City of Las Vegas

Affordable Housing Plan

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Prepared for:

City of Las Vegas
Public Housing Authority
2400 Sagebrush Ave
Las Vegas, NM 87701

Alfonso E. Ortiz, Mayor
Tim P. Dodge, City Manager
Robert Pacheco, Housing Director

HOUSING STRATEGY PARTNERS
Monica Abeita   Alexandra Ladd, AICP   Daniel Werwath
1206 Apache Ave, Santa Fe, NM 87505

TABLE OF CONTENTS

LIST OF TABLES

List of Tables

LIST OF FIGURES

EXECUTIVE SUMMARY

Definition of Affordable Housing

This plan defines affordable housing as a dwelling unit whose monthly cost does not exceed 30% of a family's gross monthly income. This applies to all households earning up to 120% of the Area Median Income (AMI).

Purpose of Plan

The purpose of the City of Las Vegas Affordable Housing Plan is to assess housing need in Las Vegas and to provide recommendations for addressing the needs. As approved by the New Mexico Mortgage Finance Authority, this plan is in full compliance with the New Mexico Affordable Housing Act. It enables the City of Las Vegas to adopt an ordinance and mobilize public resources to support the provision of affordable housing and related services. This plan recognizes that the City of Las Vegas is under obligation to resolve its current liabilities to HUD. Implementation of the plan's recommendations are intended to complement the resolution of that obligation but not in any way to supersede them.

Methodology

Housing Strategy Partners bases the "service area" in this plan on San Miguel County Census Tracts 9572, 9573, 9574 and 9578, including the incorporated City of Las Vegas, the Extra Territorial Zone, and some additional unincorporated households. Information collected and analyzed in this plan is based on quantitative data from established sources, priorities identified in relevant planning documents, qualitative data collected through stakeholder interviews, and input from a housing advisory group.

Planning Documents. The following planning documents were used in the completion of this plan, substituting 2010 US Census data when possible:

- ARC, Comprehensive Master Plan Update, City of Las Vegas, 2010
- Community by Design, Las Vegas Downtown Action Plan: A Metropolitan Redevelopment Area Plan, 2010
- BBER, An Assessment of the San Miguel County Economy, August 2010

Stakeholder Interviews. Stakeholder interviews were conducted with several groups including: the staff of the City of Las Vegas (Planning, Community Development, Mapping); the staff of the Las Vegas Public Housing Authority; providers of affordable housing and related services (Las Vegas Affiliate of Habitat for Humanity, San Miguel County Housing Authority, Samaritan House Shelter, Tri-County Family Justice, NM Child and Protective Services Division); community institutions (NM Highlands

University, NM Behavioral Health Institute, Luna Community College, Alta Vista Health Center); property managers of private apartment complexes; realtors; builders; lenders and title companies; architectural design professionals; and modular building specialists.

Focus Groups. Two focus group meetings were held with the Las Vegas Housing Authority's Housing Advisory group on June 23, 2011 and September 7, 2011. The first meeting included a presentation of the preliminary Community Profile and participants provided their responses to the quantitative data. They ranked the priorities identified by the group. The second meeting focused on a set of conceptual recommendations. Participants discussed the recommendations and provided insights on appropriate implementation steps. The Implementation Plan section of this document reflects the input from the Housing Advisory Group.

Public Presentations. On October 19, 2011, the draft plan was presented to the Las Vegas Housing Authority's Housing Board, composed of the mayor and five city councilors and one resident member. Comments from the board were incorporated into the Implementation Plan.

Community Profile

Several demographic characteristics in Las Vegas have significant implications for assessing affordable housing needs and determining appropriate recommendations for addressing those needs. They include:

- A population loss of 2.4% since 2000 due to slow rates of natural increase and out-migration;
- A projected population increase of .1% through 2030, totaling 325 individuals;
- Lower percentages of children and working-age adults, and higher percentages of seniors between 60 and 74 years of age;
- A smaller average household size (2.26 persons) than the rest of NM (2.6 persons) and higher percentages of non-family households, reflecting the city's college population;
- Higher rates of disability for all age groups than NM and the US;
- High percentage of Hispanic or Latino residents (80.5%), with the percentage of non-Hispanics increasing by 8% since 2000;
- Incomes that are 30 – 40% lower than those in the rest of NM;
- Below state and national averages for educational attainment of high school degrees;
- Low workforce participation rate with only one-half of the adult population working, compared to 62.5% in NM and 65% in the rest of the US;

- An economy reliant on government sector jobs (46% of employment), about twice the rate in the rest of the state, with only 1.5% of jobs in higher paying professional and administrative sectors;

Housing Profile

The 2010 US Census reports 6,609 housing units in the City of Las Vegas and 7,362 in the metro area, with an average of 24 units being added per year between 2000 and 2010. This rate is half the number built in the previous decade (1990-2000). Other characteristics include:

- Twice as many building permits were issued by the City of Las Vegas for manufactured homes than stick built construction since 2000;
- Increase in vacant housing units since 2000, attributable to the high number of seasonal homes in the County and older homes in disrepair within the City limits;
- Higher percentage of renter households (43.1%) than the state (30%), reflecting the student population;
- Older housing stock with 21.4% built before 1940, compared to 5.7% in the rest of NM;
- Only 3.3% of Las Vegas' housing stock constructed in the last decade;
- Few homes are reportedly substandard (lacking plumbing and/or kitchen facilities) and only 1% are overcrowded (compared to 3% for the rest of the state);
- Almost one-quarter of homes in San Miguel County are heated with wood, compared to 11% in Las Vegas and 6% in NM.

Housing Inventory

In general, the inventory of affordable housing in Las Vegas is heavily weighted in favor of subsidized rental projects serving renters earning no more than 60% of the area median income. Vacancy rates are variable, with the newer complexes reporting 0%. Only two of the subsidized complexes were constructed within the last decade.

Summary of Las Vegas Housing Inventory	
Emergency/Transitional	10* beds
Special Needs/Supported	approx 200**
Public Housing	267 units
Sect 8 Vouchers	150
Subsidized Rental Complex	467 units
Subsidized Homeownership	23 built 7 rehabs
Home Repair	20/year

*seasonal
**includes NMBHI beds

Options for emergency shelter or supported rental units are extremely limited, as is support for current homeowners with very low incomes through weatherization and home repair. Habitat for Humanity is the only nonprofit organization to have produced any homes specifically for low-income homebuyers. Across all income ranges, potential homebuyers point to Las Vegas' high number of homes in need of rehabilitation as an impediment to home buying.

Land Use and Policy Analysis

Housing development in Las Vegas is not unduly hampered by governmental regulations or constraints. Las Vegas has several residential zoning districts, with allowable densities ranging up to 16 units per acre, as well as allowing flexibility in setback requirements to better integrate new development with historic styles and enable more efficient lot usage. There is a two-step approval process for preliminary and final plat stages that in theory is fairly streamlined. Interviews with developers indicate that the low volume of recent building activity in Las Vegas may affect the efficiency of the process. Other adopted land use policy – the draft Comprehensive Plan and the Downtown Action Plan – cite affordable housing as a top priority and do not pose any policy or regulatory barriers.

Non-governmental constraints on land development include few developable parcels within the City boundaries and very limited water supplies to support new development. Construction and infrastructure costs are fairly expensive due to transportation distances and a lack of volume building. Access to financing is another constraint for housing development and financing homeownership. Low lender participation in providing subsidized loan products, a lack of qualified homebuyers, and a low rate of real estate sales, which keeps values stagnant and makes appraisals somewhat problematic, are all factors that affect access to third-party financing sources. Finally, the only volume building done in Las Vegas over the last decade has been done by out of town firms, rather than local developers, so there is very limited local capacity, both for profit and nonprofit, to provide services and/or build homes.

Development Feasibility Analysis. The development feasibility analysis (pp 44 – 47) illustrates how residential density, construction and infrastructure costs affect affordability. For single family development at seven units per acre, even with land and infrastructure donated, there remains a gap of over $30,000 to achieve affordability for buyers at 60% AMI. If densities are raised to eight homes per acre for a smaller, attached patio home, affordability is increased so that the subsidy gap for 60% AMI is reduced to approximately $16,000.

Even a high density multi-family rental project is only affordable to renters at 60% of AMI if land and infrastructure are donated, which does not address the core need that remains for the large number of households in Las Vegas earning below 50% AMI. To achieve levels of affordability that address the unique Las Vegas population and their needs, projects will likely need to maximize density, land and infrastructure donation, as well as outside subsidy sources.

Sites Inventory. Based on the development feasibility analysis, it is clear that public resources are required to make feasible affordable housing development in Las Vegas.

For that reason, this plan considers two City/housing authority-owned sites for development. Under current zoning, over 400 lots are potentially developable in the publicly-owned inventory. Other sites are identified for smaller scale infill and/or redevelopment possibilities in the development feasibility analysis.

Site	Size	# of lots	Infrastructure
Rodriguez Park	230 undeveloped acres	Approx 230	Majority of site is unserved; needs upgrade of adjacent streets, utility lines to provide access
Macario Gonzales	18.25 acres	Approx 200*	Fully graded, served with infrastructure that needs upgrade, no significant terrain issues
TOTAL	**249**	**Approx 430**	

*Represents an average of the two current zoning categories

Housing Needs Analysis

The purpose of the Affordability Analysis is to determine the extent to which households at various income levels can afford housing in Las Vegas. This is achieved by analyzing the gap between incomes and housing prices. The analysis focuses on housing affordability for households classified as low income, defined as earning under 80% Area Median Income, or moderate-income, earning 80-120% of the Area Median Income (AMI).

Incomes and Cost Burden. While housing costs in Las Vegas are low compared to statewide standards, affordability issues exist due to low incomes in the community. Sixty percent or 3,635 households in Las can be classified as low-income, with an additional 15% or 897 households classified as moderate income. Income levels are unique in Las Vegas in the following respects:

- An unusually high percentage of households (25%) is extremely low income, earning less than $12,750 per year in 2011.
- An unusually small percentage of households (12%) earns between 80 and 120% AMI, a prime category for entry-level and/or workforce homeownership.
- An unusually high percentage (70%) of households can be classified as low to moderate income.

For all Las Vegas households who are homeowners, 30.1% are cost burdened or paying more than 30% of their income in housing costs. This compares to 25% of cost burdened homeowner households in New Mexico. Median rent in Las Vegas is $507 per month, lower than $659 in New Mexico. However, 59.5% of renter households in Las Vegas are considered cost burdened compared to 47.9% of renter households in the rest of New Mexico.

Area Median Income (AMI) and Income Distribution. As determined by the US Department of Housing and Urban Development (HUD), 2011 Area Median Income (AMI) for San Miguel County is $43,200. AMI is used to qualify households for various HUD programs and funding sources. Low-income households earn less than 80% of AMI, very low-income households earn less than 50%, and extremely low-income households earn less than 30%. Some HUD programs can be used for moderate-income households, or those between 80 and 120% AMI. Typically, 60% AMI is a threshold for households that can afford to buy a home and those that cannot.

HUD Income Guidelines for San Miguel County Area Median Income

HH Size	1	2	3	4	5	6	7	8
30% AMI	$9,950	$11,350	$12,750	$14,150	$15,300	$16,450	$17,550	$18,700
40% AMI	$12,100	$13,850	$15,550	$17,300	$18,700	$20,050	$21,450	$22,850
50% AMI	$15,100	$17,300	$19,450	$21,600	$23,350	$25,050	$26,800	$28,500
60% AMI	$18,150	$20,700	$23,300	$25,900	$27,950	$30,050	$32,100	$34,200
70% AMI	$21,150	$24,150	$27,200	$30,200	$32,600	$35,050	$37,450	$39,850
80% AMI	$26,400	$30,150	$33,900	$37,650	$40,700	$43,700	$46,700	$49,700
90% AMI	$27,250	$31,100	$35,000	$38,900	$42,000	$45,100	$48,250	$51,350
100% AMI	$30,250	$34,550	$38,900	$43,200	$46,650	$50,100	$53,550	$57,000
110% AMI	$33,250	$38,000	$42,750	$47,500	$51,300	$55,100	$58,900	$62,700
120% AMI	$36,250	$41,450	$46,600	$51,800	$55,950	$60,100	$64,250	$68,400

Homeownership Affordability. According to 2011 MLS data, the median price of all homes on the market in Las Vegas was $150,000, with a slightly lower median price of $120,000 for manufactured homes. Moderate-income households of three earning between 80% and 120% Area Median Income can afford homes priced up to $200,000, which represents 67% of homes on the market. Households of three earning between 60% and 80% Area Median Income can afford homes priced up to $130,000, which represents 43% of homes on the market. Twenty-three percent of current residential listings are priced under $100,000, which would be affordable for low-income households of three earning between 50% and 60% Area Median Income. In short, there seems to be an adequate inventory available on the market that is affordable to Las Vegas' population of potential homebuyers, however, anecdotal evidence indicates that available inventory is not considered adequate, based on size, condition and quality.

Rental Affordability. In the Las Vegas service area, 80% or 1,924 renter households are estimated to be low-income, with 90% or 2,146 estimated as low and moderate income. A very high percentage (41%) of renter households are extremely low-income, earning less than 30% AMI. There are a total of 692 subsidized rental units in the City of Las Vegas, distributed among nine apartment complexes and public housing sites, serving households earning 40%, 50% and 60% AMI. The only income tier in which there are variable vacancies are those serving 50 – 60% AMI, indicating this segment of the market may be adequately served. In the private market, however, there are virtually no rental opportunities for renter households earning less than 50% AMI. According to a survey of private market listings, roughly one-third of units on the market are priced for households earning between 50% and 80% AMI, with another third priced for moderately priced-households.

Projected Housing Needs

This plan estimates "Catch Up Demand" – the number of units to meet the needs of the current population – to be between 209 and 273 units on the basis of the next five years, with an additional 100+ units improved through weatherization activities. The analysis compares the number of households in various income categories to existing housing that they can afford. If the number of households outweighs the number of housing units priced accordingly, a specific number of new units is recommended to be built or provided to meet the need. "Keep Up Demand" is housing demand required to accommodate future employment growth. As a result of the overall decline in employment, stability of the Health Care sector, and in the absence of new business openings, it is not anticipated that new housing demand will be created as a result of job growth in the next five years. Based on needs projected in this analysis, a Production Plan was compiled that outlines production goals for Las Vegas for the next five years.

Housing Production Plan – Five-Year Goal

Housing Type	Five Year Production Goal (units)	Affordable Housing Cost
Emergency/Transitional Units	10	< $298/mo
Disabled/Senior/Frail Elderly Rental	48 – 62	< $363/mo
Rental Units for Renters with < 60% AMI	116 – 159	< $544/mo
Homeownership for Renters 40–60% AMI	8-10	$79,930 - $99,450
Rental Units for Renters at 60-80% AMI	-	-
Homeownership for Renters at 60-80% AMI	7-10	$99, 450 – $139,312
Rental Units for Renters with 80-120% AMI	12 – 16	$908 - $1,087/mo
Homeownership for Renters at 80-120% AMI	7 – 9	$139,312 - $191,503
Totals New Construction	**208 - 276**	
Rehabilitation – Owner-Occupied < 50% AMI	5	
Rehabilitation – Acquisition	10	
Rehabilitation – Low Cost Weatherization	100	
Total Rehabilitation	**115**	

Summary of Plan Recommendations

1.0. Funding. There are several sources of funding that may not be currently accessible in Las Vegas or at least not used to their maximum benefit. Some funding opportunities, such as MFA-sponsored lending products and construction funding may not be currently maximized by Las Vegas' private sector. Recommendations to reduce funding gaps include:

- 1.1. Create Las Vegas Affordable Housing Trust Fund.
- 1.2. Apply for third party funding not used in Las Vegas.
- 1.3. Invest local resources to expand affordable housing/services.
- 1.4. Create capacity of local lenders to provide MFA, FHA and USDA loan products

2.0. Capacity Building. The City of Las Vegas public housing authority does not have affordable housing expertise beyond the administration of public housing programs, nor is there much capacity in the nonprofit and for-profit community to provide services in the greater community. Recommendations to build the capacity of the governmental, nonprofit and private sectors in Las Vegas include:

- 2.1. Establish a staff position within the public housing authority to implement the recommendations of this plan.
- 2.2. Provide technical assistance to the housing authority and nonprofit/for profit partners to identify gaps in service provision and improve service models.
- 2.3. Establish partnerships between private, nonprofit and public sector housing services providers, lenders and community institutions.

3.0. Program Development. There are several programmatic needs not being met in Las Vegas including emergency shelter services, long term supported rental options, comprehensive weatherization and rehabilitation services. Other conditions unique to Las Vegas – very old housing stock, the hard-to-quantify needs of populations who go "underground" because of lack of services and the presence of several community institutions – are not addressed at all. Recommendations to expand housing programming in Las Vegas include:

- 3.1. Prioritize the needs of very low-income residents.
- 3.2. Create a citywide homeownership education and counseling program.
- 3.3. Develop a home rehabilitation/energy-efficiency improvement program.
- 3.4. Design housing programs to meet conditions unique to Las Vegas.

4.0. Real Estate Development. Building homes on City-owned sites for low- and moderate-income renters and homebuyers, in conjunction with rehabilitating existing homes, are the most likely means through which the quality and affordability of Las Vegas' housing stock may be increased. Increasing the development, preservation and rehabilitation of affordable housing implies more widespread benefits – economic growth in the for-profit construction sector and improved collaboration between governmental, nonprofit and private sector partners. Recommendations to provide newly constructed and rehabilitated housing and increase local building capacity include:

4.1. Address the City's current liabilities to HUD with a mixed-income/tenure development plan to replace demolished public housing authority units.
4.2. Consider a small-scale pilot project to build 2-4 units on a City or housing authority-owned site to launch Las Vegas' housing development program.
4.3. Initiate a live/work housing development that ties affordable housing to economic development.
4.4. Provide incentives for such as donated or discounted land, infrastructure, and other public facilities for local private sector builders and/or regional nonprofit builders who commit to meeting affordable housing goals.

5.0. Regulatory Environment. The City and public housing authority lack any regulatory framework to guide the proper administration and design of affordable housing programs and to allow the donation of public resources – land, infrastructure, buildings, cash – to support affordable housing. The City of Las Vegas needs to implement a regulation that specifies the qualifications and requirements of grantees, long-term affordability requirements, application procedures, and general monitoring and compliance provisions. Recommendations to address regulatory requirements include:

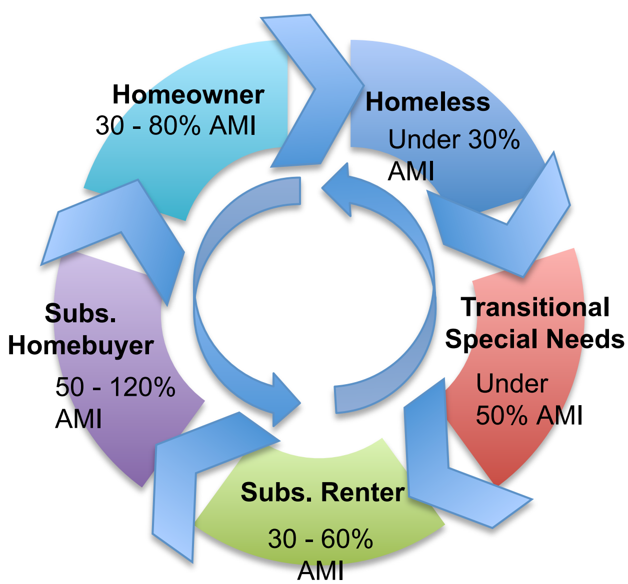
5.1. Create regulatory template/ordinance that complies with all rules and regulations of the New Mexico Affordable Housing Act.
5.2. Develop policies/procedures for administering the Las Vegas Affordable Housing Trust Fund and establishing a competitive process for accessing funds.
5.3. Create a system of incentives for builders to create reasonably priced homes.

INTRODUCTION

Having a roof over one's head is one of our essential needs as human beings, as important as eating, sleeping, and receiving medical care. Yet, too often, the poor, the disabled, the elderly and even many in the workforce are not able to afford a house that meets their needs. A lack of high quality housing directly affects one's ability to build wealth, participate in civic activities, enjoy leisure time, and most of all, to have a decent and safe place to live. The overall health and vitality of a community suffers directly when its residents aren't housed adequately.

In the City of Las Vegas and all communities, choices become most limited when the housing market does not offer a full spectrum of housing choices, from emergency shelter to rental to homeownership, as illustrated in Figure 1.

Figure 1: Las Vegas Spectrum of Housing Need



If options are limited in any of the categories of housing, then some residents may get "stuck" and are unable to move into a different housing situation as their needs or financial resources change. In turn, once they are unable to move, the next person needing the type of housing currently occupied is not able to move. It is important to note that not only are opportunities for moving up the spectrum important, but that some people, such as seniors or people with special needs, will choose to move "down" into smaller homes or rental homes with associated amenities. Other residents will lose their current housing, (as represented by the counterclockwise arrows), particularly if they don't have necessary support services, which is another indication that the spectrum is not solely "one-way."

Definition of Affordable Housing

For purposes of this document, affordable housing is defined as a dwelling unit whose monthly cost does not exceed 30% of a family's gross monthly income. This applies to all households earning up to 120% of the Area Median Income (AMI).

Purpose of Plan

The purpose of the City of Las Vegas Affordable Housing Plan is to assess housing need in Las Vegas and to provide recommendations for addressing the needs. As approved by the New Mexico Mortgage Finance Authority, this plan is in full compliance with the New Mexico Affordable Housing Act. This enables the City of Las Vegas to adopt an ordinance and mobilize public resources to support the provision of affordable housing and related services, new construction and the rehabilitation of existing homes.

This plan is organized to identify needs based on the entire housing spectrum. It evaluates existing housing gaps for the current population and projects needs for the future. Most importantly, it proposes strategies and recommendations for meeting housing needs and identifies opportunities for increasing and improving the City's housing stock to serve a variety of housing situations. The information in this plan will help the City of Las Vegas Housing Authority to:

- Establish baseline information for current and future housing needs and evaluate progress in meeting goals.
- Develop and implement strategies to ensure that Las Vegas offers its residents a full range of housing choices and opportunities.
- Implement specific affordable housing projects and obtain financing from federal, state, and private lending institutions.
- Recommend roles and responsibilities for implementation.

Methodology

While this Plan is focused on recommendations for the City of Las Vegas Housing Authority, it takes into account households in the unincorporated areas adjacent to the City that may wish to move into the City limits, or whose social service needs are met within the City. For this reason, Housing Strategy Partners has identified a "service area" based on San Miguel County Census Tracts 9572, 9573, 9574 and 9578. These Census Tracts include the incorporated City of Las Vegas, the Extra Territorial Zone, and some additional unincorporated households. Some of the data collected for this Plan is formatted according to these four census tracts, which, once totaled, are referred to as the "Las Vegas Service Area."

Listed below, this Plan also draws upon several planning documents either recently completed or currently in process for the City of Las Vegas. It should be noted, however, that because 2010 US Census data was available as of the writing of this Plan, it has been substituted for much of the demographic, economic and social statistical data contained in these planning documents.

ARC, Comprehensive Master Plan Update, City of Las Vegas, 2010. As of 2011, the City of Las Vegas is in the process of updating its Comprehensive Master Plan, which includes policies and regulations to guide development in the short- and long-term in the City and the Extra Territorial Zone (ETZ). A comprehensive look at existing conditions, including analysis and assessment of current programs and planning efforts, the plan is organized into chapters based on content in order to give direction to the City's departments. The plan includes demographic and statistical information to gauge growth trends in order to anticipate planning needs for the next 20 years. Comparing data from the US Census, the University of New Mexico's Bureau of Business and Economic Research (BBER), and organizations in Las Vegas, the Comprehensive Master Plan finds that population growth will be slow but steady at less than 1% annually projected through 2035. The Comprehensive Master Plan also analyzes land use and development trends, breaking the City and ETZ into smaller geographical areas that indicate growth taking place to the north and northeast of the City's downtown. The latest chapters were released for public comment March 31, 2011.

