent on the support and willingness of local financial institutions to invest, both through subsidies and loans. The banking community in Las Cruces has not been as proactive in the affordable housing arena as is the banking community in other areas of the country. By updating and adopting its affordable housing plan, the City will need to build stronger relationships with the private banking establishment in Las Cruces in order to gain their greater participation in the financing of affordable housing.

Development Capacity

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There are developers who have worked in the Las Cruces area and who have a presence in the community. The present rental market is discouraging new affordable rental development plans. The Mesilla Valley Public Housing Authority has been undergoing staff changes and has not brought forth any new development proposals. The Housing Authority could be a more active partner in addressing the various affordable housing needs in the community.

Because there have been fewer larger residential or commercial construction projects recently in Las Cruces, the supply of construction workers has dwindled. As the projects mentioned in this Plan, move to the development phase, General Contractors will have to assess the availability of the labor supply. Since El Paso, Texas is a neighboring metro area, it is likely that an adequate supply of workers could be recruited from the El Paso area to supplement any labor shortages that may presently exist in the Las Cruces market. There have been a number of new market rate, multifamily and single family projects completed in the community so there is an infrastructure of contractors and suppliers that could support multiunit projects.

MINIMUM DENSITY CALCULATIONS TARGETED TO AFFORDABLE HOUSING POPULATIONS

Single Family Ownership

	Low Density - R-1 C	Medium Density R-1A	High Density R-1b
Density (Units/Acre)	**4**	**8**	**12**
Development Costs			
Unit Size	1,700	1,500	1,100
Lot Size (Square Feet)	10,000	5,445	3,630
Land Cost $6.65/sf	$66,500	$36,209	$24,140
Cost to Build			
Site Prep/Utilities/Landscaping ($3/sf)	$30,000	$16,335	$10,890
Building	$178,432	$157,440	$115,456
Contingency (5% of Building Costs)	$8,922	$7,872	$5,773
Soft Costs Profit (25% of Hard Costs)	$41,686	$34,755	$25,269
Total Cost to Build	**$325,540**	**$252,611**	**$181,528**
120% AMI Max Purchase Price	$252,000	$252,000	$252,000
Surplus Capacity/Gap	($73,540)	($611)	$70,473
100% AMI Max Purchase Price	$210,000	$210,000	$210,000
Surplus Capacity/Gap	($115,540)	($42,611)	$28,473
80% AMI Max Purchase Price	$162,750	$162,750	$162,750
Surplus Capacity/Gap	($162,790)	($89,861)	($18,778)
60% AMI Max Purchase Price	$126,000	$126,000	$126,000
Surplus Capacity/Gap	($199,540)	($126,611)	($55,528)
50% AMI Max Purchase Price	$105,000	$105,000	$105,000
Surplus Capacity/Gap	($220,540)	($147,611)	($76,528)

* assumes 4.5% interest, 35% of income for housing, 5% down

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Comments on Density Model for Homeownership

This density calculation chart was used to create the profile example in the discussion of the Sierra Summary Lot 2 Subdivision discussion on page 75 of this report. That project example demonstrates that land density and the amount of ground devoted to each living unit can make a significant impact on the overall total cost of a home. The challenge of producing affordable home ownership opportunities starts with the cost of land and construction. While most of those hard costs, are not are not easily deleted, or lowered, the financing tools available to government and other entities can result in increasing home affordability for buyers with limited incomes.

On the table above the development cost of $181,528 for the 1,100 square foot home can be made affordable with the application of public finance tools typically available to local government. The City of Las Cruces has successfully applied those tools in the past to create homeownership opportunities. In the example on page 75, the application of those public finance tools resulted in cost reductions of $18,160. The lowered cost of the home, makes that home affordable to a larger range of buyers including those incomes in the 80% AMI range.

The Minimum Density Calculation tool also illustrates that the only way to achieve affordability for new construction is to decrease the size of homes and lessen the amount of land dedicated to each individual unit. If the benefits of a modern, decent dwelling are going to be available for households with lower income, smaller living units are necessary. Even households at the 120% of AMI level, could not afford a new home, on a sizeable lot highlighted above, unless they could bring a substantial down payment to the closing table.

The cost assumptions used in this model, include an average square land cost based on Multiple Listing entries at the end of 2015. Building costs are based on the IBC Building Valuation Data for 2015. The IBC square footage assumption has been adjusted downward by 18% to more accurately reflect the Las Cruces market.

Analysis of Minimum Density – Multi-Family

	R-2	R-3 Medium Density	R-4 High Density	R-4 High Density
Density (Units/Acre)	**8**	**15**	**25**	**50**
Development Costs				
Unit Size	950	850	850	850
Lot Size (Square Feet)	5,445	2,904	1,742	871
Land Cost $3.40/sf	$18,513	$9,874	$5,924	$2,962
Cost to Build				
Site Prep/Utilities/Landscaping ($3/sf)	$16,335	$8,712	$5,227	$2,614
Building	$109,839	$98,277	$98,277	$98,277
Common Area (10%)	$10,984	$9,828	$9,828	$9,828
Parking ($2,500 per space)	$5,000	$5,000	$3,750	$3,750
Contingency (5% of Building Costs)	$5,492	$4,914	$4,914	$4,914
Soft Costs Profit (30% of Hard Costs)	$37,852	$32,097	$31,051	$30,267
Total Cost to Build/Unit	**$204,015**	**$168,701**	**$158,971**	**$152,611**
Monthly Rent Needed	***$2,190***	***$1,525***	***$1,450***	***$1,415***
120% AMI Max Rent	$1,260	$1,260	$1,260	$1,260
Surplus Capacity/Gap	($930)	($265)	($190)	($155)
100% AMI Max Rent	$1,034	$1,034	$1,034	$1,034
Surplus Capacity/Gap	($1,156)	($491)	($416)	($381)
80% AMI Max Rent	$808	$808	$808	$808
Surplus Capacity/Gap	($1,382)	($717)	($642)	($607)
60% AMI Max Rent	$582	$582	$582	$582
Surplus Capacity/Gap	($1,608)	($943)	($868)	($833)
50% AMI Max Rent	$469	$469	$469	$469
Surplus Capacity/Gap	($1,721)	($1,056)	($981)	($946)
40% AMI Max Rent	$357	$357	$357	$357
Surplus Capacity/Gap	($1,833)	($1,168)	($1,093)	($1,058)
30% AMI Max Rent	$243	$243	$243	$243
Surplus Capacity/Gap	($1,947)	($1,282)	($1,207)	($1,172)