Community by Design, Las Vegas Downtown Action Plan: A Metropolitan Redevelopment Area Plan, 2010. The Las Vegas Downtown Action Plan was a joint planning effort between the City of Las Vegas and Las Vegas MainStreet, with guidance from a steering committee that includes business, residential, and historic preservations stakeholders. Developed by consultant Community by Design, the plan is based on outcomes from a community charrette in 2010, including a prioritized list of catalytic projects, coupled with a Metropolitan Redevelopment Area (MRA) plan that assesses blight conditions per state statute and recommends projects to leverage assets and address shortcomings. The Plan was adopted in 2010 and includes an analysis of existing conditions, a description of the community participation process, recommended projects, funding sources, implementation recommendations, and an assessment of historic properties in the downtown area. Visionary projects include gateways and signage; site design, corridor, public facility, and district improvements for key properties and priority areas; artist housing in the Railroad District; a trolley shuttle between to connect the Railroad Depot and Historic Downtown; and interim uses for underdeveloped properties.

BBER, An Assessment of the San Miguel County Economy, August 2010. In 2010, San Miguel County and Luna Community College commissioned *An Assessment of the San Miguel County Economy* by the Bureau of Business and Economic Research (BBER) at the University of New Mexico. The principal objective of the report is to address the persistence of San Miguel County's low incomes, which stem from lack of high paying jobs. The study identifies three major weaknesses in the San Miguel County economy:

1. Over reliance on government jobs and low private sector employment.
2. Over dependence on the shrinking northeastern New Mexico population as the primary market for retail and mid-level service industries.
3. An aging population that is not retaining recent college graduates nor attracting young families and workers.

The BBER reports makes three major recommendations to improve the County's economy: 1) Plug leaks in the economy to shore up public finances, 2) Recruit industry in export sectors to create higher paying jobs and increase gross receipts, and 3) Help develop homegrown businesses to crate a more vibrant community for younger workers.

Public Participation

Stakeholder Interviews. Stakeholder interviews were conducted with several groups including: the staff of the City of Las Vegas (Planning, Community Development, Mapping); the staff of the Las Vegas Public Housing Authority; providers of affordable housing and related services (Las Vegas Affiliate of Habitat for Humanity, San Miguel County Housing Authority, Samaritan House Shelter, Tri-County Family Justice, NM Child and Protective Services Division); community institutions (NM Highlands University, NM Behavioral Health Institute, Luna Community College, Alta Vista Health Center); property managers of private apartment complexes; realtors; builders; lenders and title companies; architectural design professionals; and modular building specialists.

Focus Groups. Two focus group meetings were held with the Las Vegas Housing Authority's Housing Advisory group. All outreach materials are included as Appendix A to this plan. The Implementation Plan section of this document reflects the input from the participants of these meetings.

The first meeting was held on June 23, 2011 with 16 attendees. After a presentation on the initial findings from the Community Profile, the group provided feedback on the initial constraints and opportunities analysis and participated in an exercise to identify their priorities for the plan. These needs identified as **high** priorities included:

- Housing for seniors who want to downsize or need some supported services but can't afford private market assisted living and don't qualify for public housing;
- Closing the gap to help renters transition into homeownership;
- Rehabilitating older homes/abandoned properties, especially in the historic areas of town;
- Providing financial assistance to help homebuyers and/or homeowners rehabilitate/weatherize their homes;
- Addressing the lack of newly constructed homes in Las Vegas.

More **moderate** priorities included:

- Providing financial education/fitness and homebuyer training;
- Expanding homeownership opportunities through the Housing Authority, either through new construction or renovation and pursuit of funds to provide homeownership services;
- Needing community buy-in to support affordable housing programs/projects;
- Providing family housing at NMHU.

Other priorities that were perceived as less important included: focusing housing efforts on workforce housing (vs. catering to more transitional populations who can afford market rate homes); providing housing for veterans and for populations being released from NMBHI and local prisons; and maintaining and/or bolstering market values by rehabilitating historic homes.

A follow up meeting with the Housing Advisory Group was held on September 7, 2011. At this meeting, twelve participants discussed conceptual recommendations proposed for this plan. Of primary importance, is the Housing Authority's obligation to HUD to replace housing units that were demolished at the Macario Gonzales site. The planning team presented a conceptual proposal to replace the units as part of a mixed-income, mixed rental/homeownership project. Part of this recommendation would include using a layered subsidy model of financing so that a diversity of needs could be served, as well as mobilizing partnerships between public, nonprofit, and private entities. The next recommendation focused on implementing a comprehensive rehabilitation program for Las Vegas, including expanded funding for owner-occupied rehabilitation as well as lower cost weatherization and repair. Participants emphasized the necessity of including Las Vegas' major institutions – New Mexico Highlands University, New Mexico Behavioral Health Institute, Luna Community College – in the final recommendations. Another concept discussed during the meeting was the need for infill redevelopment and incorporating job creation and economic development efforts.

Presentation to the Governing Body. On October 19, 2011, a presentation was made to the Las Vegas Housing Authority's Housing Board outlining the recommendations presented in this plan. Board members reiterated the importance of linking housing efforts to a comprehensive effort to lift residents out of poverty. They expressed desire to focus new development on Las Vegas' west side as a means of community revitalization and to spur private sector building in tandem with governmental efforts.

SECTION I: COMMUNITY PROFILE

Demographics

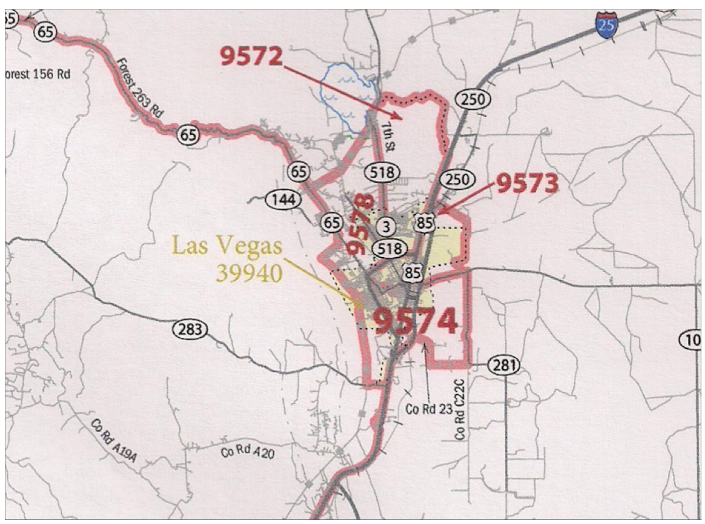
Population

According to the 2010 US Census, the City of Las Vegas has a population of 13,753, a 5.6% decrease since the 2000 Census. The census tracts that include and border the City of Las Vegas (Census Tracts 9472, 9573, 9574 and 9578) have also experienced population declines in the last ten years. Interestingly, the census tracts to the north of the City, where growth was perceived to be occurring, suffered population loss greater than the City itself.

Figure 2: Census Tract Map of Las Vegas

Census Tract 9572
Population: 3,797
Households: 1,711
Growth: -6.2%

Census Tract 9578
Population: 4,510
Households: 1,869
Growth: -0.4%



Census Tract 9573
Population: 3,257
Households: 1,567
Growth: -10.1%

Census Tract 9574
Population: 4,532
Households: 2,215
Growth: -6.21%

Source: 2010 US Census. Growth rates reflect change between 2000 and 2010 US Census population figures.

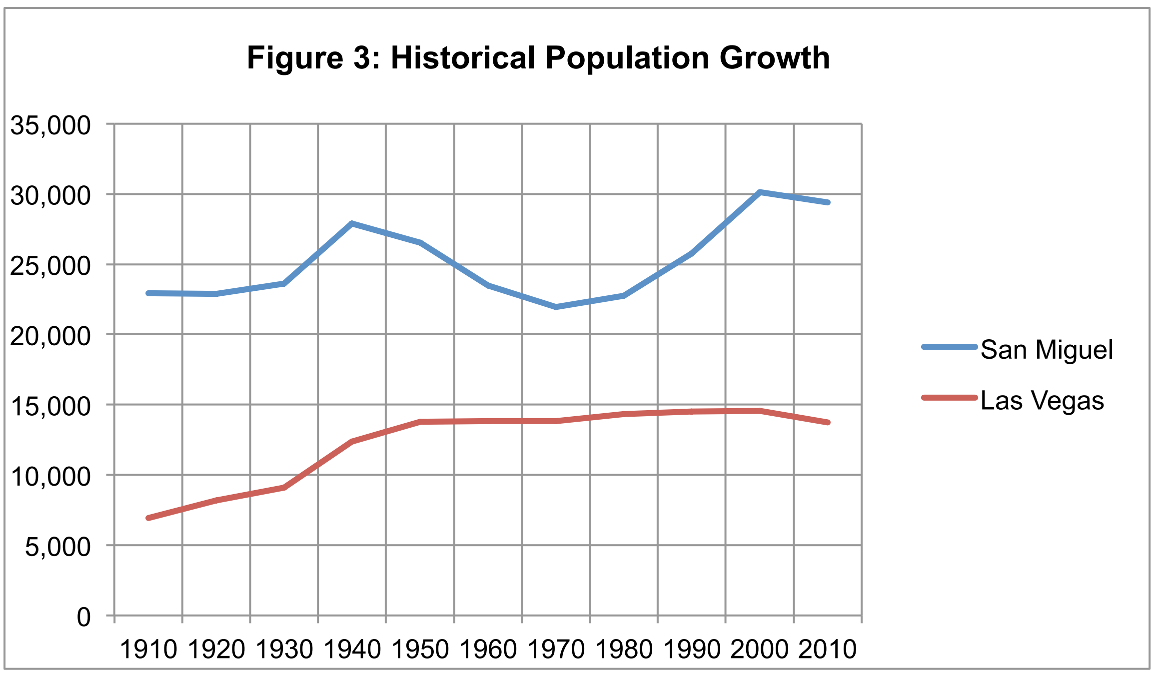
The population of San Miguel County fell slightly by 2.4% since the 2000 Census, contrary to predictions made by the UNM Bureau of Business and Economic Research that projected slow but positive growth for the County overall. The two census tracts where population growth occurred are Census Tract 9576, which includes the communities of Pecos, North San Isidro, Soham, and Rowe; and Census Tract 9577, which includes Villanueva, Sena, Ribera, Pueblo, and San Jose.

Table 1: Population Growth, 2000-2010

Geography	2000	2010	Change (No.)	Change (%)
City of Las Vegas	14,565	13,753	-812	-5.6%
CT 9572	4,048	3,797	-251	-6.2%
CT 9573	3,623	3,257	-366	-10.1%
CT 9574	4,826	4,532	-294	-6.1%
CT 9578	4,491	4,510	19	0.4%
Las Vegas Service Area	**16,988**	**16,096**	**-892**	**-5.3%**
CT 9575	4,688	4,395	-293	-6.3%
CT 9576	6,153	6,445	292	4.7%
CT 9577	2,297	2,457	160	7.0%
San Miguel Co.	30,126	29,393	-733	-2.4%

Source: 2000 and 2010 US Census

Historic Population Trends. Historically, the City of Las Vegas and San Miguel County experienced their highest rates of growth in the 1940s. San Miguel County's population dipped substantially between 1950 and 1970, then rebounded and ultimately reached a high point in population of 30,000 in 2000.



Source: US Census Bureau, Decennial Census Data, 1940-2010.

In the 1950s, Las Vegas' population began to flatten out, and has remained around 14,000 ever since. The two decades with the greatest variance in population are 1970-1980 when Las Vegas grew by 487 residents or 3.5%, and 2000-2010, when the population declined by 812 or 5.6%. In 1970 and 1980, the City of Las Vegas made up 63% of the county's total population, but this percentage has been steadily declining.

The 2010 US Census reports that the City of Las Vegas now comprises only 48% of San Miguel County's population. If the census tracts that comprise the Las Vegas metro area are considered, they constitute 55% of the County's overall population or 16,096 residents.

Natural Increase and Migration. The population decline in both Las Vegas and San Miguel County is due both to slow rates of natural increase and net out-migration. In the City of Las Vegas, natural increase (births minus deaths) totaled 95 persons in 2006 and 70 persons in 2007. Natural increase in San Miguel County totaled 870 between 2000 and 2007, or an average of 109 per year. San Miguel County's birth to death ratio is relatively low, at 1.3, compared to 2.0 in New Mexico and 1.8 in the US.[1]

The City of Las Vegas Comprehensive Master Plan Update shows that the number of births has been on a downward trend in both Las Vegas and San Miguel County between 1996 and 2007, the last year for which birth statistics are available from the New Mexico Department of Health. Birth rates also declined between 1990 and 2002, but have stabilized in recent years.

Using the most recent data available from the US Census, out-migration in San Miguel County is estimated at -2,369 between 2000 and 2008. While economic development activities are planned to reverse this, there does appear to be a strong trend of young adults relocating from Las Vegas and the County for better economic opportunities elsewhere.

Population Projections. In its 2010 Comprehensive Master Plan Update, Architectural Research Consultants (ARC) estimates a "medium series" population growth series of 0.4% per year from 2010 to 2030 for the City of Las Vegas. Because population trends since 1960 average only 0.1% annual population growth, and because new US Census data registers a 0.56% annual population decline between 2000 and 2010, this housing study uses ARC's "low series" for population projections, adjusted to 2010 Census population counts. This would assume an average annual growth rate of 0.1% through 2030, for a total increase in population of 278 in Las Vegas and 325 in the Metro Area. Using a household size of 2.33 persons, this is equivalent to an increase of 119 and 139 households, respectively.

[1] *New Mexico Selected Health Statistics Annual Report*, 2006 and Volume 2, 2007, The State Center for Health Statistics, Bureau of Vital Records and Health Statistics, New Mexico Department of Health.

Table 2: Population and Household Projections

Year	City of LV Population	City of LV Households	Service Area Population	Service Area Households
2010	13,753	5,903	16,096	6,908
2015	13,822	5,932	16,177	6,943
2020	13,891	5,962	16,258	6,978
2025	13,961	5,992	16,339	7,013
2030	14,031	6,002	16,421	7,048
Increase	278	119	325	139

Source: Housing Strategy Partners using ARC's "low series" adjusted to 2010 US Census data.

Age

Despite a sizable college population, the median age in the City of Las Vegas (37.6 years) was slightly older than New Mexico (36.7 years) as a whole. The county's median age was older still at 40.7 years.

In general, the City of Las Vegas and San Miguel County have lower percentages of children and working-age adults, and higher percentages of seniors between 60 and 74 years of age. Seniors age 75 and older are consistent with state and national averages. The City of Las Vegas had a higher percentage of residents between ages 15 and 24 (18.0%) than either the US (14.1%) or New Mexico (14.2%), reflecting its status as a college town. In the age 45-54 cohort, both the city and county had a greater number of residents—15.0% and 15.6%, about a percentage point higher than New Mexico and the US.

It should be noted that the primary school-age population has decreased in Las Vegas since the 1990s. The 1990 Census reports that children under age 14 make up 24.8% of the population, and this percentage falls to 17.5% in 2010. School district records also verify this trend, with public school enrollments in Las Vegas decreasing by 27% between the 1992-1993 and 2009-2010 school years.

Household Characteristics

Household Size. Average household size is smaller in the City of Las Vegas (2.26 persons) and San Miguel County (2.34 persons) than in New Mexico and the US (2.6 persons). This follows a national trend in decreasing household sizes.

Household Type. Influenced by the college population, Las Vegas has lower percentages of family and married couple households than New Mexico and the US, and a higher percentage of non-family households. It is important to note, however, that Las Vegas also has an extremely high-percentage of female-headed family households (18.9%) as compared to 14.9% in San Miguel County and 14.0% in New Mexico. Sixty-five percent of these female-headed households include children under 18 years of age. The percentage of seniors living along is also higher in Las Vegas (12.1%) and San Miguel County (11.1%) is also greater than in New Mexico and the US (approximately 9.0%).

Group Quarters. The 2000 Census reported a total of 732 people or 5% of the population living in group quarters. This includes students living in dormitories (508 people), and persons living in non-institutionalized group homes (113 people). The remaining 111 people reportedly live in institutional facilities. Group quarters data has not been released to date for the 2010 US Census.

Table 3: Demographic Characteristics

Demographic Characteristic	United States	New Mexico	San Miguel	Las Vegas
Population				
Total population	308,745,538	2,059,179	29,393	13,753
Age				
Under 5 years	6.5%	7.0%	5.5%	5.9%
5 to 9 years	6.6%	7.0%	5.7%	5.7%
10 to 14 years	6.7%	6.9%	6.2%	5.9%
15 to 19 years	7.1%	7.3%	8.4%	8.6%
20 to 24 years	7.0%	6.9%	6.9%	9.4%
25 to 34 years	13.3%	13.0%	10.9%	12.0%
35 to 44 years	13.3%	12.1%	11.1%	10.3%
45 to 54 years	14.6%	14.1%	15.6%	15.0%
55 to 59 years	6.4%	6.6%	7.4%	6.4%
60 to 64 years	5.4%	5.8%	7.1%	6.0%
65 to 74 years	7.0%	7.5%	9.3%	8.4%
75 to 84 years	4.3%	4.2%	4.5%	4.5%
85 years and over	1.8%	1.6%	1.5%	1.8%
Median age	37.2	36.7	40.7	37.6
Households				
Family Households	66.4%	65.5%	60.7%	55.6%
With children under 18 years	29.8%	29.1%	24.4%	23.8%
Husband-wife family	48.4%	45.3%	38.6%	29.6%
With children under 18 years	20.2%	17.9%	12.5%	9.7%
Female householder, no husband	13.1%	14.0%	14.9%	18.9%
With children under 18 years	7.2%	7.8%	8.0%	10.3%
Non-Family Households	33.6%	34.5%	39.3%	44.4%
Householder living alone	26.7%	28.0%	32.5%	36.7%
Householder 65 years and older	9.4%	9.2%	11.1%	12.1%
Average household size	2.58	2.55	2.34	2.26
Average family size	3.14	3.13	2.95	2.93
Race, Ethnicity and Language				
Hispanic or Latino	16.3%	46.3%	76.8%	80.5%
Not Hispanic or Latino	83.7%	53.7%	23.2%	19.5%
White alone	63.7%	40.5%	19.7%	14.9%
Black or African American alone	12.2%	1.7%	1.2%	1.7%
Native American alone	0.7%	8.5%	0.8%	1.1%
Asian Alone	4.7%	1.3%	0.6%	0.8%
Speaks Spanish at Home*	12.1%	28.3%	59.2%	59.1%
Foreign Born*	12.4%	9.5%	4.2%	3.9%
Disabled**				
5-20 years	8.1%	8.1%	9.6%	10.5%
21-64 years	19.2%	21.0%	25.0%	26.8%
65 years and older	41.9%	44.8%	52.1%	54.8%

Source: 2010 US Census unless otherwise indicated.

**Source: 2005-2009 American Community Survey*

*** Source: 2000 US Census*

Disability

While data for disabled status is outdated, the 2000 Census reports higher rates of disability in the City of Las Vegas and San Miguel County for all age groups. For persons five to 20 years of age, the disability rate hovers around 10%, rather than 8.1% in New Mexico and the US. For adults 21-64 years old, 25.0% are disabled in San Miguel County and 26.8% in the City of Las Vegas. By comparison, disability rates for working adults are 19.2% in the US and 21.0% in New Mexico. The rate of senior disability reveals the largest disparity, with 52.1% disabled in San Miguel County and 54.8% in the City of Las Vegas. These rates are ten percentage points or more higher than in the US and New Mexico.

High rates of disability do not appear to be correlated with a disproportionate number of veterans. The percentage of civilian veterans in the City of Las Vegas is 10.1%, the same as the national rate. San Miguel County's rate of 11.2% is somewhat higher, but still below the rate of civilian veterans in New Mexico of 12.0%.

Race and Ethnicity

The 2010 US Census reports that 80.5% of Las Vegas residents are Hispanic or Latino. This is down slightly from 82.9% in the 2000 Census. Still, Las Vegas and San Miguel County report some of the highest percentages of Hispanic or Latino residents in New Mexico.

Table 4: Hispanic and Non-Hispanic Population Change

Geography	Hispanic Population, 2010	Hispanic Pop. Change, 2000-2010	Non-Hispanic Population, 2010	Non-Hispanic Pop. Change 2000-2010
City of Las Vegas	11,069	-8.4%	2,684	8.0%
CT 9572	3,199	-5.9%	598	-7.7%
CT 9573	2,278	-14.2%	979	1.2%
CT 9574	3,790	-10.2%	742	22.6%
CT 9578	3,728	-1.2%	782	8.8%
CT 9575	2,923	-0.7%	1,472	-15.6%
Las Vegas Service Area	**15,918**	**-7.5%**	**4,573**	**5.5%**
CT 9576	4,733	3.3%	1,712	8.8%
CT 9577	1,932	0.9%	525	37.4%
San Miguel Co.	22,583	-3.8%	6,810	2.6%

Source: 2010 US Census

Non-Hispanic and Latino residents make up 19.5% of the population, an increase from 17.1% in 2000. The majority of non-Hispanic and Latino residents classify themselves as White. Native Americans make up 2.1% of the Las Vegas population, with African Americans at 1.9%, and Asians at 0.9%.

In contrast to the US, New Mexico, and many New Mexico counties, the number of Hispanics and Latinos is decreasing in San Miguel County and the City of Las Vegas, while the White, non-Hispanic population is growing. Hispanics are contributing to population growth in the two San Miguel census tracts (9567 and 9577) with overall positive growth rates, but the rate of growth for the non-Hispanic population is higher in these census tracts. In all census tracts with negative population growth, Hispanics are decreasing and non-Hispanics are increasing. For example, the non-Hispanic population grew by 8% between 2000 and 2010 in the City of Las Vegas, as well as in the census tracts surrounding the City. The actual numeric gain for non-Hispanics is relatively small, but is a significant trend to watch in future years.

Economic Profile

Income and Poverty

In 2010, San Miguel County and Luna Community College commissioned *An Assessment of the San Miguel County Economy* by the Bureau of Business and Economic Research (BBER) at the University of New Mexico. The principal objective of the report is to address the persistence of San Miguel County's low incomes, which stem from lack of high paying jobs. Indeed, incomes in San Miguel County and Las Vegas are among the lowest in New Mexico, with corresponding high poverty rates. Incomes in Las Vegas are close to half the national average, and approximately 30-40% lower than in New Mexico. Poverty rates are over twice the national average, and nearly ten percentage points higher than in New Mexico.

Table 5: Income, Poverty and Education

	US	New Mexico	San Miguel	Las Vegas
Per Capita Income	$27,041	$22,461	$17,278	$15,903
Median Household Income	$51,425	$42,742	$30,956	$23,584
Below Poverty Level	13.5%	18.1%	24.6%	27.1%
Education Level				
No High School	15.5%	17.9%	19.9%	20.6%
High School Degree	19.3%	27.4%	29.7%	28.6%
Bachelors Degree or Higher	27.5%	25.1%	22.1%	31.8%

Source: 2005-2009 American Community Survey

Educational Attainment

Education levels in Las Vegas and San Miguel County are generally below state and national standards. Approximately 20% of the population age 25 and over does not have a high school degree, as compared to 17.9% in New Mexico and 15.5% in the US. Persons with only a high school graduation range from 29-30%, as compared to 27.4% in New Mexico and 19.3% in the US. Because of its status as a college town, Las Vegas does have a higher percentage (31.8%) of persons with a bachelors degree or higher than New Mexico (25%) or the US (27.5%).

Workforce Participation

A very low workforce participation rate in Las Vegas and San Miguel County contributes to low incomes and high poverty rates. The 2005-2009 American Community Survey reports that only 47.7% of the adult Las Vegas population is in the labor force, as compared to 62.5% in New Mexico, and 65.0% in the US. In both Las Vegas and San

Miguel County, approximately one-half of the adult population is not working in the formal economy.

Many factors contribute to this trend, including the student population Las Vegas, a high disability rate, a low percentage of working-age adults, and a high number of households that depend on non-wage income, as indicated in Table 6. Indeed, Las Vegas and San Miguel County have roughly twice as many households on supplemental security income, cash public assistance, and food stamps than New Mexico and the US. There is also a higher percentage of households receiving retirement and social security income. In addition, Las Vegas and San Miguel County likely have a higher than average number of part-time, underemployed and "informal" economy workers.

Table 6: Sources of Income

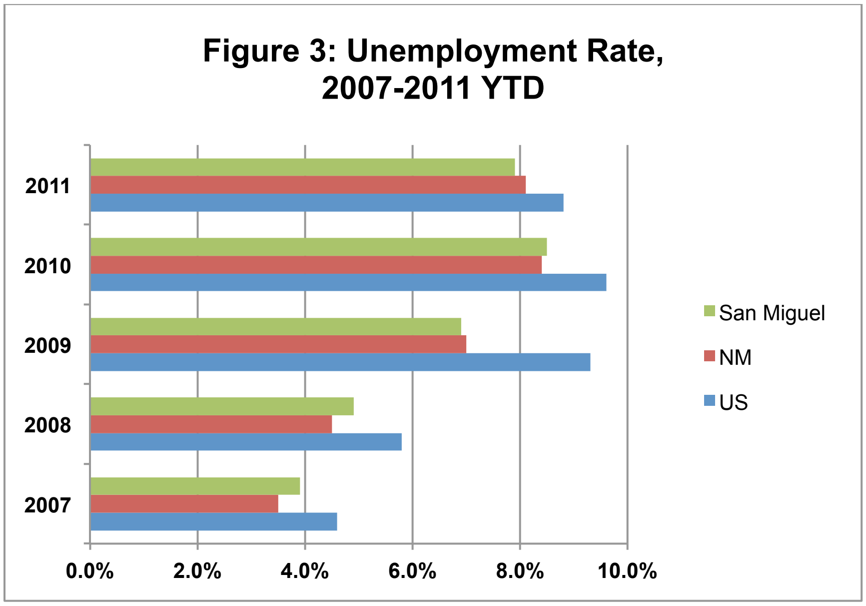
Income Source	United States	New Mexico	San Miguel	Las Vegas
Wage or Salary Income	80.1%	78.9%	70.2%	66.3%
Social Security Income	27.1%	27.9%	34.4%	36.9%
Supplemental Security Income	3.8%	4.3%	8.1%	8.9%
Cash Public Assistances	2.4%	2.5%	3.4%	4.2%
Food Stamp/SNAP in last 12 mo.	8.5%	9.4%	15.4%	24.6%
Retirement Income	17.4%	18.8%	20.7%	21.4%

Source: 2005-2009 American Community Survey

The presence of a high percentage of collage-age students in Las Vegas also contributes to the low workforce participation rate. Unfortunately, Las Vegas has not been able to transform its newly educated student population into a competitive advantage. Instead, most students leave the community after graduation, a fact that is cited as a major economic weakness in *An Assessment of the San Miguel County Economy.*

Unemployment

It should be noted that the low workforce participation rate does not reflect high unemployment. Consistently over the last five years, the unemployment rate in San Miguel County has been consistent with that of New Mexico and below US averages.



Source: NM Department of Workforce Solutions, Table A: Civilian Labor Force, Employment, Unemployment and Unemployment Rate, 2007, 2008, 2008, 2010, March 2011.

Regional Trade

Since its early years as a trade hub along the railroad, Las Vegas has always served as a regional trade center. As agricultural trade and the prominence of rail have waned over the years, Las Vegas has transitioned into a retail center for northeastern New Mexico. Yet, as *An Assessment of the San Miguel County Economy* by the Bureau of Business and Economic Research (BBER) at the University of New Mexico (2010) points out, overreliance on this economic strategy has increasingly become a vulnerability. The population of northeastern New Mexico, the primary market for Las Vegas retail and services, is shrinking. As that population decreases, so will Las Vegas' tax base and economic viability.

Confirming Las Vegas' position as a regional trade center, *An Assessment of the San Miguel County Economy* reports that approximately $292 million per year or 78% of San Miguel County's taxable gross receipts were charged in Las Vegas between 2005 and 2009. Retail accounted for 40% of the receipts ($42 million per year), followed by health care and social assistance, eating and drinking establishments, and construction ($32 million per year, collectively). Overall, Las Vegas had a "pull factor" (brought in more revenue than it lost to other communities) of 115% and realized net receipts of $35 million. However, in certain industries, such as professional and administrative services, construction, wholesale trade, and manufacturing, Las Vegas *lost* an average of $38 million per year to other communities. By addressing leakage in these areas, Las Vegas has an opportunity to capture more revenue locally and bolster its economy.

Employment by Industry

Eighty-nine percent of all jobs in San Miguel County are located in Las Vegas.[2] As highlighted in Table 7, the majority of employment in San Miguel County is concentrated in the industries of Health Care and Social Assistance (18.85%), Retail Trade (12.11%), and Accommodations and Food Services (7.98%), as well as in Education Services for which job numbers are not disclosed due to the small number of employers. Generally speaking, these are the same industries where the majority of employment is concentrated for the State of New Mexico.

Table 7: Workers by Industry

Industry	San Miguel (No. of Workers)	San Miguel (% of Workers)	NM (No. of Workers)	NM (% of Workers)
Agriculture, Forestry, Fishing, Hunting	67	0.82%	10,863	1.4%
Mining	*	*	18,229	2.3%
Utilities	22	0.27%	6,156	0.8%
Construction	232	2.86%	47,399	6.0%
Manufacturing	60	0.74%	28,927	3.7%
Wholesale Trade	37	0.46%	22,068	2.8%
Retail Trade	984	12.11%	90,017	11.4%
Transportation and Warehousing	35	0.43%	20,759	2.6%
Information	85	1.05%	16,168	2.1%
Finance and Insurance	202	2.49%	21,757	2.8%
Real Estate and Rental and Leasing	52	0.64%	9,936	1.3%
Professional, Scientific, Tech Services	103	1.27%	54,487	6.9%
Mgt. of Companies and Enterprises	*	*	4,932	0.6%
Administrative and Waste Services	16	0.20%	43,236	5.5%
Education Services	*	*	84,177	10.7%
Health Care and Social Assistance	1,531	18.85%	122,260	15.5%
Arts, Entertainment, and Recreation	66	0.81%	17,218	2.2%
Accommodation and Food Services	648	7.98%	81,138	10.3%
Other Services (except Public Admin.)	104	1.28%	21,641	2.7%
Unclassified Establishments	0	0.0%	9	0.0%
Total Private	4,369	53.78%	595,216*	75.52%*
Total Government	3,755	46.22%	192,715*	24.45%*
Total Workers	**8,124**	**100.0%**	**788,109**	**100.0%**

Source: NM Department of Workforce Solutions, Quarterly Census of Employment and Wages, June 2010.

** Fourth Quarter 2010*

[2] *An Economic Assessment of San Miguel County*, BBER, 2010, p. 25.

It is important to note the major differences in industry employment between San Miguel County and the State of New Mexico. Compared to New Mexico as a whole, San Miguel County has a lower percentage of employment in almost all industry classifications except Health Care and Retail Trade. This is especially true in the higher paying sectors of Professional Services and Administrative Services, which together employ about only 1.5% of workers in San Miguel County compared to over 12% of workers in New Mexico as a whole. Higher-paying industries where San Miguel County is competitive include Health Care and Finance and Insurance, where the county's percentage of employment is consistent with or above the state's.

Government employment in San Miguel County is extremely high at 46%. In New Mexico as a whole, government employment averages 24%. BBER identified overreliance on government jobs and low private sector employment as a major weakness of the San Miguel economy in its 2010 study.

Figure 4: Major Employers in Las Vegas

Employer	Employees
NM Behavioral Health Institute	1,000
NM Highlands University	559
NM Department of Transportation	345
Wal-Mart Supercenter	317
Alta Vista Regional Hospital	313
Luna Community College	297
City of Las Vegas	283
Victory Home Health	257
Professional Home Health Care	200
San Miguel County	131
Armand Hammer United World College	100
Franken Construction	126
Results Las Vegas Call Center	96

It should also be noted that, according to the 2005-2009 American Community Survey, 309 or 6.6% of workers in Las Vegas are reported to be self-employed and 183 or 4.0% work at home. This is slightly lower than averages for New Mexico that report 7.6% of workers as self-employed and 5.0% as working from home.

Major employers in Las Vegas provide 4,024 or roughly half of all jobs in San Miguel County. These include New Mexico Behavioral Health Institute with 1,000 employees, New Mexico Highlands University with 559 employees, and the New Mexico Department of Transportation, Wal-Mart, Alta Vista Regional Hospital, the City of Las Vegas, Luna Community College, and two home health care providers with 200 or more workers each.

Housing Profile

Housing Units

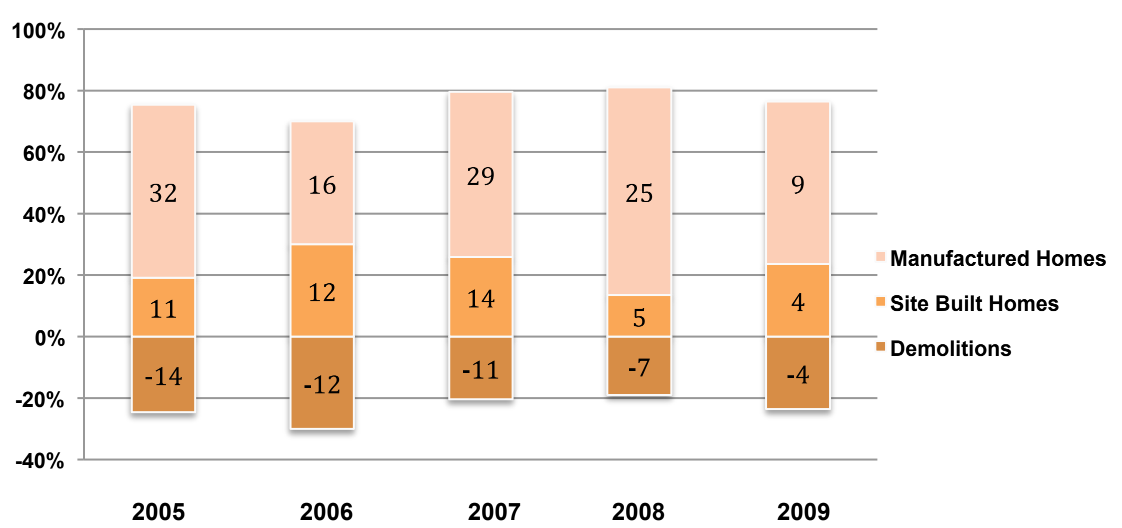
New Housing Units. The 2010 US Census reports 6,609 housing units in the City of Las Vegas and 7,362 in the metro area. Two hundred and forty three new housing units were constructed in the City of Las Vegas between 2000 and 2010, an average of 24 units per year. This is consistent with building permit data reported in the City of Las Vegas Comprehensive Master Plan Update. The Plan documents 31 new single family and mobile homes per year between 2005 and 2009, with a net gain of 22 units per year after subtracting demolitions.

Table 8: Number of Housing Units

Geography	2000	2010	Change (No.)	Change (%)
City of Las Vegas	6,366	6,609	243	3.8%
CT 9572	1,693	1,711	18	1.1%
CT 9573	1,562	1,567	5	0.3%
CT 9574	2,159	2,215	56	2.6%
CT 9578	1,787	1,869	82	4.6%
Las Vegas Service Area	7,201	7,362	161	2.2%
CT 9575	2,864	2,986	122	4.3%
CT 9576	3,111	3,794	683	22.0%
CT 9577	1,078	1,313	235	21.8%
San Miguel Co.	14,254	15,595	1,341	9.4%

Source: 2010 US Census

Figure 5: City of Las Vegas Buiding Permits, 2005-2009



There are two important things to note about housing production in Las Vegas in the last ten years. First, residential construction has slowed considerably. While low housing production in 2008 and 2009 clearly reflects the economic downturn, housing production throughout the decade was also slow. The number of new housing units built between 2000 and 2010 is about half that built in the previous decade (1990-2000), when the US Census reported an average of 65 units per year. The second important trend is that the City of Las Vegas issued more than twice as many permits for manufactured homes than for single-family construction, 111 to 46.

Vacant Homes. The City of Las Vegas, San Miguel County and almost all census tracts have more vacant housing units in 2010 than in 2000. In the rural census tracts in the County, the high rate of vacant homes is attributable to a large number of vacation and second homes that are occupied seasonally. However, within the City of Las Vegas and neighboring census tracts, there are very few seasonal, second or vacation homes. Instead, vacant homes frequently represent older housing stock that has fallen into disrepair. According to ARC, most subareas of the City have vacancy rates ranging from 9 to 14%. The southeast part of town, however, has a very high vacancy rate of 16.3%, while the north central part of town has a low vacancy rate of 5.4%. The City's overall city vacancy rate of 13.0% is slightly higher than the state average of 12.2%.

Table 9: Vacant Housing Units

Geography	2000 (No.)	2000 (%)	2010 (No.)	2010 (%)
City of Las Vegas	778	12.2%	858	13.0%
CT 9572	120	7.1%	140	8.2%
CT 9573	237	15.2%	260	16.6%
CT 9574	290	13.4%	339	15.3%
CT 9578	200	11.2%	208	11.1%
Las Vegas Metro	**847**	**11.8%**	**947**	**12.9%**
CT 9575	1,203	42.0%	1,243	41.6%
CT 9576	839	27.0%	1,127	29.7%
CT 9577	231	21.4%	300	22.8%
San Miguel Co.	3,120	21.9%	3,617	23.2%

Source: 2010 US Census

Table 10: Housing Characteristics

Housing Characteristics	United States	New Mexico	San Miguel	Las Vegas
Housing Units*	131,704,730	901,338	15,595	6,609
Occupied housing units	88.6%	87.8%	76.8%	87.1%
Owner-occupied	65.1%	68.5%	70.4%	58.8%
Renter-occupied	34.9%	31.5%	29.6%	41.2%
Average HH size for owner-occupied	2.65	2.60	2.43	2.42
Average HH size for renter occupied	2.44	2.43	2.13	2.04
Vacant housing units	11.4%	12.2%	23.2%	13.0%
Homeowner vacancy rate	2.4%	2.0%	1.4%	1.5%
Rental vacancy rate	9.2%	8.1%	10.2%	8.5%
Type and Size of Unit				
1, detached	61.6%	63.8%	58.7%	59.8%
1, attached	5.7%	3.9%	1.5%	1.7%
2, attached	3.9%	1.9%	3.4%	7.1%
3-4	4.5%	3.8%	2.6%	5.5%
5-19	9.4%	5.5%	2.3%	5.5%
20 or more	8.1%	4.1%	0.7%	1.7%
Mobile home	6.8%	16.8%	30.8%	18.8%
Boat, RV, van, etc.	0.1%	0.2%	0.0%	0.0%
Number of Bedrooms				
None	1.7%	2.4%	1.1%	1.0%
1	11.5%	10.0%	12.9%	15.9%
2	27.5%	26.3%	34.1%	32.1%
3	39.8%	46.1%	41.3%	39.5%
4	15.6%	13.1%	9.4%	10.4%
5 or more	3.9%	2.1%	1.2%	1.1%
Year Structure Built				
2005 or later	2.9%	3.1%	0.4%	0.2%
2000 to 2004	8.4%	8.9%	2.9%	3.1%
1990 to 1999	14.2%	18.4%	20.5%	12.9%
1980 to 1989	14.4%	18.4%	16.0%	12.0%
1970 to 1979	16.7%	19.3%	18.4%	18.1%
1960 to 1969	11.6%	10.9%	8.9%	10.7%
1950 to 1959	11.5%	10.7%	9.1%	13.3%
1940 to 1949	6.0%	4.7%	6.3%	8.4%
1939 or earlier	14.4%	5.7%	17.7%	21.4%
Housing Condition				
Lacking complete kitchen facilities	0.5%	1.1%	0.9%	0.9%
Lacking complete plumbing facilities	0.7%	1.1%	1.6%	0.8%
No telephone service	4.2%	6.7%	9.2%	9.5%
Home Heating Fuel				
Utility gas	50.1%	67.4%	32.9%	58.4%
Bottled, tank, LP gas	5.6%	11.0%	29.8%	12.7%
Electricity	33.6%	14.1%	10.3%	14.2%
Fuel oil, kerosene, etc.	7.4%	0.1%	0.5%	0.4%
Wood	1.9%	6.1%	24.4%	11.2%
Solar Energy	0.0%	0.3%	0.6%	0.0%
Overcrowded	3.0%	3.2%	0.7%	0.5%

Source: 2005-2009 American Community Survey unless otherwise indicated

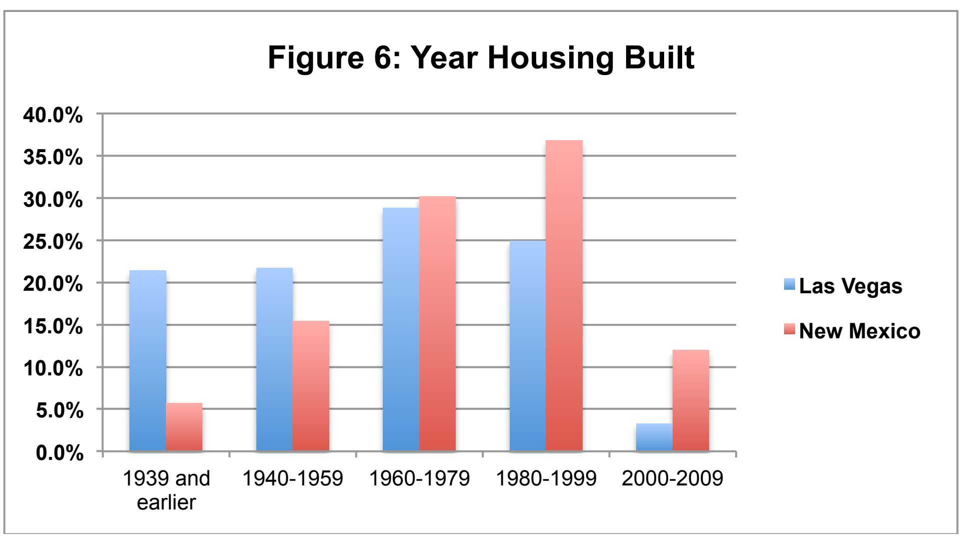
**Source: 2010 US Census*

Housing Characteristics

Housing Type. The majority of housing units in Las Vegas are single-family detached residences (59.8%) and mobile homes (18.8%). This is a lower percentage of single-family homes than in New Mexico, and a higher percentage of mobile homes. Las Vegas has a much higher percentage of duplexes, triplexes and four-plexes (12.4%) than the state as a whole (5.7%), but a lower number of townhomes and condos. Seven percent of all housing units in Las Vegas are apartments with five or more units, as compared to 9.6% in New Mexico.

Tenure. As a college town, Las Vegas as a higher percentage of renter households (43.1%) and a lower percentage of owner-occupied households (56.9%) than New Mexico, where 70% of households are owner-occupied and 30% are rented. The percentage of rental households has increased over the past decade, from 36.4% in 2000 to 41.2% in 2010.

Housing Age. With a large number of historic properties and historic districts, homes in Las Vegas are much older than the state average. A full 21.4% of the housing stock was built before 1940, with roughly 12% built every decade through 2000. In New Mexico, only 5.7% of the housing stock was built before 1940, and the majority of homes (56.1%) were built between 1970 and 2000. In Las Vegas, there was a boom in housing production in the 1970s, when 18% of the city's housing stock was constructed. However, the last decade marks a historic low in housing production, representing only 3.3% of Las Vegas' housing stock.



Source: 2005-2009 American Community Survey

Substandard Homes. Despite the age of homes in Las Vegas, the city does not have a disproportionately high number of substandard homes. According to the 2005-2009 American Community Survey, 41 housing units in Las Vegas lack complete plumbing facilities and 49 lack complete kitchen facilities. This is consistent with state averages showing approximately 1% of all households lacking complete facilities in each category.

Overcrowding. Likewise, there are not issues with overcrowding. Both Las Vegas and San Miguel County report less than one percent of households that are overcrowded, while state and national averages are at three percent.

Home Heating Fuel. Las Vegas does differ from New Mexico in terms of how residents heat their homes. Like in New Mexico, a majority of residents use natural gas (58.4%), followed by electricity (14.2%), then propane (12.7%). Eleven percent of Las Vegas residents use wood to heat their homes, however, compared to 6% in New Mexico. This percentage increases 24.4% in San Miguel County.

SECTION II: HOUSING INVENTORY

Inventory Summary

The following housing inventory was conducted through personal interviews, review of third party data sources, online mapping programs and windshield surveys. Table 11 summarizes the housing supply within Las Vegas by type. For more detail, see narrative in following sections.

Table 11: Las Vegas Housing Inventory by Type

Housing Type	No. of beds or units	Population Served
Emergency Shelter		
Samaritan House	10 (seasonal)	2 rooms/1 reserved for women, families
Tri-County Family Justice	0	Support services for domestic violence victims; shelter seekers sent to SF or Espanola
Special Needs/Assisted		
NMBHI		In-patient psych, including 12 beds for adolescent sex offenders
NMBHI	176 beds	Long term nursing care for elderly/disabled
Vista Gallinas	14	Section 811 for very low income renters with disabilities
Public Housing		
San Miguel County PHA	150 vouchers (177 cap.)	Up to 80% AMI; 90% administered in city limits
City of LV PHA	267	4 sites; 9 units are ADA
Subsidized Rental		
Casa Alegre	62	Elderly/disabled (40% non senior); serving 30 – 60%AMI
Collins Drive/Las Vegas Apt	56 (42 subs)	Under 80%AMI
Gallinas Valley	44 (35 subs)	50 – 60%AMI
Kristen Park	44 (40 subs.)	
Monte Vista Apt	70	
North Star	40 (36 subs.)	
San Miguel Senior Apt	40 (39 subs.)	
Villa Las Vegas	60	40, 50% AMI
Market Rental		
NMHU Residence Halls	10 facilities	Approx. $300 - $620/month
El Fidel Hotel	16	1 BR; $650 - $750; vacancy (2)
Vegas Village Apartments		
Subsidized Homeownership		
Habitat for Humanity	23	Build one home/year
Home Repair		
Los Amigos	Approx. 20/yr	
Habitat for Humanity	7	Don't have any in pipeline

Special Needs/Shelter Beds

Emergency Housing

In Las Vegas, the Samaritan House provides emergency shelter beds on a seasonal basis. The shelter can accommodate 10 people and one of the two dorm rooms is reserved for women and children. Tri-County Family Justice Center provides domestic violence counseling services but does not have any shelter beds. Those seeking shelter are sent to Espanola or Santa Fe.

Special Needs

Housing for people with mobility impairments in Las Vegas are provided by nine accessible apartments offered by the City of Las Vegas Housing Authority. One of the more recently built subsidized apartment complexes, Villa Las Vegas, is fully accessible. Forty percent (40%) of the apartments in Casa Alegre are occupied by non-seniors who need greater accessibility but no other supportive services are offered at the complex. The San Miguel Senior Apartment complex has forty units for seniors. Vista Gallina, a 15-unit project completed in 2009, offers fully supported units for very-low income renters.

Interviews with staff at New Mexico Behavioral Health Institute indicated that housing for newly discharged residents from NMBHI is sometimes provided through two informal group homes, run by private sector landlords. Each home offers six beds and provides meals and limited services to residents. The facilities are not licensed.