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Comments on Multifamily Maximum Density Calculations

Land cost assumptions are based on the square foot prices from current listings for R-3, R-4 properties currently marketed in Las Cruces. These land prices are somewhat of an anomaly because land that has zoning to permit higher density and/or mixed use usually brings a higher market price. The square foot price has been adjusted upward based on the assumption that denser, multifamily complexes would likely be located in or near the Central Business District. At the time CSI conducted research for this report, there were no parcels in or near the Central Business District that were being marketed for residential uses. Building costs are based on the 2015 International Building Code Building Valuation Data for one down by 18%, to $115.60 per square foot to reflect costs in the Las Cruces market. The square footages assumed, are targeted at 2 bedroom, 2 bath units with washer/dryer hookups. Site development costs are based on Economic and Planning System analysis for New Mexico.

The maximum density calculator demonstrates the impact land costs can have on multifamily housing development cost. As densities increase and less land is allocated per living unit, the cost of that land per unit, dwindles. Land cost are one component of the hard costs in a project that generally can't be altered except by adding more units per acre of ground. The above calculation chart demonstrates the cost differential in adding more units to a fixed total land cost. The medium density model in the first column carries a land cost of over $18,000 per unit while at the higher density calculation of 25 units per acre, the land cost declines to $3,600 per unit.

While land costs have a major impact on development costs, there are other factors that have to be weighed in making a decision for higher density. The higher density design may drive other, higher construction costs such as increased costs for parking spaces, and more expensive and sophisticated mechanical systems and such items as elevators. Often in order to achieve higher densities, taller buildings may be necessary. Depending on the dimensions of the land parcel, a building may have to have more stories on which to stack the units. In the case of the Las Cruces market, the zoning code limits building height to 60 feet. That height would typically accommodate 4 stories. Unless, the subject site is larger, a higher building may be needed to order to accommodate the higher densities.
Another item in the fixed cost category, parking spaces, can also significantly raise the cost of higher density buildings because those parking spaces typically are structural spaces rather than surface level spaces. A structural space can be built into the building envelope or may need to be contained in an attached structure. An above grade, structural parking space typically costs $15,000-$25,000 to construct. If the space needs to be constructed below the surface grade of the building, the space may cost more because of drainage, structural and ventilation issues that arise. Engineers estimate that a below grade structural parking space, costs $10,000 more than one above grade.

The development cost of higher density buildings can be greatly affected by the cost of structural parking. If parking requirements are reduced significant sums can be saved. The Las Cruces parking requirements generally call for two spaces per residence. However, the guidelines do allow for more flexible application of those requirements. In the higher density calculations in the right two columns, the parking requirement has been adjusted to require only 1.5 spaces per living unit. While the savings is not substantial in the case of surface parking, if structural parking is part of the development plan, the savings can be substantial.

The need for structural parking can also be a problem if building heights to accommodate multiple stories cannot exceed mid-rise limits.

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V. FIVE YEAR AFFORDABLE HOUSING GOALS, POLICIES, AND QUANTIFIABLE OBJECTIVES

COST ESTIMATES FOR ACTION STEPS

As part of the information contained in the Action Plan, general estimates are made of the cost of a given action. Because specific details of a given action are not known at this time, only a general estimate can be formed. Once an implementation plan for a specified action is formulated, the greater detail contained in the implementation plan can be used for a more accurate cost estimate.

$	Little or no extra cost to the City
$$	$100,000 to $200,000 to the involved parties
$$$	$200,000 to $500,000 to the involved parties
$$$$	$500,000 to $1,000,000 to the involved parties
$$$$$	more than $1,000,000 to the involved parties

In assessing costs and priorities, the City has utilized the information gathered from key informant interviews, community meetings, a community opinion survey, reviews of statewide statutes and plans, other needs assessment data, expert opinions, and our own research and plans. It will be up to the community and the City Council to set priorities. Based on those priorities, funds can be budgeted and obtained for addressing those items. This action plan is intended to be the first step to open discussion of the future needs and services in the community. The interplay between cost and priority will help form that discussion. There may be an item that is a high priority but does not cost a lot of money to implement. There may be other high priority items that will be costly and the implementation period may stretch over a number of years or budget cycles.

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Priority Scale	
H	High
M	Medium
L	Low

Goal 1: Preservation of Existing Affordable Housing Stock

This Plan describes the number of housing units that are of the age to need rehabilitation. That number is approximately 3,561 of which 4,595 are owner occupied units. The City has an ongoing housing rehabilitation program that has addressed many substandard structures. However, the resources presently available are inadequate to address in a timely fashion, more than a portion of the units needing health and safety improvements. The City will explore all funding sources including CDBG funds, entitlement HOME, Federal Home Loan Bank Board loans and grants and other sources of financing that could make the needed improvements with minimal cost to homeowners.

Additionally, the City will assist with installation of accessible ramps on mobile homes, mobile home utility upgrades to connect to City utilities as well as use CDBG funding for roof replacements completed by community based agencies.

There are several multi-family complexes that provide affordable rents that are in need of basic rehabilitation and health and safety improvements. It is difficult for property owners to invest the needed capital to make those improvements because it cannot always be determined that the improvements will produce increased rents to provide a return on investment. The City will convene rental property owners to determine if they would be willing to participate in such a

rental rehab program if they could obtain below market financing in exchange for stable, affordable rents after the improvements are completed. They City will also work with the Housing Authority to address needs in their older units.

Item	Action	Priority	Timeline	Partners/Resources	COST
1	The City will continue to operate the owner occupied housing rehab/mobile program. Production Target: 70 units	H	2016-2021	Community Development Department, MFA, DFA, local builders, FHLB, local banks	$$$$
2	The City will expand the single family rehab/mobile home program. Target: Production Target: 15 units	H	2016-2021	Community Development Department, MFA, FHLB, local builders, local lenders	$$$$
3	The City will use federal and local funds to serve as gap financing for LIHTC projects which are aimed at addressing health and safety needs and modernization needs in existing multifamily rental projects. Production target: 25 units	M	2016-2021	Community Development Department MFA, property managers, Realtors, lenders	$$$

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GOAL 2: Increase Affordability of Rental Housing for Low Income Households and Special Needs Populations that Have Difficulty Competing in the Housing Market

The needs analysis section and the gap analysis section of this Affordable Housing Plan identifies a high unmet demand for decent rental housing that is affordable to very low and low income households(0-60% AMI) and especially special needs populations (disabled, elderly, homeless). The challenge of finding and remaining in an affordable unit is even more difficult for sub-populations such as elderly, and disabled living on fixed incomes. The unmet need equates to approximately 2,003 households with incomes below 60% AMI.

The Mesilla Valley Public Housing Authority administers the Section 8 Rental Assistance Voucher Program provided by HUD. The Housing Authority will continue to utilize this resource to assist those households with the greatest needs. The Housing Authority will continue to request new Vouchers from HUD whenever new allocations are made available. The Housing Authority has applied for and received HUD-VASH vouchers for veterans.

The City seeks to expand the limited supply of decent affordable units by incenting public/private partnerships to build more rental units for very low and low income households and for special populations. The City will use the resources in its Affordable Housing Land Bank and Trust Fund Program to gather all possible resources to address this need. The City will, as conditions allow, suport those special needs households with supportive services and Tenant Based Rental Assistance (TBRA) to help bridge the long wait before those households can obtain a Housing Choice Voucher or a permanently affordable rental unit.

Elderly residents on fixed incomes are one of the special populations that need affordable rental units that are accessible for households facing various physical challenges. The market analysis and gaps analysis section of this Plan identified 1209 cost burdened low income senior households.

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Item	Action	Priority	Time line	Partners/Resources	COST
1	The City will support MVPHA in continuing the Sec. 8 Rental Assistance Program and apply for new vouchers whenever they are available. Present available: 1183. Production target: 15 new vouchers annually	H	2016-2021	HUD, MVPHA, Community Development Department	$
2	The City, through its affordable housing policies and budget allocations (including impact fee waivers) will incent public/ private partnerships to build new affordable rental housing. Production target: 150 units	H	2016-2021	City Council, Community Development Department, MFA, HUD, local lenders, FHLB, Affordable Housing Advisory Committee	$$$$$
3	The City will conduct an RFP for purposes of hiring a developer to provide either rental housing, mixed use housing or for sale housing on the Sierra Summary Division, Lot 2 owned by the City. Production target: 32 units	H	2016-2018	City Council, Community Development Department, MFA, local lenders, FHLB, Affordable Housing Advisory Committee	$$$$$
4	The City will offer TBRA to special needs populations in order to provide affordable, accessible housing while those households wait for a Housing Choice Voucher. Production target: 50 vouchers	H	2016-2021	Community Development Department, MVPHA, local landlords	$$$

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GOAL 3. Expand Homeownership Options

The market analysis and gaps analysis sections of this Plan identify a number of renter households (2441) with the potential income to afford the median priced home in Las Cruces. Homeowners are generally better off economically than renters and providing a stable living environment with set shelter expenses is an important piece for achieving economic self-sufficiency.

While the supply of for sale units seems adequate to meet current demand, a significant number of those units are in poor condition and wouldn't meet the underwriting and appraisal standards that would apply in order to receive a conventional or federally insured mortgage loan. Newer, Green Built, energy efficient attached dwellings would be a cost effective homeownership option for households with incomes below the median income. New homes located in proximity to public transit, in the Overlay Development District, could also benefit first time homebuyers by helping to reduce the combined burden of their shelter and transit costs. The target for combined costs should be in the 45% of household income range.