Options for the frail elderly and those in need of fully supported services are limited to the New Mexico Behavioral Health Institute, including those with mental health and developmental disabilities. Currently, the center has 176 beds and offers case management for people with disabilities as well as several other outpatient treatment programs. The Center accepts Medicaid and Medicare but is not subsidized through any housing programs.

Public Housing

Rental Units

The City of Las Vegas Housing Authority operates four sites within the city limits of Las Vegas. Of the 267 units provided at these sites, nine are accessible and reserved for residents with disabilities. HUD requires that the housing authority add 7 accessible units to its inventory. None of the public housing units are less than 40 years old and several have been renovated in recent years. One site, on Louden, is reportedly more difficult to fill because of the community's perception that the location is undesirable.

The waiting list for housing currently has 59 names on it, and the duration of the wait is 45 – 60 days. Other services provided by the housing authority include a Family Self-Sufficiency Program through which the housing authority plans to initiate a homebuyer training/homeownership program.

Recently, 84 units were demolished at the Macario Gonzales site. As per the housing authority's contract with HUD, the 84 units are required to be replaced with new construction, which may include a mix of rental and homeownership options.

Table 12: City of Las Vegas Housing Authority Inventory

No. of Bedrooms	Units
0 BR	30
1 BR	84
2 BR	90
3 BR	40
4 BR	20
5 BR	3
Total Occupied Units	**267**
Demolished Units	**84**

Rental Vouchers

One hundred-fifty (150) Section 8 vouchers are administered through the San Miguel Housing Authority, underutilizing its capacity for 177 vouchers. Approximately 85-90% of the vouchers are used within the city limits at Villa Las Vegas, Kristen Apartments, and Casa Alegre. The remaining vouchers are administered countywide.

Subsidized Rental

Within the city limits, there are nine multi-family rental complexes, providing a total of 416 units. Unit sizes range from one, two or three bedroom units, and rents range from $99 – $635 (1 BR); $99 – $740 (2 BR); and $565 – $990 (3 BR) reflecting varying rates of subsidy. Eight complexes are funded through USDA or Low Income Housing Tax Credits (LIHTC), or a combination of the two and include: Casa Alegre, Collins Dr/Las Vegas Apartments, Gallinas Valley, Kristin Parks Apartments, North Star Apartments, San Miguel Senior Apartments, and Villa Las Vegas. The Monte Vista Apartments were funded through HUD's Section 8 program and Vista Gallina was built in 2010 using Section 811 funds. All of its 14 units are reserved for people with disabilities and very low incomes. Casa Alegre serves extremely low-income renters earning between 30% and 60% of the area median income and Villa Las Vegas serves

40% and 50% AMI earners. The other complexes serve renters earning 40%, 50% and 60% of the area median income. All are privately managed.

_ **Table 13: Las Vegas Multi-Family Apartment Inventory**

USDA/ Tax Credit Apt	Total Units	1 BR/Rent	2 BR/Rent	3 BR/Rent	Vacancy	Built before 1991
Casa Alegre Apt*	62	46 ($99 – 432)	16 ($99-553)	0	0 units	✓
Collins Dr/Las Vegas Apt	56	20 ($472)	28 ($581)	8 ($772)	6 units	✓
Gallinas Valley	44	8 ($465-576)	32 ($595-715)	4 ($725-961)	0 units	✓
Kristin Parks Apt	44	16 ($470-635)	24 ($550-740)	4 ($730-990)	3 units	✓
North Star Apt	40	8	24	8		?
San Miguel Senior Apt	40	32	8	0		?
Villa Las Vegas	60	0	25 ($400)	35 ($565)	3 units	
Vista Gallina*	14	14 ($165-282)	0	0	0 units	
SECTION 8						
Monte Vista Apartments	70	16 ($580 FMR)	42 ($721 FMR)	12 ($863 FMR)	0 units (6mo)	✓
TOTAL UNITS	**416**	**146**	**199**	**71**	**12**	
RENT (avg)		$500	$590	$675		
RENT (range)		$99-635	$99-740	$565-990		

** The very low end of the subsidized rents were not averaged.*

Demand for the units varies. Some property managers reported a zero vacancy rate – Casa Alegre, Monte Vista Apartments, and Vista Gallina – the complexes offering the lowest rents and serving the lowest income earners. All others had some rate of vacancy and managers reported they were increasingly hard to fill. One-bedroom units seem to be in higher demand. Of Las Vegas' subsidized rental inventory, only the Monte Vista Apartments and Vista Gallina were built within the last decade, indicating a likely need for rehabilitation and energy efficiency retrofits.

Subsidized Owner-Occupied

Nonprofit

The Las Vegas Habitat for Humanity affiliate was founded in 1991 and has built 23 homes and rehabilitated seven. It is the only nonprofit organization currently producing affordably priced homeownership units, usually one unit per year. Requirements for eligibility include residence in San Miguel County for at least one year; completion of HUD-approved homebuyer training; good credit; and an income less than half of the area median income (about $22,000 in 2011). Homes are sold in the range of $100,000. Financing typically is provided through an MFA loan, although local lenders provide some construction financing. Importantly, the future homeowner must put in

500 hours of sweat equity, work that is supplemented by volunteers. The administrator cited a lack of volunteerism on a local level as a limiting factor for production.

The organization is about to close on its current project and start construction on its next home. Most lots purchased by Habitat are located on the west side of Las Vegas, due to lower land costs in that part of town. Habitat staff noted that during the selection process up to 10 families qualify each year. If production were increased, buyer-ready families could be easily found to buy additional homes.

Public Housing Homeownership

The City of Las Vegas Public Housing Authority is currently working with HUD to resolve problems with its prior homeownership program, under which 39 homes were sold, 17 of which without adhering to proper HUD guidelines. The housing authority has funds to hire a homeownership coordinator to reinstate its homeownership program, with the intention of providing homebuyer-training and financial fitness services and to develop a new HUD-approved plan for its existing homeownership units. Another priority is to replace the units demolished at the Macario Gonzales site. This plan recommends that the housing authority consider a multi-income, multi-tenured type of project primarily serving lower-income renters. However, as homebuyer capacity is improved and local lenders bring more appropriate lending products into the community, demand may be developed for homeownership options for buyers with lower incomes.

Section III: Land Use and Development

Regulatory Analysis

Affordable Housing Policy

The City of Las Vegas does not currently have an adopted affordable housing plan or ordinance. The lack of these regulatory mechanisms prevents the municipality from donating land and other resources for the benefit of affordable housing production in accordance with the New Mexico Affordable Housing Act.

Upon adoption of this plan, the City of Las Vegas will develop an umbrella affordable housing ordinance to satisfy the requirements of the New Mexico Affordable Housing Act. The ordinance will define the parameters for eligible projects, qualified grantees, and government contributions, as well as create mechanisms for securing additional contributions for affordable housing. The plan and accompanying ordinance will enable the city to mobilize public resources to provide affordable housing and related services. Detailed recommendations for this ordinance can be found in Appendix B.

City of Las Vegas Zoning Ordinance

The City of Las Vegas has a developed zoning code with 12 specific zoning categories and two overlay districts. Of these, six zoning districts apply specifically to residential housing, although there is some level of residential use allowed in almost all zoning categories. The following are summaries of Las Vegas residential zoning districts.

Rural Agricultural – RA. This zoning category predominates the periphery of the urbanized land area of the City of Las Vegas. This zoning allows for one unit per acre, and requires setbacks of 30 feet front and rear and 15 feet for side yards with a height limit of two stories or 30 feet. There are extremely limited commercial uses such as child and adult day care and the category expressly prohibits multifamily housing. There are a variety of special permitted uses such as hospitals, golf courses, churches, rodeo grounds, art galleries, child care centers and community adult residences.

Restricted Residential – RR. This category allows for two units per acre with minimum dimensions of 75 X 200 feet, front and rear setbacks of 30 feet, side setbacks of 10 feet and a maximum height of two stories or 30 feet. Multifamily housing and guesthouses with kitchen facilities are expressly prohibited from the restricted residential category. There are a variety of specially permitted uses such as hospitals, schools, museums, libraries, and rooms for rent not exceeding two paying guests.

Single Family Residential – R-1. The R1 category requires a minimum 6,000 square foot lot (7 units per acre), minimum lot dimension of 60 feet wide by 75 deep, front and rear setback of 15 feet and side setbacks of seven feet, maximum height is limited to 30 feet or two stories. This category allows for a wider range of non-residential uses such as home occupation businesses, bed and breakfasts, family child care, community adult residences and manufactured housing along with similar special permitted uses as the RR category. Multifamily and guesthouses are expressly prohibited.

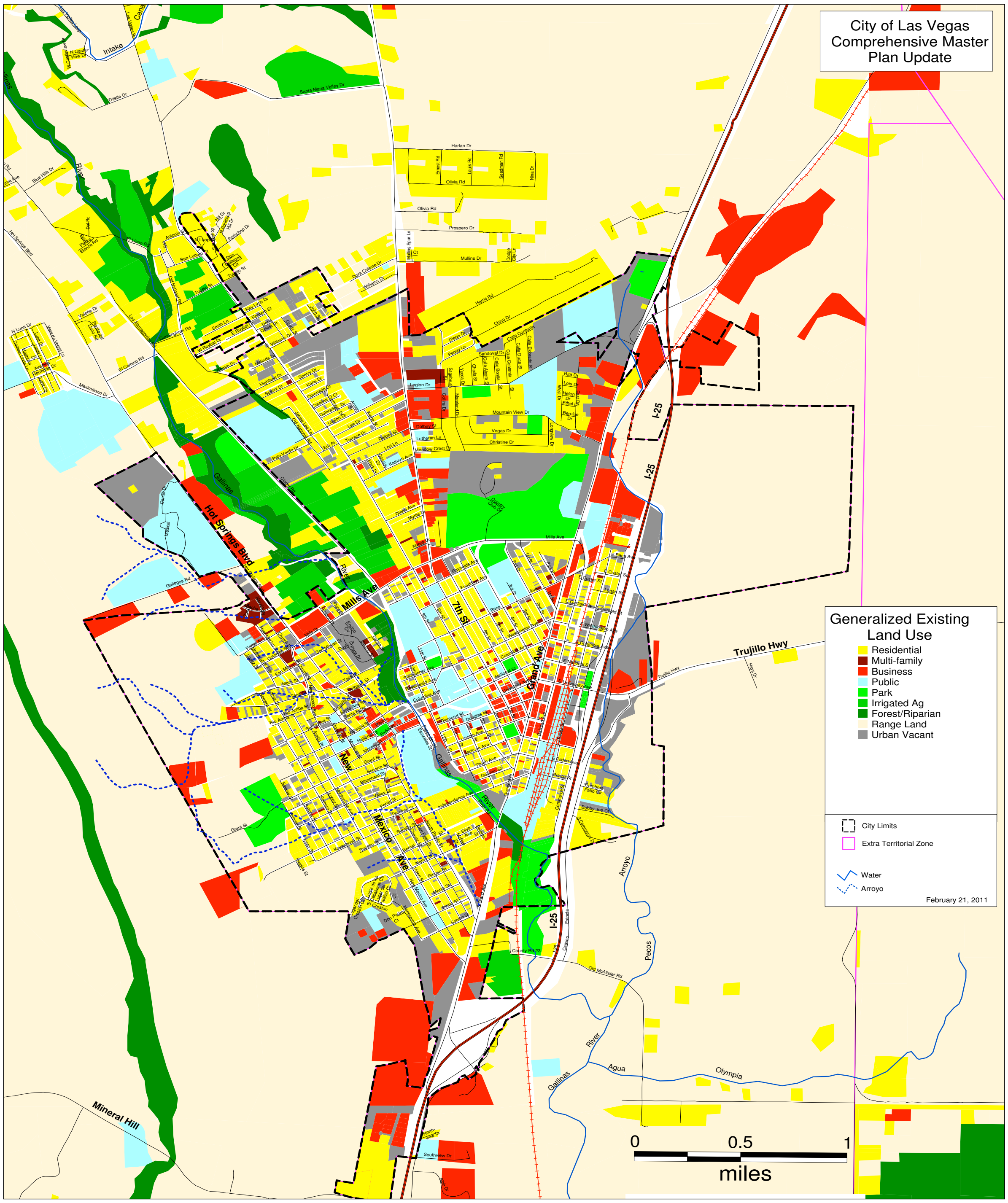
Multifamily Residential– R-2. This zoning category allows for moderate density single family detached, attached, townhome and condominium style developments. Densities up to 16 units per acre with a minimum lot size of 1,200 sq ft per housing unit are allowed. There are two sets of development standards, one for attached single family and another that govern all other development. Townhomes and attached single-family residences require a minimum lot size of 2400 square feet, a minimum lot width of 20 feet, front and rear setback of 15 feet (20 feet for carport of garage) and a side setback of 7 feet for similarly zoned properties and 15 feet from other zoning districts. Townhomes also require a minimum of 750 square feet of dedicated yard space per unit. The general development standards for this category require a minimum lot area of 7000 square feet, a width of 70 feet and a depth of 100 feet with front and rear setbacks of 15 feet and side setbacks of 7 feet. This category allows units up to four stories or 60 feet. This category allows for the same special permitted uses as R1 and expressly prohibits mobile homes. Multifamily with more than two units are a special use.

Mixed Residential – R-3. This dense zoning category allows for single-family homes, duplexes and mobile homes at densities up to 16 units per acre. This category also includes detailed development standards for mobile home parks. The minimum lot size for single-family homes is 5000 square feet with minimum dimensions of 50 feet wide by 100 feet deep with front and rear setback of 15 feet and side setback of 5 feet. Development is limited to two stories of 30 feet high. Multifamily housing of more than two units is a specially permitted use.

Planned Community – PC. This zoning category is intended to permit the development of larger parcels of undeveloped land for mixed residential and limited commercial uses. The planned community allows for single-family detached, single-family attached up to six contiguous units, multifamily up to 20% of the total number of dwelling units and commercial uses up to 5% of the land area. Planned communities are considered a separate zoning district where the development restrictions and regulations are established through an approved development plan. The development plan is reviewed by the City Council administratively as a petition for rezoning.

Flexible Setbacks. Sections 12-5-29 and 12-5-33 of the Municipal Code allow for flexibility as it relates to setbacks, which allows for more consistency with historic styles as well as more efficient lot usage. Front setbacks may be reduced to the depth of adjacent properties, and side and rear setbacks may be lowered to the average setbacks of existing buildings.

Figure 7: City of Las Vegas Generalized Existing Land Use



Subdivision Development

Subdivision development entails a two-step review process that requires and preliminary and final plat review. Development review follows a rigorous process where the preliminary plat is reviewed by multiple City departments represented on the Design Review Board including Water, Wastewater, Solid Waste, Fire, Public Works, Police, and the Community Development Department along with Qwest Communications, Comcast, Public Service Company of NM, New Mexico Environment Department and Highway Department, Tierra Y Montes and the Acequia Association as applicable. After preliminary review and any modifications, the final plat is submitted for review, staff recommendations are provided to the Planning and Zoning Commission who provides final recommendations for the City Council. For projects within the extraterritorial zone, additional review is conducted by the County Commission, County Planning and Zoning Commission, State Police Department, Extraterritorial Commission, and Extraterritorial Authority as applicable.

The ordinance requires that land proposed for subdivision be suited for its intended use. Furthermore, the ordinance dictates that the development must have adequate access to utilities and take into consideration adequate road access, transit service, fire and police protection, refuse service, schools, parks, drainage and soil conditions. The ordinance also dictates standards for street design, sewer requirements, and open space. Lot splits have a streamlined process of staff consultation followed by formal review by the Development Review Team. At that step, if the division has met requirements it is immediately forwarded to the Planning and Zoning Commission who provide recommendations to City Council. A final decision is made by the City Council at a public hearing. Both the Planning and Zoning Commission and City Council bodies meet regularly at least once a month.

Rezoning

Application procedure is straightforward and not burdensome for the applicant. There is three-step review process that starts with a development review team, and hearings at the Planning and Zoning Commission, followed by review and either approval or denial by the City Council. City staff and policymakers are generally open to rezoning, especially for the production of affordable housing.

Historic Review

The creation of cultural historic districts has helped fuel rehabilitation of historic properties. This designation allows an increase on historic tax credits from $20,000 to $40,000. Interviews with land use staff reveal that utilization of these tax credits is steadily increasing. While a significant incentive for rehabilitation, this mechanism favors property owners with high tax liability which would tend to favor commercial facilities and multifamily properties. Likewise, for low and moderate-income households who typically lack high amounts of tax liability, this is not a realistic incentive for rehabilitation of a single home. This incentive could be explored for the rehabilitation of existing multifamily units which could help increase rental inventory.

Building Permits and Fees

In general development fees are below average for communities of this size. There are no development impact fees in place. Annexation fees range from $120 (up to 1 acre) to over $600 for 25 acres or more. Rezoning fees are established based on to which use the parcel is being zoned and range from $100 for residential up to $400 for manufacturing. Permitting is conducted by the City of Las Vegas for projects costing less than $500. For projects with estimated costs of greater than $500, a state CID permit is required. State CID permit fees are $3 per $1000 up to $15,000 and $1 per $1000 over $15,000. This is in addition to city permitting fees that are based on project valuation and range from $10 for a project valued up to $500 up to $433 for the first $100,000 of value (plus $2.50 for each additional $1,000 in value.

Development Review

The City of Las Vegas has instituted a comprehensive review mechanism called the Development Review Board. This board is comprised of various City staff, utility providers and representatives from the State Department of Transportation. This board is available to meet with applicants before the formal review process and address any possible issues in an integrated way. This provides for a streamlined process for arriving at integrated solutions that work for all the various City departments and utility providers.

Administrative Capacity

The community development department currently has a staff of nine. Positions include a Department Director, Zoning Supervisor, Zoning Inspector, Planner, CADD Technician, Event Planner and two administrative positions. Staff is knowledgeable and responsive. Staff capacity is adequate for current development demands. If large amounts of housing development were to take place there could be delays as a result of staff capacity.

Land Use Policy

The City of Las Vegas has a history of well-executed planning documents that take into account a variety of factors that have impacts on affordable housing. Of most concern as it relates to affordable housing are standards for housing efficiency, promotion of infill development and streamlined land use recommendations.

Comprehensive Plan. As of 2011, the City of Las Vegas is in the process of updating its Comprehensive Master Plan, which includes policies and regulations to guide development in the short and long-term in the City and the Extra Territorial Zone (ETZ). This document presents a comprehensive look at existing conditions, including analysis and assessment of current programs and planning efforts. The plan is organized into chapters based on content in order to give direction to the City's departments. The plan includes demographic and statistical information to gauge growth trends in order to anticipate planning needs for the next 20 years. Comparing data from the U.S. Census, the University of New Mexico's Bureau of Business and Economic Research (BBER) and organizations in Las Vegas, the Comprehensive Master Plan finds that population growth will be slow but steady at less than 1% annually projected through 2035.

The Comprehensive Master Plan also analyzes land-use and development trends, breaking the City and ETZ into smaller geographical areas that indicate growth is taking place to the north and northeast of the City's downtown. A complete draft of the plan was released for public comment on August 17, 2011.

Affordable Housing. There are a number of elements within the draft plan that relate to affordable housing. The land use chapter recommends changes to zoning code to create a streamlined unified code. It also calls for the clarification of subdivision regulations to increase responsiveness to development. The implementation of these two changes to land use code would positively impact affordable housing by decreasing the amount of time needed for development review thus lowering holding costs for developers. The plan also calls for phased annexation to accommodate 20-year growth.

Energy efficiency is also an important component of the comprehensive plan as it relates to affordable housing. The plan recommends creating programs for energy savings retrofits to homes as well as consumer energy saving education for homeowners. On a community-wide scale, the plan recommends the adoption of policies that promote compact, efficient infill development and the integration of green building practices into new development. In addition the plan calls for the creation of weatherization and appliance replacement programs.

There are several components of the utilities chapter of the plan that impact housing development. The document speaks of pervasive problems with drainage, arroyo modification on many existing properties that leads to flooding. The plan also calls for a water reuse goal of 10% (10 million gallons reused monthly). There is brief mention of water harvesting, while the main topic in relation to water remains the vulnerability of existing domestic water sources. The plan reveals that there is a 25% loss of water in current distribution systems and that the City currently has insufficient water rights. It also notes that public perception of the community water situation has negative impacts on recruiting new businesses and community members.

Downtown Plans

The Downtown Action Plan provides guidance on land use in historic areas of Las Vegas. Two specific recommendations from that plan are relevant to affordable housing development. This includes leveraging redevelopment through various funding and incentive programs including Business Improvement District, Tax Increment Development District, Metropolitan Redevelopment District and a potential community land trust approaches.

In addition, the plan calls for the promotion of downtown housing. It specifically cites the need for artist live/work studios and housing for students, faculty and seniors. The need for live/work housing was also identified in the 2003-2005 Railroad and Downtown Districts Initiative. That plan specifically identified the building on the northeast corner of Lincoln and Railroad Avenues as a potential prospect for live/work redevelopment targeted to artists, artisans, designers and craftspeople who like the stimulation of a thriving, transit-oriented, mixed-use neighborhood.

Non-Governmental Constraints

Undeveloped/Underutilized Land

Within its city boundaries, approximately 57% of the land area in Las Vegas is undeveloped for urban uses. This includes vacant, irrigated agriculture, riparian or forested land, rangeland or parcels in rights-of-way. Clearly, not all of this land area is available or suitable for urban uses because of property owners' intentions, drainage, flooding, slopes and other environmental factors, or due to use for streets and other public purposes within rights-of-way. Typical of most older, small cities, the land use pattern is not fully built-out. Urban vacant lands are contiguous to the developed portion of the community and not on its fringes. Of the total city land use, 679 acres or 13.6% are in the urban vacant category.

There are also several large platted subdivisions within Las Vegas owned by private individuals containing hundreds of lots. Despite the seemingly large amount of buildable land, developers and builders report that finding a build-ready home lot with infrastructure is difficult. In many instances demolition of an existing home is necessary. Providing easier access to infrastructure development could help increase housing development from the private sector.

Land Cost

While there are large amounts of undeveloped land within the urban boundary of Las Vegas, there is very little land available for development. A survey of listed properties revealed two large parcels within city limits. Prices ranged between $35,000 and

$44,800 per acre for raw land. Interviews with realtors and developers indicate that a buildable lot with infrastructure within city limits could fetch as much as $50,000. Lack of supply for build-ready lots likely drives the higher price of land. This highlights the importance of publicly owned land and its role in future affordable housing development. The City should look at strategies that will help support the supply of buildable land which could help lower overall land and lot costs, while also providing the opportunity for the development of the building sector in Las Vegas.

Water Availability

Availability of water for domestic use is a central obstacle to housing development in Las Vegas. With nearly 85% of water being supplied from surface water from within the Gallinas watershed, total water availability can be variable and is threatened by disruptions such as wildfire within Gallinas Canyon. There are very limited supplies of groundwater and much of the subsurface water has high mineral content or is brackish. While the City of Las Vegas has identified multiple approaches to address these issues such as reduction in line loss, acquisition of water rights and widespread use of reclaimed water for irrigation, none of these strategies offer a quick solution to the current water situation.

The lack of water in Las Vegas also affects public perception of housing development, particularly subdivision development. While only one subdivision has been submitted for approval in recent years, the overwhelming majority of public objection to the development was based on fears around water consumption, despite the fact that the developer was offering wet water rights in exchange for municipal water hookup. The City should consider playing a more active role in educating the larger community about water availability. Furthermore, very high standards for water efficiency should be a central part of any future affordable housing development.