An important step in becoming a homeowner, is to have the necessary credit standing and financial literacy in order to qualify for a loan as well as to cope with the complexity of both the purchase and ongoing ownership obligations, once the sale closes. Credit repair counseling and homebuyer training programs are an important facet of establishing a solid market for homebuyer opportunities. There are resources available in Las Cruces to improve the competitiveness of lower income households in qualifying for mortgage loans. Under the auspices of the MVPHA, Section 8 Rental Assistance Program participants are also allowed the opportunity to convert their rental subsidy into payments on a home mortgage. Habitat for Humanity and Tierra del Sol have successfully produced new, affordable homeownership units into the market. The City will continue to support those efforts by providing development financing and down-payment assistance to households that qualify for newly produced units.

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Item	Action	Priority	Time line	Partners/Resources	COST
1	The City will continue to support the MVPHA Section 8 Homeownership Program for participants in the Rental Assistance program. Production target : 15 loans	H	2016-2021	MVPHA, Realtors, Lenders, Mortgage Counseling agencies, Community Development Department	$$
2	The City Housing Office will coordinate the efforts of Realtors, lenders, MFA down-payment assistance programs to identify and qualify moderate income households wishing to purchase a home. Production target: annual meetings to set homeownership production goals.	M	2016-2021	Realtors, Lenders , Mortgage Counseling agencies, MFA, affordable developers	$
3	The City will provide predevelopment and development funds, as well as down-payment assistance and impact fee waivers to qualified affordable homeownership projects. Production target: 70 new units, down-payment assistance 10 loans.	H	2016-2021	Community Development Department, affordable developers, local lenders, builders	$$$
4	Public/Private Partnership will construct affordable condo/rental development at Sierra Summary, Lot 2. Production target 32 units.	H	2016-2021	Community Development Department, Affordable Housing Advisory Committee, developers, Realtors, local lenders, MFA	$$$$$

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GOAL 4: Reduce Homelessness

The public engagement effort used in the preparation of the Affordable Housing Plan and the Five Year HUD Consolidated Plan highlighted the need to increase resources available for individuals and households experiencing repeated episodes of homeless, episodic homelessness and the threat of homelessness. Presently it is challenging for households to obtain stable, decent housing and the accompanying needed supportive services to maintain stability in an independent living environment. The City has resorted to supporting an overflow tent village to provide a basic level of safety and sanitary living conditions for those who are unable to obtain stable, permanent housing through the homeless support system in the community.

The City will focus on homeless prevention through short term assistance to pay rent, utility bills and other items that could force a household into homelessness. The City will work with affordable rental developers to increase the supply of permanently, affordable rentals that have the needed support services for the chronically homeless. The City will work with the Continuum of Care agencies to increase the supply of Rapid Rehousing options to minimize the length of time people are held in the emergency shelters before they obtain a decent, affordable, stable rental home.

Item	Action	Priority	Time line	Partners/Resources	COST
1	The City will provide financial support to homeless service and prevention agencies to bolster their assistance efforts to households threatened with homelessness. Production target: 4,000 households	H	2016-2021	Community Development Department, homeless agencies, faith based organizations	$$$
2	The Community Development Department will coordinate the efforts to formulate plans and projects to expand the supply of permanent, accessible, rental housing units with supportive services attached. Production target: 55 rental units	H	2016-2021	Community Development Department, MFA, Lenders , homeless housing providers, charitable organizations, service agencies.	$$$$$
3	The City will continue to provide support through federal and local funds to agencies providing emergency housing and supportive services to the homeless population of Las Cruces. Production target: 6,000 persons assisted.	H	2016-2021	Community Development Department, charitable organizations, Continuum of Care agencies, homeless service providers	$$$$$

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Goal 5: Create Innovative Partnerships Between Government and the Private Sector by Creating Ordinances, Plans and Policies that Expand Housing Opportunities and Support Economic Diversity

Housing is the most highly regulated commercial activity in our modern economy. Federal monetary policy dictates mortgage rates. Federal laws and regulations govern who lives in the housing, where the timber is harvested, whether there is a secondary market for the mortgage, etc. Local and state laws control where the housing gets built, what it looks like, how many houses or units go on a particular site and who is allowed to build. The decisions made at various levels of government influence the price and availability of housing. The local government has great influence over the housing production system through its zoning, subdivision, building and public infrastructure regulations and fees.

Often government regulations are perceived as arbitrary barriers to the production of more affordable housing types. However, the thoughtful observer quickly determines that government agencies are placed in the role of regulator because their constituents, the local voters, desire government to provide a variety of protections. As the west becomes more populated and land use patterns become denser, those who invest in property want government to take a firm hand in protecting them from surrounding uses which might devalue property or adversely affect health and quality of life.

The City of Las Cruces will use a combination of targeted incentives and set-aside requirements to ensure new development accommodates all sectors of housing demand -- not just those with substantial equity. Those incentives will include cash and non-cash items. In existing neighborhoods, denser land use may be achieved by using zoning codes to allow smaller lot configurations and permitting the construction of accessory units on existing legacy lots. When there is public investment, subsidies or incentives, to lower housing costs, enforcement mechanisms will be in place to ensure that public purposes are met.

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Las Cruces has developed policies and programs to achieve the needed results. By partnering with for profit and non-profit developers, the City can reduce some developer risk. If transaction and carrying costs for a given project are lowered, the final costs can be reduced for the end user. Through comprehensive planning products, such as the updated comprehensive plan, "Plan 4 Las Cruces" and the Infill Development Overlay District, the City has created new opportunities to partner with the private sector to address both the housing needs and economic growth in the community. By creating plans that envision catalytic projects, such as the Sierra Lot 2 project there will be more housing choice and a better quality of life for those who live in the City.

However, those changes will only come by successful efforts to address and ameliorate some of the obstacles that stand in the way of growth. This City of Las Cruces Affordable Housing Plan lays out steps the Citywill undertake in order to provide better housing and a stronger economy for Las Cruces residents. Some tools and incentives the City will formulate and refine include:

- Higher densities for a specific number of affordable units in designated zones.
- Tax exempt financing products to expand monetary resources available in the Affordable Housing Trust Fund and Land Banking Program
- Local cash and fee waivers/deferrals as budgets permit.
- Regulatory changes to lower the cost of housing development and provide more options for building attached housing.
- Coordination with other governmental and private entities such as the Dona Ana County, NM Mortgage Finance Authority, NM Dept. of Finance and Administration, Federal Home Loan Bank Board Enterprise Community Partners, Neighborworks, Boards of Realtors, Homebuilders Association.
- City-sponsored funding applications to obtain the needed equity from private and public the sources to support projects and programs.

By adopting this Affordable Housing Plan and an Affordable Housing Ordinance, it is acknowledged that there is a public purpose in improving the housing opportunities for the lower income families. Many households with incomes from 0-80% of the Las Cruces Area Median Income are not able to compete successfully in the local housing market. Any resources the City provides will be targeted at those high need households which cannot ensure stable housing with only their own resources.

Item	Action	Priority	Time line	Partners/Resources	COST
1	City will work with the Downtown Development Authority, businesses and real estate developers to encourage the inclusion of affordable housing in new mixed use developments in the Central Business District. Production target: new multi-use project approved Downtown.	High	2016-2021	City Council, Community Development Department, City stakeholders and residents	$
2	The City will encourage the flexible application of zoning and subdivision regulations which allow narrower setback and yard requirements for smaller subdivisions that could be permitted in the Infill Development Overlay Zone. Production target: new small lot homes approved	Medium	2016-2021	Community Development Department, developers and builders, City stakeholders and residents	$
3	The City will examine ways to expand the budget allocation for Impact Fee Waivers for affordable rental and homeowner projects in the pipeline in order to ensure adequate resources to cover the number of units in the pipeline. Production target: City Council action	High	2016-2018	City Council, Community Development Department	$$$
4	The City will modify its current ADU requirements to permit non-related individuals to reside in approved ADUs. Product target: 5% increase in ADU approvals.	Medium	2017	City Council, Community Development Department, City stakeholders	$
5	The City will sponsor and advocate for funding applications to other state and federal agencies that can assist in financing affordable housing projects and programs that meet the needs identified in this Plan. Production Target: projects and programs listed in this Plan receive outside funding.	High	2016-2021	City Council, Community Development Department, local housing providers, state and federal funding agencies, foundations, banking systems	$

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FUNDING SOURCES FOR AFFORDABLE HOUSING

This list includes many current sources funding sources available for (1) Homeownership Programs, (2) Housing Development, (3) Homeless and Rental Assistance Programs, as of July of 2016. Local funding is listed under Housing Development and Homeless Assistance Programs.

Planning

New Mexico Mortgage Finance Authority (MFA)
MFA provides funding to create an Affordable Housing Plan. Match requirement. Contact Affordable Housing Act Program Manager. Open application cycle; first come first serve.

Homeownership Programs

Bank of America Foundation funds programs focused on creating and preserving affordable housing and homeownership opportunities, foreclosure counseling and mitigation, real-estate owned (REO) disposition and programs that help individuals and families create better money habits and become more financially capable. http://about.bankofamerica.com/en-us/global-impact/charitable-foundation-funding.html

Bank of the West provides grants that benefit low- to moderate-income individuals and communities. In New Mexico, Bank of the West provides grants that will serve the following counties: Bernalillo, Sandoval, Valencia and Doña Ana. The Charitable Giving Categories include Community and Economic Development category includes the following activities:

- Creation, preservation or rehabilitation of affordable housing
- Homeownership and credit counseling programs for low- to moderate-income individuals
- Financing services and technical assistance programs for small businesses and farms

https://www.bankofthewest.com/about-us/community-support.html

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Federal Home Loan Bank of Dallas provides grants and low interest loans to low-to-moderate income households. The Affordable Housing Program includes the following homeownership activities:

- Pay closing costs or down payments
- Buy down principal amounts or interest rates
- Refinance an existing loan (provided that the equity proceeds are used for the development of AHP-eligible housing)
- Assist with rehabilitation or construction costs
- Homebuyer education and counseling costs also qualify, if the household purchases an AHP-assisted unit.

Helping Hand, MFA
$8,000 for down payment and closing cost assistance to low-income families in which one family member has a disability. Helping Hand is a 0% loan due on sale, transfer or refinance of the home. Guidelines may vary by location.

HERO, MFA
The HERO program is a first mortgage loan that includes a 3.5% down payment assistance grant. The grant does not need to be repaid. HERO is available to low-to moderate-income households in which at least one member is a public safety worker, healthcare worker, educational worker or an active or reserve member of the armed forces. The HERO program is a 30-year, fixed-rate, FHA-insured mortgage loan.

HOME Rehabilitation (REHAB), MFA

Assistance for low-income homeowners to make necessary home repairs. MFA selects local housing authorities, community non-profit organizations and local governments to administer the program in communities throughout the state, excluding the Cities of Albuquerque and Las Cruces.

Housing Counseling
Pre-purchase housing counseling for prospective buyers funded by U.S. Department of Housing and Urban Development (HUD) grants. Counseling is done by sub-grantees selected by MFA.