Infrastructure Development

Infrastructure development is relatively expensive in the Las Vegas area. Interviews with developers indicated that there were two primary factors affecting costs. One is lack of availability of materials. Many materials for both construction and infrastructure development are sourced from either Santa Fe or Albuquerque. The distance from suppliers tends to increase costs. The other primary factor is a lack of infrastructure development capacity and volume. Infrastructure for rural lots is particularly expensive with one developer reporting quoted costs of $53,000 for electrical costs and over $100,000 in road development costs for just 11 units. Quotes for a more-dense townhome development put infrastructure at approximately $18,000 per lot.

Several large platted subdivisions in Las Vegas are not served by infrastructure. There are likely several factors contributing to the lack of infrastructure development, including high costs and lack of financing. One potential solution would be to investigate utilizing existing resources at the City to develop subdivision infrastructure. Through existing City capacity, Las Vegas has the ability to provide water, wastewater, and natural gas infrastructure. City provision of infrastructure development could take advantage of economies of scale and bring down costs. Discounts and deferred payment could be provided for homes that meet affordability standards and increase private development of units serving moderate-income buyers. Likewise this could be a new business line, generating cash flow for city, a portion of which could support other affordable housing activities.

Construction Costs

Interviews with local realtors and builders indicate that construction costs are likely to range from $80-120 per square foot. The low number assumes a basic housing unit in a large subdivision situation where economies of scale can be realized. However, given the lack of large scale production builders in Las Vegas and the fact that production building in Las Vegas has been virtually nonexistent over the last decade, it is assumed that the higher end of this cost range is more applicable. There are several factors that serve to make construction costs higher in Las Vegas than other northern New Mexico communities. Most construction is carried out by a relatively small number of contractors with limited capacity who are not able to realize economies due to the small scale of their projects. Similarly, most construction materials must come from either Santa Fe or Albuquerque. The travel distance from suppliers tends to increase material costs significantly. In the past, most large development projects in Las Vegas were done by large, out-of-state construction firms. While this is often a very efficient solution for housing production, it does little to increase local development capacity and also diminishes the local, positive economic development benefits associated with housing development.

Third Party Financing

The lack of participation by local banks in community development loan programs is one of the primary obstacles restraining homeownership in Las Vegas. Broader outreach and lender education about MFA, USDA and FHA programs could have significant benefits within the community. Likewise, intensive homebuyer training and counseling services could significantly increase the number of households that qualify for the 502 Direct program which is originated by USDA Rural staff.

Interviews with staff at USDA Rural Housing indicate that there are a fair number of Section 502 Direct loans originated across the USDA service area, which includes several northern counties in addition to San Miguel. These loans target low-income and very-low income households and provide 100% financing, flexible underwriting, low closing costs and variable interest rates based on income. While there is high level of interest in the 502 Direct program, of the 20-25 people that inquire about the program monthly, only one to two a month have sufficient credit and savings to access the program. The sales price limit for houses under the 502 Direct program is $147,200 in 2011 and buyers are limited to 80% AMI. Another common problem in relation to accessing these resources are substandard homes, which don't meet the minimum housing quality standards under the program.

The USDA Rural Housing Program also offers a 502 Guarantee Program that insures third-party mortgages which are originated by private lenders. This program is available to moderate income homebuyers up to 115% of AMI and allows for significantly higher loan amounts with the largest one processed this year at $280,000. USDA Rural Housing Staff reports that there were 31 guarantee loans originated in San Miguel County in the last year and that those numbers could increase significantly with broader participation from lenders.

Local Lending Capacity. There are two local banks that provide financing options for both construction and permanent financing. While it appears these banks are generally flexible enough to provide competitive options for construction financing, the first mortgage options are currently extremely limiting for low and moderate-income first time homebuyers. Both local banks only provide mortgages through internal portfolio loans and currently do not offer third party loan products such as FHA, MFA or USDA products. Because portfolio loans are held by the banks for the life of the loan, they typically are much more restrictive than loans offered in the open market. Portfolio loans require larger 10-20% downpayments, carry significantly higher interest rates, and in the case of both local banks in Las Vegas have "balloon" clauses that require refinancing after 5-10 years. These characteristics significantly hinder real estate market activity, especially for low and moderate-income families.

Downpayment requirements associated with portfolio loans mean that a buyer would need to save between $10,000 and $20,000 for an entry level $100,000 home, in addition to approximately $3,000 in closing costs. Even assuming this low-end estimate, it could take years for a low-income family to save that amount of money. Secondly, high interest rates significantly decrease buying power. At current market rates of around 4.5%, a family of three earning 80% of median income (approximately $32,000 annually in 2011) could afford a mortgage of approximately $148,000. Portfolio loans typically carry rates 2-3% higher than conventional mortgages. At a 6.5% interest rate, the same family could only afford a mortgage of approximately $119,000. This reveals a reduction in buying power of nearly $30,000 that could be alleviated if conventional lending products were offered by local lenders.

Balloon Clauses. While these portfolio mortgages are amortized over 30 years, in the case of both local lenders, they contain a balloon clause that requires refinancing at either 5 or 10 years. There are several reasons why this type of clause is inappropriate for first time homebuyer programs serving low and moderate-income households. Foremost is the uncertainty that is associated with such a short-term refinance. If rates were to rise significantly, or the household's income or credit situation was to change greatly, they could be unable to refinance and be forced to sell the house.

The second reason is more complex and relates to amortization schedules. The way mortgage loans amortize, a mortgagee pays a high proportion of interest and a relatively low amount of principle when a mortgage is first originated. Half way through the life of the loan, the mortgagee would be paying approximately 50% interest and 50% principle. At the end of the loan term, the mortgagee is primarily paying principle on the loan. Only by paying down principle does someone build equity in his or her home.

For example, a $100,000 mortgage at 6.5%, would result in a monthly payment of approximately $630. At the inception of the loan, the mortgagee would be paying approximately $90 to reduce the principle balance and nearly $540 in interest monthly. At the five-year point in the mortgage, the mortgagee would only have reduced their principle balance on the loan approximately $6300, despite having paid nearly $38,000 in mortgage payment to date. Even at 10 years, the mortgagee would only have reduced the principle on the loan approximately $15,000. If you assume a five-year refinance situation, it would take more than 50 years for the mortgagee to pay down half the principle balance of the loan and more than 200 years to pay the loan completely, if no extra payment were made to the principle balance. With the relatively low incomes in Las Vegas, homeownership is likely a primary way for a family or individual to build wealth. Not having access to 30-year fixed rate mortgages at competitive rates greatly hampers the abilities of these families to do so.

Real Estate Appraisals. Interviews with developers and realtors also reveal that there are often complications with mortgage financing that relate to appraisals. This is largely the result of low market activity, which does not provide adequate comparable properties. Likewise, the new clearinghouse process for appraiser selection means that out of town appraisers, who may not understand the local context of the Las Vegas housing market, are responsible for this critical aspect of loan qualification. Because New Mexico is a nondisclosure state regarding sales prices, data from other sources, such as from the county tax assessor's office which can only release aggregated figures, is also limited.

Nonprofit Capacity

In many communities, nonprofit housing service providers play a critical role in housing development for low and moderate-income and first-time homebuyers. Housing development by nonprofits often results in a higher quality, more energy efficient product, helps build the local economy through housing development and hiring of local contractors, as well as leverages outside funding sources not currently accessed by municipalities and public housing authorities. Many of these organizations also provide homebuyer training and counseling services to potential homebuyers. Homeownership programs not only create a pipeline of mortgage-ready buyers, but they result in more educated and stable homeowners. Private sector housing nonprofits can also play a critical role as affordable housing advocates within the community in ways that municipalities and public housing agencies cannot.

Housing Development. There is virtually no development in Las Vegas by nonprofit housing developers. The Supportive Housing Coalition of New Mexico built a 15-unit development in 2009 in Las Vegas serving residents with severe mental illness. The local affiliate of Habitat for Humanity produces approximately one unit per year but has little capacity or resources available to increase this production. There are no other housing development-oriented nonprofits located in Las Vegas.

Homebuyer Services. HELP New Mexico offers an Individual Development Account (IDA) program that currently provides a 4:1 match to participant contributions. Among the eligible uses for this program are downpayment and closing costs for home purchase, educational expenses and business expenses. The program also provides financial fitness education as a requirement through the program. HELP New Mexico staff related that the majority of participants in the program utilize the funds for small businesses and that there is currently a waiting list for program participation. Staff also related that future funding of the program is uncertain.

There are currently no homeownership-focused services other than the IDA program. This is one of the more critical gaps in the spectrum of housing services currently available in Las Vegas. As related by local lenders, poor credit and lack of downpayment are the primary obstacles for first time homebuyers. Homebuyer education and counseling programs assist potential homebuyers to fix their credit and develop savings plans to meet minimum downpayment and closing costs requirements. These programs also educate participants in the process of home buying and impart strategies to ensure that homeowners are stable and financially secure once they are in the home. Homebuyer training and counseling programs have been shown to significantly reduce the risk of foreclosure as well.

Existing Homes and Rehabilitation

There are several factors that indicate a high need for rehabilitation in Las Vegas. First, the City's housing stock is considerably older than the state's average, with 51.9% being constructed before 1980 and 21.4% being constructed before 1940. Las Vegas also has concentrations of high vacancy particularly the southeast at 16.3%. Third, federal weatherization programs use 200% of poverty level as eligibility criteria for funding. In Las Vegas, the proportion of households living in poverty is over 27% as compared to 13.5% nationally. Given the conditions unique to Las Vegas, there are several policy considerations that may be feasible for the City to consider.

Owner Occupied Rehab. This strategy is critical for stabilizing home values and ensuring that existing homes meet the basic needs of current LMI homeowners and renters. There are currently no formal owner occupied rehabilitation programs available from nonprofit service providers. USDA Rural offers a Section 504 Rehab Loan and Grant program that provides up to $20,000 in assistance for very low income and senior households. Typical interest rates for the loan may be as low as 1% with a monthly payment of approximately $35. For those 62 and older with imminent health and safety conditions within there home, a grant of up to $7,499 is available. USDA Staff related that many elderly and low-income families cannot afford even the modest payments associated with the 504 Loan.

The designation of historic districts in Las Vegas also allows for a historic rehabilitation tax credits which then double to $40,000 per structure. While this is functional for commercial and multifamily properties, lower income homeowners lack the tax liability to take full advantage of this incentive.

Weatherization. NM Energy$mart currently assists an average of 44 households a year in San Miguel County. Compared to relatively high need factors such as the number of households living in poverty, percentage of seniors and percentage of disabled persons, the overall production through the NM Energy$mart program remains low compared to need.

Accessibility, "Age in Place." Many rehabilitation and weatherization programs prioritize seniors and residents with disabilities, and it's clear there's a need to focus on this group in Las Vegas as the number of low income and disabled seniors are both higher than the state and national averages. This in combination with the older housing stock indicates that there may be seniors who are either living in housing that no longer meets their needs or having to leave their homes to live with family members or in institutional settings.

Acquisition/Rehabilitation. There are currently no formal acquisition/rehabilitation programs operating in Las Vegas. Given the city's aging housing stock and the challenges of new construction, an acquisition/rehabilitation program would achieve several objectives. It would make it possible for homebuyers with moderate-incomes to buy older homes that otherwise would not be as marketable. As more homes are rehabbed, neighborhoods are enhanced and potentially historic properties are preserved. But with high acquisition costs, and builders reporting similarly high costs for rehabilitation, this may not be an effective strategy for the lowest income households.

Sites Inventory. While the City of Las Vegas does not own any existing buildings that would be strong candidates for rehabilitation, there are several buildings in private ownership that may be appropriate for redevelopment. A rudimentary survey of potential property includes the following:

- Coors Distributor Building (12th Street)
- La Castaneda Hotel (Railroad District)
- PNM (Gross/Kelly) Building (Railroad District)
- Beall's Building (Douglas Ave)

In total, these properties contain over 50,000 square feet of buildings, as well as some land that may be appropriate for redevelopment. Not every rehabilitation project may be appropriate for the inclusion of housing, but the City should ensure that public resources and policies support housing whenever possible in the context of redevelopment. The Coors building is a priority project in the Downtown Action Plan and La Casteneda Hotel is a historically significant building. It is likely that several other properties are prime redevelopment sites, the rehabilitation of which would complement the City's economic development goals as well providing a much-needed boost for neighborhood revitalization.

Density Analysis

Affordability as a function of Area Median Income is the starting point for analysis of housing development scenarios. Analysis of housing development and affordability is predicated by the payment capacity of potential LMI buyers or renters. Table 14 demonstrates the affordable monthly housing cost at varying Area Median Income levels based on family size, as well as the total mortgage amount affordable to that income range. Monthly payment capacity is calculated at a conservative 28% of gross income to compensate for at least three percent of gross income for mortgage insurance, homeowner's insurance and property taxes. Total mortgage capacity was calculated using a 5.5% interest rate for a 30 year fixed rate loan. Area Median Income numbers are extrapolated from 2011 published HUD income limits for 100% AMI. A complete table with income levels by AMI and households size and associated assumptions can be found in Appendix A.

Table 14: Incomes and Affordable Housing Cost - 2011

HH #	1	2	3	4	5	6
30% AMI	$232	$265	$298	$330	$357	$384
	$40,890	$46,643	$52,396	$58,150	$62,875	$67,601
60% AMI	$424	$483	$544	$604	$652	$701
	$74,588	$85,067	$95,752	$106,436	$114,861	$123,491
80% AMI	$616	$704	$791	$879	$950	$1,020
	$108,491	$123,902	$139,312	$154,723	$167,257	$179,585
100% AMI	$706	$806	$908	$1,008	$1,089	$1,169
	$124,313	$141,983	$159,860	$177,531	$191,709	$205,886
120% AMI	$846	$967	$1,087	$1,209	$1,306	$1,402
	$148,970	$170,339	$191,503	$212,873	$229,927	$246,981

Single-Family Housing Development

Single-family housing development is one strategy for addressing long-term affordable housing and providing asset-building opportunities for those renters who have the capacity to become homeowners. It is important to note that this capacity may not currently exist but can be developed through the provision of homebuyer training and counseling services and greater access to subsidized lending products. Based on existing land use patterns and the surrounding uses of the sites examined in the Sites Inventory, the maximum marketable density for single family detached housing would be seven units per acre as found in residential zoning district R-1. The following scenario depicts an analysis of varying densities on one acre of land in the R-1 zone. The home is assumed to be a 1,150 square feet home and affordability levels are based area median income for a family of three. Construction costs are estimated at $100 per square foot which is in the middle of the range of prices reported by developers. All other figures are either based on information obtained through interviews or assumptions based on industry practice.

Table 15: Single Family R-1 Development

ITEM	Low Density	Medium Density	Maximum Density	Max Density + Land Donation	Max Density + Land + Infr Donation
	# of Units = 1	# of Units = 4	# of Units = 7	# of Units = 7	# of Units = 7
Construction					
Land (per acre)	$40,000	$40,000	$40,000	Donation	Donation
Infrastructure	$18,000	$72,000	$126,000	$126,000	Donation
Permits	$500	$2,000	$3,500	$3,500	$3,500
Cost to Build @ $100sf	$115,000	$460,000	$805,000	$805,000	$805,000
Professional Services	$5,000	$20,000	$45,000	$45,000	$45,000
Construction Financing	$5,000	$20,000	$35,000	$35,000	$35,000
Other Soft Costs	$700	$2,800	$4,900	$4,900	$4,900
TOTAL Development Cost	**$184,200**	**$616,800**	**$1,059,400**	**$1,019,400**	**$893,400**
Cost Per Unit	**$184,200**	**$154,200**	**$151,343**	**$145,629**	**$127,629**
100% AMI Affordability	$159,860	$159,860	$159,860	$159,860	$159,860
100% AMI Subsidy Gap	**$24,340**	**$5,660**	**$8,517**	**$14,231**	**$32,231**
80% AMI Affordability	$139,312	$139,312	$139,312	$139,312	$139,312
80% AMI Subsidy Gap	**$44,888**	**$14,888**	**$12,031**	**$6,317**	**$11,683**
60% AMI Affordability	$95,752	$95,752	$95,752	$95,752	$95,752
60% AMI Subsidy Gap	**$88,448**	**$58,448**	**$55,591**	**$49,877**	**$31,877**

Analysis. This development scenario clearly illustrates the impact of density, construction costs and municipal donations on affordability. Affordability gaps are highlighted in yellow and per unit profit is bolded. Even with relatively high unit density, affordable home prices for all but those at 100% AMI is elusive. In a normal high density development scenario without municipal donation, there remains a $12,031 gap for those at 80% AMI and a $55,591 gap for those at 60% AMI. In the development scenario that includes municipal donation of both land and infrastructure, homes can be developed at affordable levels for the upper end of the 80% AMI range, but a large gap still exists for those near 60% AMI. At the lowest development cost, which includes higher densities and municipal donation, a per unit cost of $127,629 is achieved which would still require more than $30,000 in additional subsidy to bring prices down to an affordable level for those at or below 60% AMI.

In mixed income development scenarios, higher income workforce housing up to 120% AMI could provide enough profit to allow for the subsidization of the lower income units. But it is important to consider that higher income buyers have more options on the open market and will expect larger homes, with higher quality finishes than may be typical of affordable housing development. Another approach may be to include smaller, and higher density homes within the development to serve those at the lowest income levels. The following scenario uses the same assumptions as above, but at higher eight unit per acre density of the R-3 zoning category and smaller homes of 1,000 square feet. This could represent very modest single-family homes or attached patio homes.

Table 16: Single Family R-3 Development

ITEM	Low Density # of Units = 1	Medium Density # of Units = 4	Maximum Density # of Units = 8	Maximum Density + Land Donation # of Units = 8	Maximum Density + Land and Inf Donation # of Units = 8
Construction					
Land (per acre)	$40,000	$40,000	$40,000	Donation	Donation
Infrastructure	$18,000	$72,000	$144,000	$144,000	Donation
Permits	$500	$2,000	$4,000	$4,000	$4,000
Cost to Build @ $100sf	$100,000	$400,000	$800,000	$800,000	$800,000
Professional Services	$5,000	$20,000	$50,000	$50,000	$50,000
Construction Financing	$4,250	$17,000	$34,000	$34,000	$34,000
Other Soft Costs	$700	$2,100	$5,600	$5,600	$5,600
TOTAL Development Cost	**$168,450**	**$553,100**	**$1,077,600**	**$1,037,600**	**$893,600**
Cost Per Unit	**$168,450**	**$138,275**	**$134,700**	**$129,700**	**$111,700**
100% AMI Affordability	$159,860	$159,860	$159,860	$159,860	$159,860
100% AMI Subsidy Gap	**$8,590**	**$21,585**	**$25,160**	**$30,160**	**$48,160**
80% AMI Affordability	$139,312	$139,312	$139,312	$139,312	$139,312
80% AMI Subsidy Gap	**$29,138**	**$1,037**	**$4,612**	**$9,612**	**$27,612**
60% AMI Affordability	$95,752	$95,752	$95,752	$95,752	$95,752
60% AMI Subsidy Gap	**$72,698**	**$42,523**	**$38,948**	**$33,948**	**$15,948**

Analysis. This development scenario uses the same development assumptions as Table 15, yet with higher density and smaller housing units, and brings costs much more in line with affordable payment capacity. The subsidy gap for those at 60% AMI is brought down to $15,948, which could be satisfied through outside sources such as HOME development subsidy or profits from units serving higher income buyers. It is important to remember that to the extent possible, the overall design of deeply affordable homes should not be significantly different from higher income units to avoid segregation of units. Likewise, higher income units will may need to be larger and have a higher level of finishes to be competitive with homes on the open market.

Multifamily Housing Development

Affordable multifamily development is one of the greatest needs Las Vegas, especially given the very high proportion of people living at of below 50% of median income. The scenario below depicts an affordable rental development scenario at three different density levels and with one with a municipal donation of land and infrastructure. Projected rents are based on debt service at 80% of development cost plus $100 per unit for taxes, insurance, vacancy and operating reserves. Again, families are assumed to be three-person households. Profit is shown in bold and subsidy gap is highlighted.

Table 17: Multifamily Development

ITEM	Low Density # of Units = 4	Medium Density # of Units = 8	High Density # of Units = 14	High Density + Donations # of Units = 14
Construction				
Land Cost (per acre)	$40,000	$40,000	$40,000	
Site Prep/Infrastructure	$100,000	$150,000	$200,000	
Permits	$2,000	$4,000	$7,000	$7,000
Exactions	$20,000	$40,000	$70,000	$70,000
Cost to Build	$400,000	$800,000	$1,400,000	$1,400,000
Misc. Construction Costs	$12,000	$24,000	$42,000	$42,000
Professional Services/Fees	$4,500	$9,000	$12,000	$12,000
Construction Financing	$2,500	$5,000	$8,750	$8,750
Soft Costs	$1,000	$2,000	$3,500	$3,500
Syndication	$750	$1,500	$2,675	$2,675
Reserves	$3,000	$6,000	$12,000	$12,000
Developer's/Sponsor Cost	$15,000	$30,000	$52,500	$52,500
TOTAL Development Cost	**$600,750**	**$1,111,500**	**$1,850,425**	**$1,610,425**
Cost Per Unit	**$150,188**	**$138,938**	**$132,173**	**$115,030**
Rent (based on carrying cost)	**$745**	**$690**	**$670**	**$590**
100% AMI Affordable Rent	$908	$908	$908	$908
Affordability Gap	**$163**	**$218**	**$238**	**$318**
80% AMI Affordable Rent	$791	$791	$791	$791
Affordability Gap	**$46**	**$101**	**$121**	**$201**
60% AMI Affordable Rent	$544	$544	$544	$544
Affordability Gap	**$201**	**$146**	**$126**	**$46**
30% AMI Affordability	$298	$298	$298	$298
Affordability Gap	**$447**	**$392**	**$372**	**$292**

Analysis. The scenario depicted in Table 17 clearly demonstrates the need for additional subsidy to make affordable housing for the lowest income households. Even at very high densities and with municipal donations of land and infrastructure, the monthly carrying costs would still equate to a rent that is $46 too high for a family of three earning 60% AMI. With the majority of housing need in Las Vegas for extremely low-income families, at or below 30% AMI, additional external subsidy sources such as the LIHTC and HOME Rental Development are necessary. Again, a high-quality mixed income development could be designed where higher income rents subsidized the lowest income units only if the overall quality and marketability of the project is high.

Sites Inventory

Rodriguez Park

This site is a leading candidate for future development. Located on the western periphery of the City at the termination of Grant Street, the site covers a total of 254.97 acres including approximately 32 acres that are currently developed as five baseball fields. According to the analysis contained in the draft Comprehensive Plan, the current condition of the park is among the lowest of all park complexes in the City, but remains heavily used by a number of various baseball and softball leagues. The turf conditions are currently variable by field and the layout of the site does not provide for optimal spectator viewing or commercial opportunities. Likewise the location of the park complex is relatively obscure and relies on a small residential street for access.

The draft Comprehensive Plan released August 17, 2011 describes a phased expansion in 2012-2044 that includes proposed basketball and tennis courts, three soccer fields, a BMX park, water park, playground and picnic area at a total cost of $3.5 million.

Figure 8: Rodriguez Park Site Map

Physical Attributes. The site is bounded on the east side by Keen Street, and on the west by the Crestone Ridge. Aside from the presence of the sports fields, the Rodriguez Park site is essentially undeveloped. The site has varying terrain of rolling hills and drainages. Vegetation on site is primary small bunch grasses and shrubs with an overall low-density pinon/juniper forest that grows steadily denser as you move to the western edge of the site.

There are several factors that are likely to increase the development cost of the site. The site is bisected by the Pajarito Arroyo creating significant engineering and water management issues. Similarly, the topography of the site will require extensive site work for infrastructure development, the grading of home sites, as well as storm water retention.