Mortgage Booster, MFA
A fixed-rate second mortgage that is used in conjunction with either a Mortgage$aver or Mortgage$aver Zero first mortgage. Mortgage Booster features a 30-year term and a maximum loan amount of $8,000. Mortgage Booster has a 6% interest rate.

Mortgage$aver, MFA
Thirty-year fixed below-market rate mortgage loans priced with 1% discount and 1% origination fee for low to moderate-income first-time homebuyers.

Mortgage$aver Plus, MFA
Thirty-year fixed rate mortgage program that includes a 3.5% grant to offset down payment and closing costs for low- to moderate-income first-time homebuyers. Mortgage$aver Plus carries a slightly higher interest rate than Mortgage$aver and Mortgage$aver Zero loan products and features a 0% origination and 0% discount fee.

Mortgage$aver Zero, MFA
Thirty-year fixed-rate mortgage loans priced with 0% discount and 0% origination fee for low- to moderate-income first-time homebuyers.

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New Mexico Energy$mart (Weatherization), MFA
Assistance for qualified households to improve their homes' energy efficiency and reduce utility expenses by as much as $500 per year. Homes receive an average of $5,000 in energy efficiency upgrades through the program, which may include insulation, caulking, new windows and/or new heating systems.

Partners Program, MFA
First mortgages for families earning less than 60% of the area median income. Mortgages are procured through non-profit housing providers.

Payment$aver, MFA
A second mortgage loan that provides 8% of the sales price of the home (up to $8,000) for down payment, closing costs, principal reduction and/or interest rate buydown for lower income families in eligible areas of the state. Payment$aver is a 0% loan due on sale, transfer or refinance, loan due on sale, transfer or refinance of the home.

Public Housing, Homeownership Program, HUD
The Quality Housing and Work Responsibility Act (QHWRA) permits public housing authorities to make public housing dwelling units available for purchase by low-income families as their principal residence through the following eligible activities:

- Sell all or a portion of a public housing development to eligible public or non-public housing residents;
- Provide Capital Fund assistance to public housing families to purchase homes; or,
- Provide Capital Fund assistance to acquire homes that will be sold to low-income families.

Bernalillo Housing Authority provides this program to Sec. 8 participants.

Smart Choice, MFA
In areas where the local public housing authority offers the Section 8 Housing Choice Voucher Homeownership program, program participants may be eligible for a Smart Choice down payment and closing costs assistance loan of $15,000. Smart Choice features a 0% interest rate and is due on the sale, transfer or refinance of the home.

Streamline 203(K), MFA
A 30-year, fixed rate FHA first mortgage that includes up to $35,000 for home improvements or energy efficiency upgrades. Down payment assistance programs may be used in conjunction with this loan.

US Bank provides grants to nonprofit organizations. One of the funding priorities is affordable housing. Eligible activities include:

. Organizations that support the preservation, rehabilitation and construction of quality affordable housing that assists low- and moderate-income populations.
. Programs that provide home buyer counseling and related financial education to low- and moderate-income individuals and families.

https://www.usbank.com/community/charitable-giving.html

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Housing Development

ACCESS Loan, MFA
Streamlined Risk Sharing construction and permanent loans up to $2 million for small-scale affordable rental housing projects.

Affordable Housing Land Bank and Trust Fund, City of Las Cruces. The purpose of the Land Bank and Trust Fund is to create more housing in the City that is affordable to persons at or below 80% of the median income as established by HUD.

Bank of the West provides grants that benefit low- to moderate-income individuals and communities. In New Mexico, Bank of the West provides grants that will serve the following counties: Bernalillo, Sandoval, Valencia and Doña Ana. The Charitable Giving Categories include Community and Economic Development category includes the following activities:

. Creation, preservation or rehabilitation of affordable housing
. Homeownership and credit counseling programs for low- to moderate-income individuals
. Financing services and technical assistance programs for small businesses and farms
. Asset creation and preservation programs for low- to moderate-income individuals

https://www.bankofthewest.com/about-us/community-support.html

"Build It!" Loan Guaranty Program, MFA
Up to a 50% guaranty of interim loans used to acquire, build or rehabilitate affordable rental and for-sale housing. Build It! Is available to non-profit organizations, for profit corporations, units of local government, housing authorities and tribal entities.

Calvert Social Investment Foundation lends to established community organizations including, CDFIs, loan funds, microfinance institutions, affordable housing developers and, social enterprises. Funds may be used towards loan capital and pre-development costs. http://www.calvertfoundation.org/

Community Housing Development Organization (CHDO) Operating Fund Program, City of Las Cruces
Operating funds designed to increase production capacity in non-profit organizations that develop affordable housing.

Community Development Block Grant (CDBG), City of Las Cruces. CDBG funds are granted to projects which benefit low to moderate income beneficiaries for public services, infrastructure, and housing programs. Proposals must meet a Consolidated Plan goal. There is an annual application process.
http://www.las-cruces.org/en/departments/community-development/housing-and-family-services/cdbg-programs

Federal Home Loan Bank of Dallas, Affordable Housing Program provide grants to assist in financing the purchase, construction, and/or rehabilitation of single-family, rental, transitional, and single-room housing in their community. Funds must be used to benefit households with incomes at or below 80 percent of the median income for the area. These funds are typically leveraged with other funding sources. There is an annual application process. https://www.fhlb.com/community/ahp/

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FDIC, Community Affairs Program (CRA), Dallas Region. Banks develop a CRA strategy based on community needs, public plans and initiatives. CRA investments support activities that revitalize or stabilize the community, including affordable housing. Low-interest loans may be structured for a rehabilitation product for low-moderate income homeowners. Investments may also be made towards the rehabilitation or new construction of multi-family rental. http://www.fdic.gov/consumers/community/