Continuity with Surrounding Uses. There are several factors that must be addressed as part of a plan for housing development in this area. While there is relatively dense residential development to the east of the park, the northern, western and southern areas adjacent to the park are either vacant or very sparsely developed. Any housing development intended to produce affordable housing would require densities far greater than any of the surrounding areas.

Zoning. Rodriguez Park is currently zoned Rural Agricultural along with the lands adjacent to the north, west and south of the site. There is a small amount of area that is currently zoned C-1 where there are existing buildings that are leased to social service agencies. The residential housing directly to the east of the site is currently zoned R-3, the highest density development allowed by Las Vegas zoning regulations. The current zoning of Rural Agricultural only allows for one dwelling unit per acre, which is a far lower density than would be needed to achieve affordable housing development. The site would need to be rezoned to R-3 to support densities required to achieve affordability.

Infrastructure. The lack of developed infrastructure is likely to be the single most limiting factor for this site, given the topography and the need to upgrade connections to existing roadways and systems. Work is currently underway to bring reclaimed wastewater for irrigating the existing sports fields at the park. Primary access is through currently Grant Street, which is a small residential road and paving ceases at the property boundary. National and Socorro Streets terminate at the eastern property boundary and Valley Street continues onto the site as a dirt two-track road on the southern edge of the site. There is currently no sewer infrastructure within the site.

Macario Gonzales Site

This potential development site is comprised of 18.25 acres that was formerly the location of a neighborhood of approximately 80 public housing units. The site is bounded by Mills Avenue to the north, Gonzales Street to the west, Taos Street to the South and Dahlia Street to the east. The site is bisected by Encino Street which tends north-south, and Davis Drive which tends east-west. While a prime candidate for residential housing development, the City of Las Vegas is also considering the development of a new sports complex on the site for which conceptual plans have been developed.

Figure 9: Macario Gonzales Site Map

Physical Attributes. Having been previously developed, the site is appropriately graded for development. The existing road and curb infrastructure is in a state of disrepair and would likely need to be resurfaced or replaced if new development was to take place on the site. There are currently no structures on the property. Vegetation is primarily grasses with several mature deciduous trees throughout the site.

Continuity with Surrounding Uses. With the exception of a large commercial development on the other side of Mill Avenue, the surrounding uses are all residential. Contiguous residential housing ranges from low-density single-family homes on the east with higher density single-family homes and mobile homes to the west. There are also several clusters of very dense mobile home in several areas adjacent to the parcel. There is ample access to the site from Mill Avenue which is a four lane arterial street.

Zoning. The site zoning is a combination of R-1 and R-2. The R-2 portion of the site extends from Mill Avenue south to Davis Drive and R-1 from Davis Drive to Taos Street. Current zoning would allow for a mixed development type with multifamily development in the R-2 portion and relatively dense single-family development up to seven units per acre on the southern portion of the site.

Infrastructure. This site has ready access to all infrastructure. New roads, curb and gutter, sewer and water lines would be necessary to accommodate a more dense affordable housing site plan.

Determining Income/Housing Type

Table 18 illustrates how a proposed development plan for a hypothetical 100-unit subdivision in Las Vegas may be structured that mixes uses and housing types and directly reflects the housing needs identified in this plan (see Table 27 on page 64). The recommended unit/tenure/income mix is based on the percentages of Las Vegas' population in each income category and the proportion of needs identified. Affordability numbers are rounded to the nearest 10. For a description of each housing/income category see the narrative following Table 18.

This scenario assumes that 84 of these proposed units would fulfill the housing authority's obligation to redevelop the units demolished at the Macario Gonzales site. Importantly, the final income/tenure mix must be consistent with the housing authority's current efforts to resolve its liabilities to HUD.

Table 18: Proposed Income/Housing Type Scenario – 100 Unit Subdivision

Income Range	Housing Need Served	Affordable Hsg Cost	Total Units
Rental Tier 1 0-30% AMI	Transitional, supportive, accessible housing; VLI renters, elderly, disabled	Low: $0/mo High: $300/mo	30
Rental Tier 2 30-60% AMI	Public housing residents, accessible housing, elderly, disabled	Low: $300/mo High: $550/mo	30
Market	Affordable market rentals	$550+/mo	10
	Total Rental Units		**70**
Homeownership Tier 1 Up to 60% AMI	Very low income renters 40% AMI+, disabled, seniors	Low: $64,000 High: $96,000	10
Homeownership Tier 2 60-80% AMI	Low income renters, seniors, entry level workforce	Low: $96,000 High: $140,000	5
Homeownership Tier 3 80-100% AMI	Moderate income, entry level workforce	Low: $140,000 High:160,000	5
Market Rate 100% AMI +	General population, higher skilled workforce	$160,000+	10
	Total Homeownership Units		**30**
	TOTAL UNITS		**100**

Rental

LIHTC is one of the most likely programs for rental housing development. These types of projects typically range from 30-60 set aside units, and because of the high level of need for low-income rental housing, the higher number should be considered.

Rental Tier 1 (0-30% AMI). Approximately 25% of Las Vegas' households earn less than 30% AMI so this income range is the highest priority for housing development. This is also the income range of units that could potentially fill gaps for transitional homeless and other types of supportive housing. Based on these demands, it is proposed that 30 units within the development be dedicated to this income range. The level of affordability could also serve as an important source of special needs housing.

Rental Tier 2 (30-60% AMI). Representing 24% of Las Vegas households, this is the second highest priority for housing development. Because of the high demand this income range is also proposed for 30 units within the project.

Market Rate Units. The inclusion of market rate units will not only make for a more stable development but also meet broader rental housing needs in the community. Projects containing at least 15% market rate units also receive an additional 10 points in the tax credit allocation scoring. For this reason, a minimum of 10 units should be considered market rate for the purposes of the LIHTC program.

Homeownership

The proposed scenario in Table 18 assumes that there are 30 units available for homeownership, of which 20 should be reserved for families below 100% AMI with the remaining priced at market rates. A 30-unit homeownership component is large enough to create economies of scale. Because the demand numbers are vague for homeownership, marketability may necessitate more flexibility in the overall unit breakdown. For instance, actual demand by mortgage-qualified buyers will increase with the addition of homebuyer training, counseling, and financial fitness programs in Las Vegas and increased participation of local lenders. Initially, the housing authority may consider renting some of the units and later convert them to homeownership as demand and buyer capacity grows.

Homeownership Tier 1 (up to 60% AMI). While this income level remains precarious for homeownership, it is nonetheless an important "move up" option for higher income subsidized renters. Homeownership, supported through subsidized loan products and intensive homebuyer training and counseling, provides opportunities for these renters to build wealth, while also freeing up affordable rental units. Buyers in this income range are typically only suited for new homes due to the ongoing energy and maintenance costs associated with older homes, and mixed income housing development may be the most appropriate strategy for generating the necessary revenue to offset the subsidy needed to serve this population. One third of the affordable homeownership units (10) should be reserved for this income range. One strategy to consider would be to designate a portion of these to Habitat for Humanity to achieve the very high level of affordability needed to serve this income range.

Homeownership Tier 2 (60-80% AMI). This is the prime income range for affordable homeownership in most communities. While the demand assessments for this range were relatively low, demand could grow significantly if proper homebuyer counseling programs were developed in tandem with increased access to competitive mortgage loan products. Assuming availability of competitive mortgages and the successful development of a homeownership program, five units would likely serve the immediate need for this income range.

Homeownership Tier 3 (80-100% AMI). This income range is included primarily due to the overall low quality of homes available on the open market, and because housing development at this level is an important aspect of developing integrated mixed income housing. Five units are proposed to serve this income range.

Market Rate. The remaining ten units in the project are proposed for market rate buyers. Again this is a core strategy to create successful mixed income neighborhoods, but also for providing much needed resources, in the form of profit, to help subsidize deeply subsidized units. It is worth considering offering a portion of these units as developed lots to local builders as a way to support local building capacity, and to provide cash flow early in the project.

SECTION IV: HOUSING NEEDS ANALYSIS

Affordability Analysis

The purpose of the Affordability Analysis is to determine the extent to which households at various income levels can afford housing in Las Vegas. This is achieved by analyzing the gap between incomes and housing prices. The analysis focuses on housing affordability for households classified as low and moderate income, defined as earning under 80% Area Median Income, or 80-120% Area Median Income, respectively.

Incomes and Cost Burden

Household incomes in Las Vegas and San Miguel County are very low. According to the 2005-2009 American Community Survey, the median household income in the City of Las Vegas is $23,584 in 2009 inflation-adjusted dollars. Household income in San Miguel County is only slightly higher, at $30,956, causing it to be ranked 23 of 33 counties in New Mexico for household income. By comparison, median household income is $42,742 in New Mexico and $51,425 in the US, roughly twice the household income of the City of Las Vegas.

Table 19: Cost Burden in Las Vegas

Affordability Characteristics	United States	New Mexico	San Miguel	Las Vegas
Housing units without a mortgage	31.90%	38.90%	50.90%	47.30%
Median monthly owner costs*	$1,486	$1,158	$1,013	$954
Cost burdened homeowners**	30.1%	25.03%	27.52%	30.11%
Median rent	$817	$659	$543	$507
Cost burdened renters	50.1%	47.9%	55.2%	59.5%

Source: 2005-2009 American Community Survey
*For homeowners with a mortgage
**Includes all homeowner households

While housing costs in Las Vegas are low compared to statewide standards, affordability issues exist due to low incomes in the community. According to the 2005-2009 American Community Survey, median monthly housing costs[3] for Las Vegas households with a mortgage are $954 per month, lower than the statewide median of $1,158. For

[3] The US Census categorizes these as "Selected Monthly Owner Costs," which include: mortgages, deeds of trust, contracts to purchase, or similar debts on the property; real estate taxes; fire, hazard, and flood insurance; utilities; and homeowner and associated fees.

Las Vegas households without a mortgage, the median housing cost is $329, higher than the statewide median of $295. It should be noted that a high percentage (47.3% or 1,431 households) of Las Vegas homeowner households own their homes outright and are not paying a mortgage. This is compared to only 38.9% of non-mortgaged homeowner households in New Mexico. For all Las Vegas homeowner households (including those without a mortgage), nearly one-third are cost burdened or paying more than 30% of their income in housing costs.

Median rent in Las Vegas is $507 per month, lower than $659 in New Mexico. However, 59.5% of renter households in Las Vegas are considered cost burdened, In New Mexico, 47.9% of renter households are considered cost burdened and pay more than 30% of their income in housing costs.

Area Median Income (AMI) and Income Distribution

As determined by the US Department of Housing and Urban Development (HUD), Area Median Income (AMI) for San Miguel County is $43,200 in 2011. AMI is used to qualify households for various HUD programs and funding sources. Low-income households earn less than 80% of AMI, very low-income households earn less than 50%, and extremely low-income households earn less than 30%. +Typically, 60% AMI is a threshold for households that can afford to buy a home and those that cannot.

Table 20 shows the income limits in San Miguel County according to AMI for various household sizes. The AMI for San Miguel County is highlighted, as are the income limits for three-person households which are used in this analysis.

Table 20: HUD 2011 Income Guidelines for San Miguel County Area Median Income

HH Size	1	2	3	4	5	6	7	8
30% AMI	$9,950	$11,350	$12,750	$14,150	$15,300	$16,450	$17,550	$18,700
40% AMI	$12,100	$13,850	$15,550	$17,300	$18,700	$20,050	$21,450	$22,850
50% AMI	$15,100	$17,300	$19,450	$21,600	$23,350	$25,050	$26,800	$28,500
60% AMI	$18,150	$20,700	$23,300	$25,900	$27,950	$30,050	$32,100	$34,200
70% AMI	$21,150	$24,150	$27,200	$30,200	$32,600	$35,050	$37,450	$39,850
80% AMI	$26,400	$30,150	$33,900	$37,650	$40,700	$43,700	$46,700	$49,700
90% AMI	$27,250	$31,100	$35,000	$38,900	$42,000	$45,100	$48,250	$51,350
100% AMI	$30,250	$34,550	$38,900	$43,200	$46,650	$50,100	$53,550	$57,000
110% AMI	$33,250	$38,000	$42,750	$47,500	$51,300	$55,100	$58,900	$62,700
120% AMI	$36,250	$41,450	$46,600	$51,800	$55,950	$60,100	$64,250	$68,400

Table 21[4] shows how much households at each level of AMI can afford in monthly rental payments (Rent) and can qualify for in terms of a house purchase (Own), assuming a 30% conventional loan at 5.5% interest. All calculations assume 28% housing ratio, meaning that 28% of household income is spent on housing costs.

Table 21: Affordability Matrix for San Miguel County - 2011

HH Size	1	2	3	4	5	6	7	8
30% Rent	$232	$265	$298	$330	$357	$384	$410	$436
Own	$40,890	$46,643	$52,396	$58,150	$62,875	$67,601	$72,122	$76,848
40% Rent	$282	$323	$363	$404	$436	$468	$501	$533
Own	$49,725	$56,917	$63,903	$71,094	$76,848	$82,396	$88,149	$93,902
50% Rent	$352	$404	$454	$504	$545	$585	$625	$665
Own	$62,054	$71,094	$79,930	$88,765	$95,957	$102,943	$110,135	$117,121
60% Rent	$424	$483	$544	$604	$652	$701	$749	$798
Own	$74,588	$85,067	$95,752	$106,436	$114,861	$123,491	$131,915	$140,545
70% Rent	$494	$564	$635	$705	$761	$818	$874	$930
Own	$86,916	$99,245	$111,779	$124,107	$133,970	$144,038	$153,901	$163,764
80% Rent	$616	$704	$791	$879	$950	$1,020	$1,090	$1,160
Own	$108,491	$123,902	$139,312	$154,723	$167,257	$179,585	$191,914	$204,243
90% Rent	$636	$726	$817	$908	$980	$1,052	$1,126	$1,198
Own	$111,984	$127,806	$143,833	$159,860	$172,599	$185,339	$198,284	$211,023
100% Rent	$706	$806	$908	$1,008	$1,089	$1,169	$1,250	$1,330
Own	$124,313	$141,983	$159,860	$177,531	$191,709	$205,886	$220,064	$234,242
110% Rent	$776	$887	$998	$1,108	$1,197	$1,286	$1,374	$1,463
Own	$136,641	$156,161	$175,681	$195,202	$210,818	$226,434	$242,050	$257,666
120% Rent	$846	$967	$1,087	$1,209	$1,306	$1,402	$1,499	$1,596
Own	$148,970	$170,339	$191,503	$212,873	$229,927	$246,981	$264,036	$281,090

Based on income categories reported by the US Census 2005-2009 American Community Survey, the number and percentage of households in various Area Median Income categories are shown in Figure 5 and Table 22 for the Las Vegas Service Area, including Census Tracts 9572, 9573, 9574 and 9578. Please note that HUD income ranges for three-person households were used in this analysis.

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4 Income calculations used in the Affordability Matrix are based on the percentage of HUD median income for median family size numbers rounded to the nearest $100. Adjustments for family size are based on the HUD income formula of a 10% decrease in allowance for each family member less than the median size of four and an 8% increase in income for each family member greater than the median size. These numbers are then rounded to the nearest $50 increment as is HUD's policy. This is true for all categories with the exception of the 80% tier which is a published number from HUD and differs from the number derived from full median income because HUD's formula for 80% of median is based on the Very Low Income numbers.

Fifty-eight percent or 3,520 households in Las Vegas can be classified as low-income, with an additional 12% or 759 households classified as moderate income. Income levels are unique in Las Vegas in the following respects:

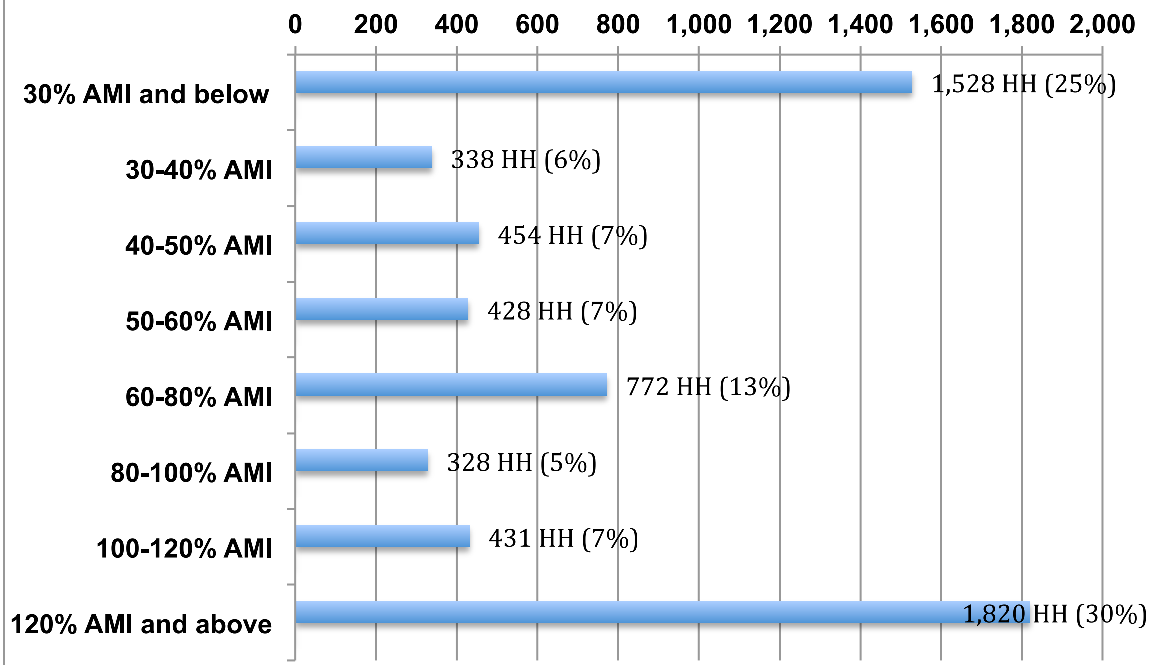
- An unusually high percentage of households (25%) is extremely low income, earning less than $12,750 per year in 2011.
- An unusually small percentage of households (12%) earns between 80 and 120% AMI, a prime category for entry-level and/or workforce homeownership.
- An unusually high percentage (70%) of households can be classified as low to moderate income.

Table 22: All Las Vegas Service Area Households by 2011 AMI

AMI Category	No. of Households	Percent of Households	Max. Rent, Home Price
Below 30% AMI *Income of $12,750 & below*	1,528	25%	$298 $52,396
30-40% AMI *Income of $12,751 to $15,550*	338	6%	$363 $63,903
40-50% AMI *Income of $15,551 to $19,450*	454	7%	$454 $79,930
50-60% AMI *Income of $19,451 to $23,300*	428	7%	$544 $99,450
60-80% AMI *Income of $23,301 to $33,900*	772	13%	$791 $139,312
Total Low Income	**3,520**	**58%**	
80-100% AMI *Income of $33,900 to $38,900*	328	5%	$908 $159,860
100-120% AMI *Income of $38,901 to $46,600*	431	7%	$1,087 $191,503
Total Moderate Income	**759**	**12%**	
Total Low and Moderate Income	**4,279**	**70%**	
120% AMI and Above *Income of $46,601 and above*	1,820	30%	
Total Households	**6,099**	**100%**	

Source: Households for AMI categories in Figure 10 and Table 22 estimated by Housing Strategy Partners using 2005-2009 American Community Survey data

Figure 10: Income Distribution by 2011 AMI, Las Vegas



Homeownership Affordability

Current residential home listings in Las Vegas reveal that some homeownership opportunities exist for low and moderate-income households. A May 2011 review of Multiple Listing Service residential listings for Las Vegas revealed 79 units on the market, excluding the lowest-priced unit that appeared to require major rehabilitation, and the highest-priced unit that was a large historic property. Of the 79 units, 69 were single-family homes, nine were manufactured homes, and one was a second-story condo in downtown Las Vegas. The median price of all homes on the market in Las Vegas was $150,000, with a slightly lower median price of $120,000 for manufactured homes. This is slightly higher than San Miguel County yearly median home sales from the Realtors Association of New Mexico, which reports a median price of $125,000 in 2007, $175,000 in 2008, $138,000 in 2009, and $135,000 in 2010.

Table 23: Survey of Homes for Sale

May 2011 MLS Listings	Single-Family Homes	Mfg. Homes	Condos	Total	Percent
Under $100,000	15	3	0	18	23%
$100,001 to $150,000	18	3	1	22	28%
$150,001 to $200,000	11	2	0	13	16%
$200,001 to $250,000	14	0	0	14	18%
$250,001 to $300,000	9	1	0	9	13%
Above $300,000	2	0	0	2	3%
Total	**69**	**9**	**1**	**79**	**100%**
Median Price	**$160,000**	**$120,000**	**$125,000**	**$150,000**	

Source: Online Multiple Listing Service search for residential listings for Las Vegas conducted by Housing Strategy Partners, May 6, 2011, using Melton Real Estate at www.meltonrealestate.com

Twenty-three percent of current residential listings are priced under $100,000, which could be affordable for low-income households of three earning between 50% and 60% AMI in 2011. Most units in this price range appeared to be in good condition, were between 900 and 1,200 square feet in size, and had two or three bedrooms. Some units were larger at 1,200 to 1,400 square feet, with a limited number of units over 1,400 square feet. It is important to recognize that while these homes may appear to be in habitable condition, the likelihood of major repairs is significantly higher on an older home. Large repairs such as a roof or stucco could amount to nearly a year's income for a very low-income family. Likewise, older homes typically have much higher operating costs mostly related to heating. For these reasons, homeownership for those below 60% AMI should be are optimally restricted to new construction.

Households of three earning between 60% and 80% AMI in 2011 can afford homes priced up to $140,000, which represents over 40% of homes on the market. Most homes in this price range appeared to be in good condition, were between 1,200 and 1,400 square feet in size, and had two or three bedrooms. Some smaller units between 900 and 1,200 square feet also exist in this price range. While this supply seems adequate for demand, interviews with realtors reveal that many buyers in this range would prefer a new housing unit if available. Likewise, these older homes are likely to have higher operating and maintenance costs.

Moderate-income households of three earning between 80% and 120% AMI in 2011 can afford homes priced up to $190,000, which represents over 65% of homes on the market. Homes priced between $150,000 and $250,000 tend to be larger (1,700 to 2,000 square feet) and have three or four bedrooms. While the selection of homes in this market segment is greater, realtors report that buyers would prefer a newly constructed home.

Rental Affordability

Based on income categories reported by the US Census 2005-2009 American Community Survey, the approximate number and percentage of rental households in various AMI categories is estimated for the Las Vegas Service Area. Please note that HUD income ranges for three-person households are used in this analysis. In the service area, 81% or 1,935 renter households are estimated to be low-income. An additional 8%, or 182 households, earn less than 120% AMI, and are considered moderate-income. In total, 88% of Las Vegas' households are low- or moderate-income. A very high percentage (43%) of renter households are extremely low-income, earning less than 30% AMI.

Table 24: Las Vegas Service Area Renter Households by AMI

AMI Category	Total Renter HHs	Percent Renter HHs	No. Without Student HHs	% Without Student HHs	Max. Rent, Home Price*
Below 30% AMI *Income of $12,750 & below*	1,027	43%	516	27%	$298 $52,396
30-40% AMI *Income of $12,751 to $15,550*	192	8%	192	10%	$363 $63,903
40-50% AMI *Income of $15,551 to $19,450*	272	11%	272	14%	$454 $79,930
50-60% AMI *Income of $19,451 to $23,300*	244	10%	244	13%	$544 $99,450
60-80% AMI *Income of $23,301 to $33,900*	200	8%	200	11%	$791 $139,312
Total Low Income	**1,935**	**81%**	**1,424**	**75%**	
80-100% AMI *Income of $33,900 to $38,900*	76	4%	76	4%	$908 $159,860
100-120% AMI *Income of $38,901 to $46,600*	106	4%	106	6%	$1,087 $191,503
Total Moderate Income	**182**	**8%**	**182**	**10%**	
Total Low and Moderate Income	**2,118**	**88%**	**1,606**	**85%**	
120% AMI and Above *Income of $46,601 and above*	280	12%	280	15%	
Total Renter Households	**2,398**	100%	**1,884**	100%	

Source: Households for AMI categories in Figure 6 and Table 15 estimated by Housing Strategy Partners using 2005-2009 American Community Survey data

Student Households and Income Distribution. As with small household size, low workforce participation, and the large number of non-family and renter households, the City of Las Vegas' student population skews the large percentage of renter households under 30% AMI. We have attempted to estimate the degree to which student households skew the number of extremely low-income households through the methodology used below.