Frost Foundation, funds organizations and programs which can generate change beyond traditional boundaries, to encourage creativity which recognizes emerging needs and to assist with innovation which addresses current urgent problems. Frost Foundation also considers requests for operating funds. Bi-annual application process. http://www.frostfound.org/index.html

HOME, City of Las Cruces and MFA
Gap financing loans for the development of affordable rental or special needs housing through either new construction or acquisition and rehabilitation of existing properties. Funds must meet a Consolidated Plan goal. There is an annual application process.
http://www.las-cruces.org/departments/community-development/housing-and-family-services/affordable-housing

Home Depot Foundation, *Community Impact Grants* *Program*, awards up to $5,000 to registered nonprofit organizations to help fund community projects. ***Framing Hope*** provides a donation of materials to non-profit organizations that focus on affordable housing. http://www.homedepotfoundation.org/

HOPE VI Main Street Funds, HUD
Governments of counties, cities and townships with populations under 50,000 are eligible for grants to replace unused commercial space with affordable housing in historic or traditional central business districts.

Impact Fee Waiver Program, City of Las Cruces
This voluntary program was established for the waiver of or the alternative payment from different sources of City-established development impact fees for all types of new affordable housing types.
http://www.las-cruces.org/departments/community-development/housing-and-family-services/affordable-housing

Land Title Trust Fund (LTTF), MFA
Loans or grants to provide housing for low-income persons whose household income does not exceed 80% of area median income. MFA awards funds quarterly on a competitive basis to eligible applicants that include non-profit organizations, governmental housing agencies, housing authorities, governmental entities, governmental instrumentalities, tribal governments, and tribal housing agencies.

Low Income Housing Tax Credit (LIHTC), MFA
A federal tax-based program that encourages private investment for the construction or rehabilitation of affordable rental housing. Each year, MFA awards funds on a competitive basis, as outlined in the Qualified Allocation Plan.

McCune Charitable Foundation, funds projects that benefit the state of New Mexico in the areas of arts, economic development, education, environment, health, and social services. Grants for specific projects, operating expenses, and capital expenses are considered. Grants can be awarded to qualified 501(c)(3) nonprofit organizations, federally recognized Indian tribes, public schools, and governmental agencies. Annual applications accepted. http://nmmccune.org/

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Mixed-Finance Public Housing, HUD
HUD allows a mix of public, private, and non-profit funds to develop and operate housing developments. New developments may be made up of a variety of housing types: rental, homeownership, private, subsidized, and public housing. These new communities are built for residents with a wide range of incomes, and are designed to fit into the surrounding community.

New Mexico Affordable Housing Tax Credit Program, MFA
Provides state tax credits to individuals, businesses and local governments that provide donations of land, buildings, materials, cash or services to affordable housing projects approved by MFA or cash donations made to the MFA Charitable Trust. The credit is equal to 50% of the value of the donation. Project sponsors can apply for an eligible affordable housing project designation and for a reservation of credits as outlined in the Notice of Funding Availability.

New Mexico Housing Trust Fund, MFA
Provides financing for affordable housing initiatives targeted primarily to low- to moderate-income households. MFA awards funds on a competitive basis as outlined in the Notice of Funding Availability. Eligible applicants include non-profit and for-profit housing developers and providers, units of local government, housing authorities and tribal entities.

Primero Investment Fund, MFA
Provides loans to meet the financial needs of affordable housing development initiatives that cannot be accommodated with other sources. For-profit and non-profit sponsors, public or government agencies including tribal entities are all eligible to apply. Permanent supportive housing pre-development and development grants are available for projects that set aside units for permanent supportive housing.

Public Housing, Asset Management, Operating Fund, HUD

HUD provides funding for public housing authorities to operate and maintain public housing. http://portal.hud.gov/hudportal/HUD?src=/program offices/public indian housing/programs/ph

Public Housing, Capital Fund, HUD
HUD provides funding for public housing authorities for development, financing and modernization of public housing development and management improvements.

Public Improvement Districts (PID), created by local municipalities and counties.
A public improvement district (PID) is a legal entity authorized by the New Mexico state legislature which can finance and construct a wide range of public infrastructure and facilities. It has the authority to issue debt in the form of bonds which are repaid over a specified number of years by the residents of the communities in within the PIDs.

Public Project Revolving Fund (PPRF), New Mexico Finance Authority
The New Mexico Finance Authority (NMFA) administers the Public Project Revolving Loan Fund. The NMFA makes low-cost, low-interest rate loans from this fund to local government entities to finance infrastructure projects and capital equipment purchases.

Risk Sharing Loans HUD 542(c) and USDA 538, MFA
Construction and permanent loan programs aimed at the production and preservation of affordable, low-income rental housing units. Both programs require set-asides for a specific number of units to be rented to lower income tenants. These loans are often combined with Federal Low Income Housing Tax Credits and/or HOME Rental loans. Risk Sharing loans can also provide credit enhancements for tax-exempt bond financing.

Tax-Exempt Bonds, MFA
MFA is a qualified issuer of tax-exempt bond financing and 501(C)3 bond financing for multi-family developments throughout the state. Risk Share financing can be utilized for credit enhancement. Federally mandated tenant income restrictions apply.