Housing Strategy Partners estimates the off-campus student population for New Mexico Highlands University (NMHU) at 766 students. This number is obtained by taking the total student population (2,381), subtracting the number of students who are from Las Vegas and therefore may live at home or with relatives (976), then subtracting the on-campus student population (639).

NMHU reports that 41% or 976 of it students are from Las Vegas, 36% or 867 are from other communities in New Mexico, and 23% or 548 are from places other than Las Vegas or New Mexico. The sum of the students from communities other than Las Vegas is 59% or 1,405 students. We then subtract the 639 students that NMHU reports live on campus. Of the resulting 766 NMHU students who live off-campus in homes in the City of Las Vegas, we assume a household size of 1.5 students to estimate 511 student households in Las Vegas. Because NMHU is a four-year college, the vast majority of these students do not work or work in part-time, low-paying service jobs, and would therefore fall at or below 30% AMI.

Students attending Luna Community College (LCC) are not factored into the analysis because 1) LCC reports that many live at home, 2) LCC serves the northeastern NM region and therefore many students commute from outside of Las Vegas, and 3) many community college students are employed in full time jobs from which they would earn more than 30% AMI.

As shown in Table 24, if we subtract these 511 student households from the number of households earning 30% AMI or below, the income distribution for the Las Vegas Service Area is revised to include a lower, but still relatively high percentage (27%) of extremely low-income renter households. The other income categories are adjusted proportionally, resulting in a slightly lower percentage of low-income (75%) and low to moderate income renter households overall (85%).

Subsidized Rental. There are a total of 692 subsidized rental units in the City of Las Vegas, distributed among nine apartment complexes and public housing sites. Rents are shown by property and unit size in the Housing Inventory. Rental rates reflect varying degrees of subsidy for households earning 40%, 50% and 60% AMI, and therefore are affordable for low-income households. The public housing authority and property managers for the lowest priced complexes reported a zero percent vacancy rate, although vacancies do exist at complexes that target households between 50% and 60% AMI. Managers at those complexes report that units priced in this range are increasingly harder to fill. This is due in large part to the fact that most of these apartments are older less marketable. Also, this segment of the renter market has been most vulnerable to losing jobs and income during the recent economic downturn and is increasingly unable to pay rent, leading to higher rates of eviction at these properties.

Private Market Rentals. A survey of rental listings in the Las Vegas Optic and Craig's List in May 2011 reveals a limited number of rental units. It is probable that much of the rental activity is generated by New Mexico Highlands University and is aligned with the academic calendar. Another reason for the low volume of units is that advertising is done through flyers and through word of mouth, as is often typical in college towns. Seventeen listings were evaluated for this analysis, of which one was a mobile home. Most rents did not seem to include utilities, adding extra expense, especially for an older, less energy-efficient home. Two mobile home parks were surveyed (Vegas RV Park, Gallegos) with reported rents averaging $385 per space.

Table 25: Private Market Rental Survey

Unit Size	No. of listings	Average Rent	Rental Range	
			Low	High
1 bedroom	7	$610	$375	$750
2 bedroom	5	$655	$550	$750
3 bedroom*	1	$1,250	n/a	n/a
4 bedroom	4	$975	$800	$1,100

**Given the very small sample size in this category, this rent is not indicative of the market.*

If organized by AMI, it can be seen that there are close to no rental opportunities for renter households earning less than 50% AMI. Roughly one-third of units on the market were priced for households earning between 50% and 80% AMI, with another third priced for moderately priced-households. Again, the fact that utilities are not included in the rental rates should be considered, as heating expenses alone can add $200 more to monthly housing costs in the winter.

Table 26: Private Market Rentals by AMI

AMI Category	Affordable Rent	No. of Units	2 BR +
30% AMI or below	<$298	0	0
30-50% AMI	$299-$454	1	0
50-80% AMI	$455-$791	6	4
80-120% AMI	$792-$1,087	5	4
120% AMI and above	$1,087 +	1	1

Projected Housing Needs

This section estimates the number of housing units needed to address housing gaps in the Las Vegas Service Area for the next five years. Two types of demand are considered: "Catch Up Demand" that estimates the housing needs for the current population; and "Keep Up Demand" which looks at housing demand required to accommodate future employment growth.

This plan does not anticipate employment growth sufficient to recommend the construction of substantial numbers of new housing units, given that 1) San Miguel County and the City of Las Vegas have lost jobs in the past ten years, 2) no new business openings are anticipated, and 3) the industry with the largest employment increases has shown stable employment for over five years.

Catch-Up Demand

Table 27 provides the number of new housing units needed by income category to meet the needs of current households in the Las Vegas Service Area. The overall demand for new housing is estimated to be between 208 and 275 units for the next five years. Specific recommendations for meeting housing demand are found in the Implementation Section.

Table 27: Catch Up Demand

Target Population	Potential No. HH	Inventory	Demand (low)	Demand (high)
Emergency/Transitional Households	Fluctuates	0	10	10
Disabled	Unknown	23	7	7
Senior Renters	374*	100	41	55
Renters at 40% AMI or Below	582	177	61	86
Renters at 40-60% AMI	516	206	55	73
Homeownership for Renters at 40-60% AMI	51	5**	8	10
Renters at 60-80% AMI	140	149	-	-
Homeownership for Renters at 60-80% AMI	60	10***	7	10
Renters at 80-120% AMI	91	10	12	16
Homeownership for Renters at 80-120% AMI	91	45	7	9
Totals	**1,905**	**725**	**208**	**275**

* Adjusted upward by five percent to capture existing senior homeowners who may need/want to downsize into a rental situation.
** Homes for sale on private market that may be appropriate condition for lower-income homebuyers
*** Includes five homes for sale on private market in good condition and five projected homes built by Habitat (1/year)

Purpose of the Analysis. Catch-up demand looks at the housing needs for the current households that live in the City of Las Vegas and adjacent areas. The analysis compares the number of households in various income categories to existing housing that they can afford. If the number of households outweighs the number of housing units priced accordingly, a specific number of new units is recommended to be built or provided to meet the need.

Theoretically, the vast majority of households considered in this analysis are already being housed, and most will not desire or need new housing. However, there are everyday reasons for exiting households to need new or different housing, such as someone becoming disabled, a child being born or a person dying, or a person needing to relocate to a safer living environment. While it is impossible to estimate which Las Vegas Service households need and desire new housing, for purposes of this analysis, we assume that one out of every five households (20%) in each income category desires a new housing situation. We also provide a more conservative scenario of 15% to capture other unknown factors like further economic recession or job loss and to create what we consider a viable range of housing demand.

Methodology. Total demand for new housing development is calculated in this plan using the following methodology. A narrative analysis for each target market and income category is provided below.

1. Use the total number of renter households in the Las Vegas Service Area for each income category in Table 24. In this case, we use the number of households adjusted to exclude student households.

2. Subtract current viable housing inventory for that income category.

3. Multiply by a "low" and a "high" demand, which assumes that 15-20% of renters in each income category need and desire new housing based on factors such as 1) changing household circumstances such as a death, birth or disability; 2) lack of affordability; or 3) poor condition of the existing home.

4. Consider any condition unique to the income tier that is not captured by quantitative data but might affect demand.

Emergency/Transitional Shelter. It is not possible to estimate the number of households requiring emergency/transitional shelter from US Census or other data, as the number of people and families in need fluctuates over time. Samaritan House has ten beds and one dorm room reserved for women and children. However, these beds are only available during the colder months, and no transitional housing is available to help domestic violence victims reestablish themselves in a home. There are also no emergency or shelter beds for homeless individuals. Due to the almost complete lack of emergency and transitional housing in Las Vegas, we recommend that ten additional units be provided to serve this population.

Accessible Housing. Las Vegas has nine accessible public housing units and 14 accessible units at Vista Gallina, which provides permanent supportive housing for low-income, disabled persons. The City of Las Vegas Housing Authority is also currently required to add seven accessible units to its inventory. While we do not recommend that additional accessible units be constructed beyond these seven units, new senior units should be flexible in accommodating people with disabilities when not fully occupied by seniors.

Senior Housing. According to the 2005-2009 American Community Survey, there are 1,403 senior households in the Las Vegas Service Area. Of these, 77% are homeowner households and 23% rent. Eighty percent of seniors are low and moderate income, 68% are low income, and a full 30% earn less than 30% AMI. Between the San Miguel Senior Apartments and Casa Alegre, there are currently 100 income-restricted apartments in Las Vegas dedicated to seniors. Seventy-eight of these units are one-bedroom, consistent with 82% of senior renters living alone.

Figure 11: Senior Households

Total Households: 1,403

Homeowners: 1,083 (77%)
Living Alone 521
(48% of senior homeowners)

Renters: 320 (23%)
Living Alone: 263
(82% of senior renters)

The analysis for senior housing need is unique because seniors may choose to sell their homes and begin renting in order to downsize or to receive supportive services or care. Therefore, some existing homeowners should be included in the demand. For purposes of this analysis, we use the 320 existing renter households plus five percent of senior homeowner households (54) as the potential number of households. Based on 15-20% demand, we estimate a need for 41-55 additional rental senior units, all of which should be accessible. Consistent with existing senior incomes, we recommend that at least 60% of these units be priced under 60% AMI, with at least 30% priced at 30% AMI or below. Some units should be moderately priced, and approximately 10% should be market-rate.

Rental Housing at or below 40% AMI. Excluding estimated student households, there are 708 renter households at or below 40% AMI in the Las Vegas Service Area. It is estimated that 126 of these households are senior households, which are counted above in senior housing and so are not considered in this category, for a total of 582 potential households in this income range. The 126 estimate is based on 23% (the rate of senior rental households) of the total 547 senior households at or below 40% AMI.

Housing inventory for this income category is limited to 30 units at Monte Vista and 147 of the public housing units run by Las Vegas Public Housing Authority. While Vista Gallina is priced in this income range, those units are counted as accessible housing inventory and therefore not included here. Because only one unit in our private market survey was found in this income range, no additional units are included from the private market.

The public housing authority has a total of 276 units available for incomes under 80% AMI. We have estimated the number of units for income categories below 80% AMI by multiplying the total number of units by the percentage of low-income households in a given income range. For example, 53% of all low-income renter households fall below 40% AMI, therefore 147 or 54% of the public housing units are assumed to be available for households below 40% AMI.

Given the very high number of households in this income range and the limited number of rental opportunities available, we estimate a need for 61-86 additional rental units at or below 40% AMI units at 40%-60% AMI to meet current needs.

Rental Housing at 40-60% AMI. There are 516 renter households in the Las Vegas Service between 40% and 60% AMI. We estimate there is an inventory of 100 income-restricted rentals in this income range, based all 60 units at Villa Las Vegas and 40 units at Monte Vista. Property managers reported zero vacancy at Monte Vista with a six-month waiting list, and a three-unit vacancy at Villa Las Vegas. We have also included 106 public housing units in the inventory, based on a total of 276 public housing units and 38% of low-income renters falling between 40-60% AMI. Because the private market survey revealed only one unit in this income range, we did not include market rate units in our inventory figure. Based on 15-20% demand, we estimate a need for 59-78 additional rental units at 40%-60% AMI to meet current needs.

Homeownership at 40-60% AMI. USDA lenders reported that the ratio of applicants for 502 direct loans to those that qualify is about 1:10. Given that there are 516 rental households in the 40-60% AMI category (40% representing the lowest possible level that could sustain homeownership), this may indicate a total of 51 potential buyers. Assuming a 15-20% demand among these qualified buyers, the number of households that would qualify for homeownership ranges from 8-10. While there are 18 units in this income category listed on the open market, the likely condition and quality of these homes means that no more than five of those units are appropriate for very low-income homeownership. Five homes may be added to the inventory affordable to this income range assuming that the Habitat affiliate continues its current rate of production of building one home per year. It is important to note that without adequate homebuyer training and counseling, this income range is precarious for homeownership. From a development standpoint, however, building units affordable to this income range will provide significant motivation for some existing renter families to pursue homeownership and thus, as part of a mixed-income scenario, these units are integral to creating demand.

Rental Housing at 60-80% AMI. There are 117 renter households in the Las Vegas Service Area between 60% and 80% AMI. For the purposes of this analysis, we assume that 82 or 70% of these households will remain renting and that 30% may be poised to pursue homeownership. Typically, we would assume a ratio of 80% to 20% renters to potential homeowners, but we assumed a higher percentage for homeowners given the affordability of market-rate residential listings.

There are approximately 144 units of subsidized rentals in this price range, including all units at Las Vegas Apartments, Gallinas Valley and Kristin Park. Both Las Vegas Apartments and Kristen Park report vacancies totaling nine units. Because the private market rental survey revealed six units in this price range, we added five additional units to the inventory for a total of 149 units. At this rate, there is more than one unit available for all the households in this income range. Therefore, we recommend that no additional rental units be built to serve 60%-80% AMI at this time.

Homeownership at 60-80% AMI. We estimate that 35 or 30% of the 200 renter households in this income category may be poised to pursue homeownership. There are currently 34 units affordable to these households were listed on the private market. We therefore assume that 25 units for sale on the private market are priced between 60% and 80% AMI at any given time, however, it is likely that because of quality and condition, only five of these homes may be appropriate for lower-income homebuyers. This results in a projected demand of 7 to 10 units in this income category.

A couple of factors are likely suppressing current demand in this income range. Limited access to competitive mortgage products and homeownership counseling services are major impediments to the capacity of potential buyers in Las Vegas. Also, available homes on the market are likely not to meet the minimum health and safety standards required by the USDA and other providers of subsidized loan products. For this reason, the demand numbers presented in the projected needs analysis are likely to be very conservative. The implementation of a comprehensive and community-wide homebuyer training program and expanded rehabilitation of existing housing stock will increase the demand for homeownership units in this income range.

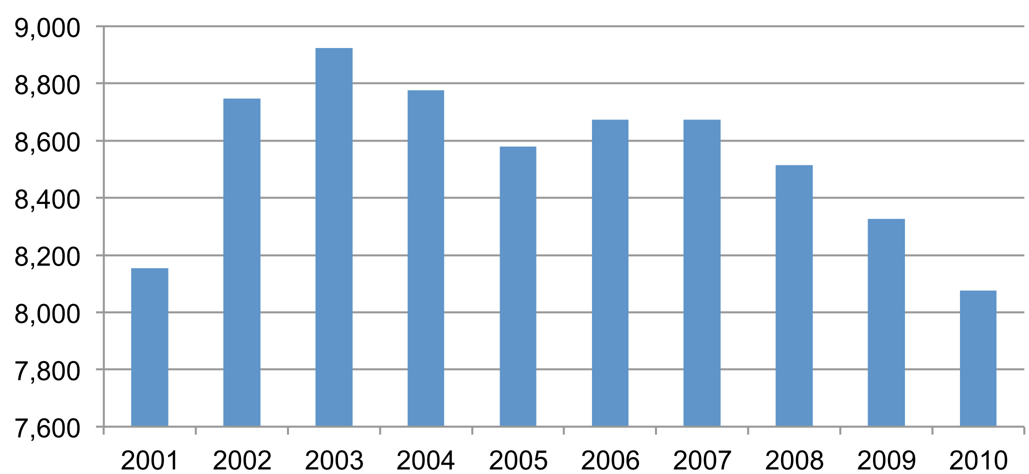
Rental Housing at 80-120% AMI. There are 182 renter households in the Las Vegas Service Area between 80% and 120% AMI. For the purposes of this analysis, we assume that 91 or half of these households will remain renting and that the other half may be poised to pursue homeownership. No subsidized rental housing is offered in this income range, although we assume that ten market rate rental units would be available in this price range at any given time. Ten units is a higher number than actually found in our private market rental survey, where only six units were listed at this income range. Based on 15-20% demand, we estimate a need for 12-16 additional rental units at 80%-120% AMI to meet current needs.

Homeownership at 80-120% AMI. We estimate that 91or half of the 182 renter households in this category may be poised to pursue homeownership. There are no subsidized homeownership units in this category, although 53 units affordable to these households were found in our private market survey. Therefore, we assume an inventory of 45 units available on the private market at any given time. Based on 15-20% demand, we estimate a demand for 7-9 new homeownership units at 80%-120% AMI to meet current needs. However, given the limited capacity of local lenders to provide lending products that are appropriate for this income range and the lack of a robust homebuyer training and counseling program in Las Vegas, it is likely that the demand is latent in this category. In other words, demand numbers would surely go up if there were programs to support the capacity of renters in this income range to become homebuyers.

Keep-Up Demand

San Miguel County has experienced job loss during the last decade. The number of employees declined in 2005, before the economic recession, and has continued downward ever since. While one industry sector—Health Care and Social Assistance—has grown significantly, employment in that sector has been stable for the past five years. As a result of the overall decline in employment, stability of the Health Care sector, and in the absence of new business openings, it is not anticipated that new housing demand will be created as a result of job growth in the next five years.

Figure 12: Number of Jobs in San Miguel County



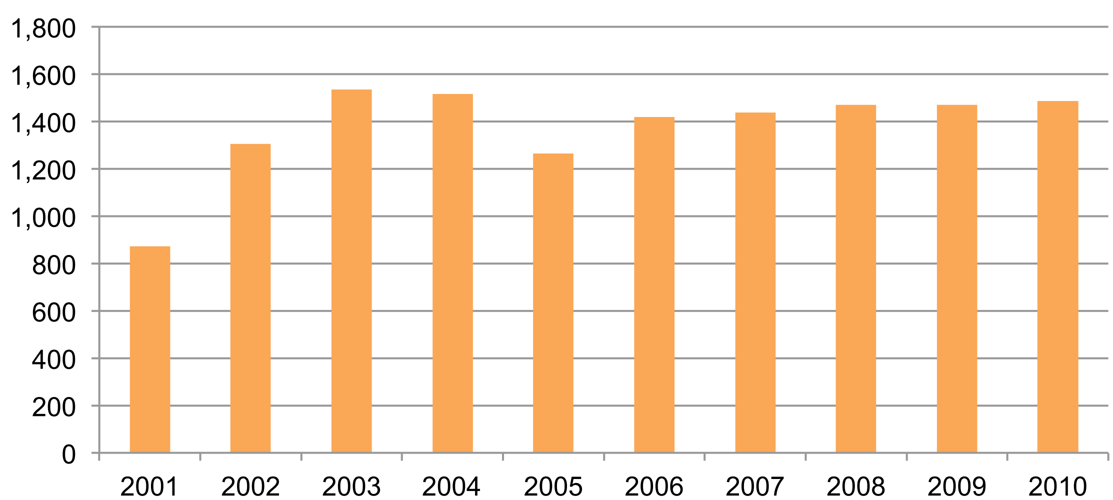
Source: Table D, Quarterly Census of Employment and Wages, New Mexico Department of Workforce Solutions

Purpose of the Analysis. Keep-up demand looks at the housing needed to accommodate future population growth. For the purpose of affordable housing projections, job growth rather than population growth is typically used to estimate the number and type of housing units needed in the future. This is because job growth is associated with a community's workforce, and workforce households usually fall within the income categories that require affordably priced housing.

Methodology. While specific job growth—such as that estimated by a relocating company—is more commonly used to estimate housing demand, our analysis relies on ten-year trends because there are no plans for major relocations or business openings in the City of Las Vegas or San Miguel County. In Table 28, this analysis compares the number of jobs for two-digit North American Industrial Classification System (NAICS) codes in San Miguel County over the ten-year period between 2001 and 2010.

Analysis. San Miguel County's net job loss over the last 10 years is 78 jobs or approximately one percent. Interestingly, 2001 and 2010 mark the lowest years for employment in San Miguel County. In fact, substantial job increases in 2002 and 2003 preceded a slow decline beginning in 2004. This shows that a trend toward job loss began before the economic recession of 2008, although recent job losses concentrated in the City of Las Vegas and discussed on pages 28 and 29 of *An Assessment of the San Miguel County Economy* appear to be at least partly recession-related.

Figure 13: Number of Health Care Jobs in San Miguel County



Source: Quarterly Census of Employment and Wages, New Mexico Department of Workforce Solutions

The only industry sector to have experienced significant job growth over the past decade is Health Care and Social Assistance. This industry has grown by 70% or over 600 jobs. As illustrated in Figure 13, the number of jobs sharply increased in 2002 and 2003. There was a minor decline in 2005, but since then, employment has remained relatively stable over the past five years. Given this stability and the fact that new health care openings are not anticipated, we do not expect housing demand to increase due to increased employment in this sector.

Table 28: Employment Growth in San Miguel County, 2001-2010

Industry Sector	Employees, 2001	Employees, 2010	Change in Employees
Agriculture, forestry, fishing & hunting	52	60	8
Mining	20	15	-5
Utilities	18	22	4
Construction	291	223	-68
Manufacturing	75	62	-13
Wholesale trade	80	34	-46
Retail trade	1,015	976	-39
Transportation & warehousing	67	45	-22
Information	77	78	1
Finance & insurance	178	202	24
Real estate & rental & leasing	30	46	16
Professional & technical services	104	103	-1
Management of companies & enterprises	*	*	
Administrative & waste services	*	16	
Educational services	151	*	
Health care & social assistance	872	1,486	614
Arts, entertainment & recreation	46	46	0
Accommodation & food services	806	646	-160
Other services, except public admin	118	108	-10
Non-classifiable	0	0	0
Total Private	**4,326**	**4,272**	**-54**
Total Government	**3,828**	**3,804**	**-24**
Federal	174	171	-3
State	2,058	2,055	-3
Local	1,596	1,578	-18
Total, All Industries	**8,154**	**8,076**	**-78**

Source: Table D, Quarterly Census of Employment and Wages, New Mexico Department of Workforce Solutions

SECTION V: IMPLEMENTATION PLAN

What is clear from Las Vegas' unique demographic and housing needs is that improving housing opportunities in Las Vegas will require a multi-pronged approach. Mainstream strategies such as creating income-restricted rental units, providing homebuyer subsidies, and rehabilitating the homes of low-income renters and owners will address some of the gap between incomes and housing costs. However, the needs of those with disabilities, market pressures on local rental stock and rehabilitation opportunities for Las Vegas' historic buildings mean that there is no "one size fits all" approach to providing affordable housing in Las Vegas.

Rather, as the following analysis and the recommendations in this plan illustrate, real estate development will only happen as part of a "ripple effect" of improving the city's local development capacity, increasing the financial options for people seeking housing, creating a "mortgage ready" pool of potential homebuyers, improving the collaboration and effectiveness of the service delivery network for emergency and supported housing, and rehabilitating older and deteriorating homes.

Approach

This plan approaches the planning process in a three-step process. First, demographic, economic, and housing data is analyzed to determine the need for affordable housing according to income level and housing type. The next step is to undertake an Opportunities and Constraints Analysis. For the City of Las Vegas Housing Plan, five organizing principles were considered:

- Funding
- Capacity Building
- Program Development
- Real Estate Development
- Regulatory Environment

From there, the analysis serves to shape the planning recommendations. To ensure that the planning process is meaningful and results in a document that is used to guide policy and program development, implementing strategies are provided for each recommendation. The implementation section of this plan presents the recommendations based on the immediate, mid-term and long-term capacity of the City of Las Vegas to implement them; lead roles; and likely funding possibilities.