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Tax Increment Financing (TIF), created by local municipalities and counties. Within a designated Tax Increment Development District (TIDD), the increase in tax revenue may be used on roads, water systems or other infrastructure. In New Mexico, the incremental revenues can be from either property tax or gross receipts tax or both.

US Bank provides grants to nonprofit organizations. One of the funding priorities is affordable housing. Eligible activities include:

- Organizations that support the preservation, rehabilitation and construction of quality affordable housing that assists low- and moderate-income populations.
- Programs that provide home buyer counseling and related financial education to low- and moderate-income individuals and families.

https://www.usbank.com/community/charitable-giving.html

Wells Fargo Foundation awards grants to nonprofit organizations, including qualified governmental entities. One of the grant priority areas is Community Development which includes building and sustaining affordable housing. https://www.wellsfargo.com/about/charitable/nm guidelines

W.K. **Kellogg Foundation** concentrates two-thirds of its grant awards in several priority areas including New Mexico. The Kellogg Foundation concentrates on *"early childhood (prenatal to age 8), within the context of families and communities, offers the best opportunity to dramatically reduce the vulnerability caused by poverty and racial inequity over time."* Past grantees include affordable housing developers and organizations. http://www.wkkf.org/

Homeless & Rental Assistance Programs

Acquired Property Sales for Homeless Providers Program, Veterans Administration, makes all VA foreclosed properties available for sale to homeless provider organizations-at a 20 to 50 percent discount-to shelter homeless Veterans.

Continuum of Care (COC)
A partnership between MFA and the New Mexico Coalition to End Homelessness, this program funds agencies that provide assistance for people experiencing homelessness. Services include prevention, street outreach, emergency shelter, transitional housing and permanent supportive housing.

Daniels Fund awards grants to nonprofit organizations. One of the grant focus areas includes Homeless and Disadvantaged Families & Individuals. Grant funding may be used towards emergency shelter or transitional housing with supportive services. http://www.danielsfund.org/Grants/index.asp

Domanica Foundation awards up to $5,000 to nonprofit organizations to help fund project oriented, educational and social programs including homeless programs. http://www.domanicafoundation.org/

Emergency Housing Assistance Program (EHAP), MFA
Support for community non-profits and local governments that provide emergency and transitional housing and supportive services for individuals and families who are experiencing homelessness or at risk of becoming homeless.

Frost Foundation, funds organizations and programs which can generate change beyond traditional boundaries, to encourage creativity which recognizes emerging needs and to assist with innovation which addresses current urgent problems. Frost Foundation also considers requests for operating funds. Bi-annual application process. http://www.frostfound.org/index.html

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Health Related Public Services, City of Las Cruces
The City of Las Cruces funds health related public services with a total amount of $300,000 annually. Eligible projects are defined as those that "support the physical, mental, developmental, emotional or social continued well-being, safety, or improvement to the lives of sick, indigent or low-income people." The program allows for funding of a broad spectrum of public services that prevents or improves a health-related condition of an individual or family of low-to-moderate income, such as Health/Mental Health Programs (includes direct treatment, prevention and intervention, and education), Food and Nutrition Programs, Homeless Services, and other Social Services efforts.

Homeless Providers Grant and Per Diem Program, Veterans Administration, provides grants and per diem payments (as funding is available) to help public and nonprofit organizations establish and operate supportive housing and service centers for homeless Veterans.

Housing Choice Vouchers, HUD
HUD provides Housing Choice Vouchers to public housing authorities to provide rental assistance to low income households.

Housing Opportunity for Persons with AIDS (HOPWA), MFA
Provides supportive housing and case management services to individuals who have been diagnosed with HIV/AIDS to prevent homelessness.

Linkages Program, MFA
A permanent supportive housing voucher program for persons with behavioral health disorders who have experienced long-term homelessness. Services are provided through community partnerships between local or regional public housing authorities and licensed behavior health providers.

McCune Charitable Foundation, funds projects that benefit the state of New Mexico in the areas of arts, economic development, education, environment, health, and social services. Grants for specific projects, operating expenses, and capital expenses are considered. Grants can be awarded to qualified 501(c)(3) nonprofit organizations, federally recognized Indian tribes, public schools, and governmental agencies. Annual applications accepted. http://nmmccune.org/

Public Housing, Family Self-Sufficiency (FSS) Program, HUD
The Family Self-Sufficiency (FSS) program enables families assisted through the Housing Choice Voucher (HCV) program, Public Housing (PH) residents, and residents of Native American Housing Assistance and Self-Determination Act-assisted housing to increase their earned income and reduce their dependency on welfare assistance and rental subsidies. Under the FSS program, low-income families are provided opportunities for education, job training, counseling and other forms of social service assistance, while living in assisted housing, so they can obtain skills necessary to achieve self-sufficiency. http://portal.hud.gov/hudportal/HUD?src=/program offices/public indian housing/programs/hcv/fss

Rental Assistance Program (RAP), MFA
A short and medium term rental assistance program for low-income individuals and families who are experiencing homelessness or who are at risk of becoming homeless. Assistance can include payments
for security deposits and utility bills.

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Supportive Services for Veteran Families (SSVF) Program, Veterans Administration, provides grants and technical assistance to community-based, nonprofit organizations to help Veterans and their families stay in their homes.

VA Supportive Housing (VASH) Program is a joint effort between the Department of Housing and Urban Development and VA. HUD "Housing Choice" Section 8 vouchers allow Veterans and their families to live in market rate rental units while VA provides case management services. A housing subsidy is paid to the landlord on behalf of the participating Veteran. The Veteran then pays the difference between the actual rent c