Summary of Projected Needs

In order to identify projected housing needs, several supply/demand factors are taken into consideration. This plan identifies two types of need: "Catch Up" which considers the current unmet needs and supply deficiencies in the community; and "Keep Up" need which considers job/population growth and projects future demand. Table 29: Housing Production Plan summarizes projected housing needs for Las Vegas, broken down by income level and tenure. It also provides a Five Year Goal for housing production in Las Vegas. For more detailed analysis of these needs and the basis for the projection numbers, please refer to the Housing Needs Analysis in the preceding section of this plan.

Table 29: Housing Production Plan – Five-Year Goal

Housing Type	Five Year Production Goal (units)	Affordable Housing Cost
Emergency/Transitional Units	10	< $298/mo
Disabled/Senior/Frail Elderly Rental	48 – 62	< $363/mo
Rental Units for Renters with < 60% AMI	116 – 159	< $544/mo
Homeownership for Renters 40–60% AMI	8-10	$79,930 - $99,450
Rental Units for Renters at 60-80% AMI	-	-
Homeownership for Renters at 60-80% AMI	7-10	$99, 450 – $139,312
Rental Units for Renters with 80-120% AMI	12 – 16	$908 - $1,087/mo
Homeownership for Renters at 80-120% AMI	7 – 9	$139,312 - $191,503
Totals New Construction	**208 - 276**	
Rehabilitation – Owner-Occupied < 50% AMI	5	
Rehabilitation – Acquisition	10	
Rehabilitation – Low Cost Weatherization	100	
Total Rehabilitation	**115**	

Implementation Plan Matrix

The Implementation Plan Matrix, Table 30, summarizes the recommendations, roles of partner agencies and potential funding sources to support the activities proposed in this plan. For more detail regarding implementation tasks, please refer to the narrative that follows the matrix.

Table 30: Implementation Plan Matrix

RECOMMENDATION	Implementation Strategies	Lead	Partner(s)	Priority H	Priority M	Priority L	Funding
1.0 - FUNDING							
1.1 Create The City of Las Vegas Affordable Housing Trust Fund.	**1.1a:** Implement "best practices" of publicly controlled affordable housing trust funds to develop a funding model for Las Vegas. **1.1b**: Create line item for fund in the City's budget that is tied to the policies and procedures for allocating the funding. **1.1c:** Consider dedicating a portion of the City's current CDBG allotment so that it benefits specific affordable housing activities or development.	City		✔			City General Funds, Fees generated from affordable housing activities, transactional fees, lot sales, third-party "pass through" funds
1.2 Apply for third party funding currently not used in Las Vegas.	**1.2a:** Identify funds not used or maximized and link them to gaps in services and the priorities in the production plan (Table 29). **1.2b:** Work with NM Mortgage Finance Authority to apply for CDBG housing funds and other grants. **1.2c:** Maintain an annual "Sources and Uses Report" for Las Vegas and its housing partners to report funds used in the City and objectives accomplished.	City, PHA	Nonprofit service providers	✔			No outside funding required
1.3 Invest local/public housing resources to expand affordable housing services in Las Vegas.	**1.3a:** Apply PHA funds to establish homeownership program. **1.3b:** Establish contractual relationships with regional providers to administer programs that can't be provided in-house. **1.3d:** Consider providing funding to providers serving other needs in the housing spectrum.	City	PHA; Nonprofit hsg services providers		✔		City General Funds; PHA funds
1.4 Create capacity of local lenders to provide MFA, FHA, USDA mortgage products.	**1.4a:** Work with the local lenders to access loan guarantee products. **1.4b:** Establish lending-related services through PHA's homeownership program to increase pool of "mortgage ready" buyers in Las Vegas. **1.4c:** Engage local lenders in local affordable housing planning processes, provision of services and housing development	PHA, City	Lenders	✔			MFA (Mortgage Saver, Payment Saver, HERO, HELP) FHA (Sect 203 and other FHA) HUD (EEM), USDA (Sect 502)

RECOMMENDATION	Implementation Strategies	Lead	Partner(s)	Priority H	Priority M	Priority L	Funding
2.0 - CAPACITY BUILDING							
2.1 Establish a staff position within the public housing authority to implement the recommendations of this plan.	**2.1a:** Create the position of Homeownership/Housing Coordinator. **2.1b**: Pursue the housing activities recommended in this plan. **2.1c:** Collaborate with nongov't services provider and development entity(ies) to undertake affordable housing activities and real estate development.	City, PHA		✔			City General Funds, public housing authority funds
2.2 Provide technical assistance to the public housing authority, other providers, to identify gaps and improve service models.	**2.2a:** Engage partners in strategic planning activity to identify gaps in services, needs for technical assistance. **2.2b**: Provide seed funding to bring in TA providers. **2.2c:** Identify "best practices" and create locally relevant model for service delivery. **2.2d:** Maximize use of housing choice vouchers.	City, PHA	Local service providers, other governmental entities, community instit., private funders	✔			City General Funds, public housing authority funds, private fundraising
2.3 Establish partnerships between private/public/nonprofit sectors.	**2.3a:** Provide incentives to for-profit builders, such as infrastructure, discounted land. **2.3b:** Engage stakeholders in strategic planning process to coordinate project development. **2.3c:** Include as funding requirement in future funding regulation that applicants must demonstrate collaboration. **2.3d:** Engage lenders, realtors, builders, insurance agents, title companies to teach a portion of homebuyer training classes.	City, PHA	Local service providers, other governmental entities, community instit., private funders, realtors, builders, insurance agents, title co.		✔		City capital improvement funds, donation of resources
3.0 - PROGRAM DEVELOPMENT							
3.1 Prioritize the needs of Las Vegas' very low-income residents.	**3.1a:** Continue with the housing authority's current renovation program to maximize accessibility. **3.1b:** Close the gaps in funding and housing service provision for residents with very low incomes. **3.1c:** Reserve a percentage of units in any new City/PHA-supported housing development for low-income residents with special needs. **3.1d:** Pair social support, educational opportunities with housing provision to reduce the number of people living in poverty	City, PHA	Local service providers, other governmental entities, community instit.	✔			Public housing authority renovation funds, ESG, SHP, Shelter Plus Care, HOME, Land Title Trust Funds

RECOMMENDATION	Implementation Strategies	Lead	Partner(s)	Priority H	Priority M	Priority L	Funding
3.0 - PROGRAM DEVELOPMENT (cont.)							
3.2 Create a citywide homeownership education and counseling program.	**3.2a:** Outreach to current residents of public housing and subsidized rental complexes. **3.3b:** Apply public housing authority funds toward homeownership program and make available on community-wide basis. **3.3c:** Partner with private sector, community institutions, and public schools to develop and implement financial fitness on community-wide level. **3.2d:** Design homeownership services beyond homebuyer training (DIY repair, weatherization, foreclosure prevention, etc.) **3.2e:** Consider partnering with established regional nonprofit to implement homebuyer training program.	City, PHA	Regional nonprofit homebuyer agencies, local lenders, community institutions, public schools	✔			City General Funds, public housing authority funds, HUD counseling funds
3.3 Develop a home rehabilitation/energy efficiency improvement program, including retrofits to improve accessibility.	**3.3a:** Collaborate with Los Amigos to maximize current weatherization activities funded through the Energy$avers Program in Las Vegas. **3.3b:** Establish an owner-occupied rehabilitation program. **3.3c:** Design a “low-cost” weatherization program. **3.3d:** Work with local lenders to establish acquisition/rehabilitation funding.	City, PHA	Regional nonprofit rehab providers, local lenders, community institutions, local building community, downtown action plan groups	✔			Energy$avers, HOME, USDA, City General Funds, private foundations
3.4 Design housing programs to meet the conditions unique to Las Vegas.	**3.4a:** Work with NMBHI staff and other providers to prioritize the housing needs of specific populations through existing programs and development of new programs. **3.4b:** Collaborate with Highlands University regarding downtown rental housing. **3.4c:** Identify strategies to retain graduates of NMHU and/or employees of community institutions/large employers in Las Vegas. **3.4c:** Work with local lenders to bring acquisition/rehab resources into community.	City, PHA	Regional nonprofit rehab providers, local lenders, NMBHI, NMHU, local building community, downtown action plan groups		✔		City General Funds, private foundations, public housing authority funds, acquisition/rehab loan guarantees

RECOMMENDATION	Implementation Strategies	Lead	Partner(s)	Priority H	Priority M	Priority L	Funding
4.0 - REAL ESTATE DEVELOPMENT							
4.1 Address the City's current liabilities to HUD with a mixed-income/tenure development plan to replace demolished public housing authority units.	**4.1a:** Complete a sites analysis of all publicly-owned land to determine development feasibility. **4.1b:** Work with team (nonprofit service providers, for-profit builders, realtors, other governmental entities, and community institutions) to establish development plan. **4.1c:** Release RFP seeking development partner(s). **4.1d:** Begin community planning processes to define context of proposed development and enhance buy-in. **4.1e:** Prepare master plan, subdivision plat and development pro-forma. **4.1f:** Ensure high quality design and construction methods.	PHA	Local service providers, other governmental entities, community instit., private funders, realtors, builders, HUD, USDA	✔			See Appendix D for a complete list of possible funding sources.
4.2 Consider a pilot project (2 -4 units) to launch the housing development program.	**4.2a:** Apply for funding to initiate a design process to ensure future homes on this site are green-built, energy efficient and fit into the neighborhood context. **4.2b:** Use public housing funds as leverage to raise additional funding. **4.2c:** Consider partnering with modular home developers to create affordable housing designs that are value-engineered, energy efficient, and flexible for future adaptation/additions.	PHA	Local service providers, other governmental entities, community instit., private funders, realtors, builders, HUD, USDA		✔		See Appendix D for a complete list of possible funding sources.
4.3 Initiate a live/work housing development that ties affordable housing provision to economic redevelopment efforts.	**4.3a:** Establish a working group to promote live/work housing development in Las Vegas. **4.2b:** Conduct market study to determine feasibility of live/work housing and redevelopment. **4.2c:** Identify suitable sites with preference to downtown sites. **4.3d:** Use economic development tools to support redevelopment housing.	City	Local service providers, other governmental entities, community instit., private funders, realtors, builders, HUD, USDA		✔		TIDs, New Market Tax Credits, historic preservation tax credits, GO bonds, revenue bonds.

RECOMMENDATION	Implementation Strategies	Lead	Partner(s)	Priority			Funding
				H	M	L	
4.0 - REAL ESTATE DEVELOPMENT (cont.)							
4.4 Provide incentives such as donated or discounted land, infrastructure, and other public facilities for local private sector builders and/or regional builders.	**4.4a:** Provide discounted finished lots and/or land in City, housing authority-sponsored development. **4.4b:** Establish local preference option in procurement process. **4.4c:** Determine the feasibility of providing infrastructure for privately owned sites in exchange for commitments to build affordably-priced units.	City	PHA, community instit., private funders, realtors, builders, nonprofit builders	✔			Local funds, CDBG, bond funds
5.0 - REGULATORY ENVIRONMENT							
5.1 Create regulatory template/ordinance that complies with all rules and regulations of the Affordable Housing Act. See Appendix B.	**5.1a:** Use projected needs identified in this plan as basis for determining income/lot mix. **5.1b:** Adjust definition of "Very Low Income" to 60% AMI. **5.1c:** Establish sales pricing requirements to reflect incomes of individual buyers, rather than an averaged income range. **5.1d:** Specify security instrument to secure equity created by the difference in sales price and actual value. **5.1e:** Create administrative policies for subordination of City-held mortgages.	City, PHA	NMMFA	✔			No outside funding required.
5.2 Develop policies and procedures for administering the Las Vegas Affordable Housing Trust Fund, including competitive process for accessing funds.	**5.2a:** Develop regulation tied to fund. **5.2b:** Assign staff person as fund's administrator. **5.2c:** Establish oversight committee to make funding recommendations. **5.2d:** Designate the approved uses for recycled assets and program income. **5.2e:** Establish a permanent affordability period to protect subsidy. **5.2f:** Define eligible income tiers.	City, PHA	NMMFA	✔			No outside funding required.

RECOMMENDATION	Implementation Strategies	Lead	Partner(s)	Priority			Funding
				H	M	L	
5.0 - REGULATORY ENVIRONMENT (cont.)							
5.3 Create incentives for builders to produce affordably priced homes.	**5.3a:** Require that development proposals for City-sponsored affordable housing incentives meet all eligibility criteria set out in Las Vegas' future affordable housing ordinance. **5.3b:** Provide fee waivers, density bonuses, and discounted or free land to support proposed projects that meet the City's established criteria for affordable housing. **5.3c:** Streamline regulatory review for projects meeting the established criteria for affordable housing.		NMMFA	✔			No outside funding required.

Section 1 – FUNDING

There are several sources of funding that may not be currently accessible in Las Vegas or at least not used to their maximum benefit. Some funding opportunities, such as MFA-sponsored lending products and construction funding may not be currently maximized by Las Vegas' private sector. Other viable funding sources may not be used at all, such as Community Development Financial Institutions, USDA rural programs, private foundations, HUD and other federal agencies. This plan proposes which sources are most likely to be viable to fund the City's proposed affordable housing activities, to be passed through to nonprofit partners, or to be applied for directly by the nonprofit community.

Figure 14: Funding - Opportunities/Constraints

Opportunities	Constraints
• City-owned land, property, infrastructure • Past investment/application of resources in planning and visioning focused on Las Vegas' unique community identity • Las Vegas qualifies for rural assistance funds • Access to public housing authority funds	• Third-party mortgage products are difficult to use because low area median income levels make it difficult to qualify buyers • CDBG allocations do not consider benefits to housing affordability beyond HUD-mandated community benefit • Low lender participation in assisting first-time, low- to moderate-income homebuyers • Las Vegas doesn't have a dedicated budget line item/funding mechanism in place from which to allocate funds and/or recycle funds to support affordable housing activities

1.1 Create the City of Las Vegas Affordable Housing Trust Fund.

Discussion: While the City of Las Vegas' public housing authority has funds from HUD and established accounting systems for administering those funds, this plan recommends establishing a dedicated fund external to the public housing resources. One of the most versatile and effective tools for the ongoing support of affordable housing is the creation of a dedicated municipal fund, often referred to as a housing trust fund. This mechanism is vested with a municipality and/or county government and is regulated by a set of specific policies and procedures that both defines the uses of the fund (such as down payment assistance programs, energy efficiency retrofits and infrastructure assistance for affordable housing development) and the solicitation, application and allocation process through which the funds are managed. Las Vegas has the option to provide a revolving loan fund or other funding mechanism to help the city, housing authority and private sector partners reach their housing goals.

This mechanism can also serve as a repository for funds generated from affordable housing activities. For instance, program income from the sale of public land and/or the repayment of a homebuyer subsidy (such as when an assisted buyer sells their home), is repaid into the fund and recycled to the next qualified grantee. With proper structuring, the fund can become a portfolio asset that builds over time and allows the leveraging of other outside resources.

The City of Las Vegas can create this fund through an ordinance that describes the range of eligible uses and a procedure soliciting potential projects. A competitive solicitation process ensures that only the highest performing activities will be funded, increasing the leverage of public resources, as well as the efficiency and innovation of new programs. The fund can also be used to address the gap in third-party funding sources. For instance, tightening underwriting guidelines have increased the closing costs affiliated with FHA loans, a major source of mortgage funding for low and moderate income households. Through a trust fund, the City can assist buyers with cash at closing, that would then be secured through a legal instrument, such as a lien or soft-second mortgage, and eventually repaid into the fund when the buyer sells the home.

Implementation Strategies

1.1a: Implement "best practices" of publicly controlled affordable housing trust funds to develop a funding model for Las Vegas. In New Mexico, Albuquerque's Workforce Housing Fund and Santa Fe's Affordable Housing Trust Fund provide examples of affordable housing funding mechanisms allocated by a public entity. Both were started with a “seed” amount and are tied to an ongoing source of revenue (a general obligation bond in Albuquerque and land sales revenue and fees in lieu in Santa Fe) and have a leverage requirement that grantees must meet in order to be eligible to receive funds.

1.1b: Create line item for fund in the City’s budget that is tied to the policies and procedures for allocating the funding (see Recommendation 5.2 for details regarding this regulation). The City should consider provisions that require certain funds be repaid so that the County can build a long-term asset, as well as provide a leveraging opportunity to bring in additional funds.

1.1c: Consider dedicating a portion or all of the City’s current CDBG allocation so that it benefits specific affordable housing activities or development (in addition to adhering to the federal guidelines of using funds in qualified census tracts).

1.2 Apply for 3rd party funding not currently used or maximized in Las Vegas.

Discussion: At this point, the housing authority and the resources available to the housing authority are likely to provide the greatest opportunities in Las Vegas for bringing housing funding into the community. As part of its Section 32 Homeownership Plan, the Las Vegas PHA intends to use public housing funds to hire a homeownership coordinator and establish a counseling and training program. Future uses for these funds may include: providing a subsidy to public housing families or eligible low-income (non-resident) families in the form of downpayment or closing cost assistance, subordinate mortgages or direct financing. The funds may also be used to sell existing public housing rental units to income-qualified buyers or to operate a lease-purchase program.

There may be other sources of funding accessible in Las Vegas, but not currently used to their maximum benefit. Given the few housing services providers in the city, other than the housing authority, it is likely that there is not much of an opportunity to coordinate services or to realize any efficiencies of scale related to coordinating their services. Because Las Vegas is considered “rural,” there are funding sources that may be available directly from the federal funding agency or nonprofit rather than being passed through the state, either USDA (Rural Housing); Enterprise Community Partners; Housing Assistance Council (HAC); Rural Community Assistance Council (RCAC); or the NM Mortgage Finance Authority (all HOME, ESG, MFA programs and other HUD funds).

In the upcoming year, the NM Mortgage Finance Authority is working with the Department of Finance Administration of the State of New Mexico to modify the rules governing CDBG formula grants. The proposed rules would allow communities to apply for additional CDBG funding to be used for housing directly from the MFA without affecting their formula allocation from the state. Another prospect for the City of Las Vegas to consider is reserving a majority of units in any proposed housing development for renters with special needs, making the project eligible for a pre-development grant from the MFA up to $75,000.

Implementation Strategies

- 1.2a: Identify funds not used or maximized in Las Vegas and link them to gaps in services needed and the priorities presented in the production plan (Table 29). Use local/public housing funds to provide leverage to raise these funds which may include: ESG, HOME funds, Land Title Trust Funds, Dallas Home Loan Bank Funds.

- 1.2b: Work with the NM Mortgage Finance Authority to prepare application for CDBG housing funds and a pre-development grant for special needs housing.

- 1.2d: Maintain an annual “Sources and Uses Report” for Las Vegas and its housing partners to report funds used in the City and objectives accomplished. This will be an important planning tool to maximize funding applications and coordinate activities.

1.3 Invest local/public housing resources to expand affordable housing services in Las Vegas.

Discussion: In Las Vegas, there is very little nonprofit and/or government capacity to provide housing services beyond the units managed by the public housing authority. As discussed earlier in this plan, emergency shelter beds are seasonal and there aren’t any beds to meet the needs of special populations, such those fleeing from domestic violence or homeless youth. The 15 units offered by the Vista Gallinas project are the only supported rental units for very low-income renters with special needs and/or disabilities, despite the area’s high rates of disability. This would indicate an opportunity to use funds geared toward housing the homeless, those at risk of being homeless, and special needs renters, and to expand services available to these populations.

The City may consider doing this in a number of ways. As recommended in the following sections, the housing authority has the funds and the capacity to hire a homeownership coordinator to provide homebuyer training and financial fitness services. The advantage to providing in-house services is that funding for the position is available through public housing authority resources and doesn't have to come from local sources. Also the City can better determine the scope of job duties for the position, notably to address its current liabilities with HUD and resolve issues with its previous homeownership program. The disadvantage to this approach is that outside funds are likely not to be leveraged into the community and it will be difficult to expand the scope of services provided beyond the current residents of public housing.

Another option is that the City enters into a contractual or collaborative agreement with a regional service provider. Using public funds to contract with a nonprofit organization or private sector service provider can make more efficient service delivery without certain governmental constraints. Also, an outside provider can provide expertise in the areas currently lacking in Las Vegas, such as comprehensive homebuyer training, financial fitness counseling, and real estate development. Most importantly, an outside partner can provide community-wide services and engage a variety of partners. In Las Vegas, these partners may include other governmental entities, community institutions, the public schools, and the real estate, construction and lending industries.

Furthermore, administrative funding from the City and/or public housing resources may allow the provider to apply for funding sources that require a funding match and also has the potential to build the long-term capacity of the provider. Without exception, the funding would be tied to a specific scope of work and administered according to performance goals established in the City's agreement with the provider.

Implementation Strategies

- 1.3a: Apply public housing authority funds to establish a homeownership program at the housing authority in compliance with all relevant HUD regulations and with the priority of resolving the City's liabilities to HUD.

- 1.3b: Establish contractual relationships with local and/or regional providers based on a specific scope of services to administer portions of the City of Las Vegas' affordable housing programs that cannot be provided with in-house staff.

- 1.3c: Consider funding to providers serving other needs in the housing spectrum, such as homeless services or transitional living assistance or homebuyer assistance that will complement services provided by the housing authority.

1.4 Create the capacity of local lenders to provide MFA, FHA and USDA loan products.

Discussion: Currently none of the lenders in Las Vegas offers any form of third party loan products. As a result, the only mortgage loans available from local banks have very high down payment requirements, above-market interest rates and balloon clauses that are unsuitable for low and moderate-income homeownership programs. The lack of competitive third party mortgages not only lowers the buying power for potential homeowners, but also presents financial obstacles that are nearly impossible to overcome for most low and moderate-income households. Low-cost loans can offer below-market rates and be paired with down payment assistance programs. These loan products also require homebuyer training and education, thus helping to make better-educated and more sustainable homeowners, and a less risky loan portfolio for the lenders. Importantly, participation in these programs creates a more engaged lending community while also serving to increase its potential market for clients.

Implementation Strategies

- 1.4a: Work with local lenders to access third party mortgage products through MFA, FHA and USDA guarantee programs. If local lenders are unwilling to participate in these programs, recruit regional lenders that are willing to process loans in Las Vegas.

- 1.4b: Establish, as part of the housing authority's homeownership program or a City-funded non profit program, lending-related services including: credit counseling, financial fitness training, acquisition/rehab-in order to develop the pool of "mortgage ready" borrowers in Las Vegas.

- 1.4c: Engage local lenders in local affordable housing planning processes, provision of services and housing development to increase their participation in special lending programs offered by MFA, FHA, and USDA, as well as partnering with the housing authority in its homeownership program.

Section 2 – CAPACITY BUILDING

This plan calls for strategically organizing housing services and future housing development based on the highest need and greatest potential return. The City of Las Vegas does not have any affordable housing expertise, nor is there much capacity in the nonprofit and for-profit community to provide services in the greater community. The City may consider several service models based on collaboration with non-governmental entities to provide services.

One option is to spin off a viable nonprofit entity to handle all future development activities initiated by the City's public housing authority. Another is to build the capacity of an existing nonprofit partner through a contractual relationship with the City in which the nonprofit provides services in return for an annual grant. Additionally, the City may consider a professional services contract with a regional nonprofit to meet affordable housing needs in the immediate term, such as homebuyer training services and/or affordable housing project development. Above all, there are multiple opportunities for Las Vegas is to take advantage of different sources of technical assistance funding that specialize in serving rural areas and building the capacity of the governmental, nonprofit and private sectors.

Figure 15: Capacity Building - Opportunities/Constraints

Opportunities	Constraints
• City's PHA has organizational capacity to manage services • Several LIHTC, USDA projects were built in the community indicating previous collaboration between the City and nongovernmental entities • Vista Gallina provides example of housing project serving special needs	• Very little coordination of services across spectrum • Existing providers have limited capacity to provide services • Self-help (Habitat) models need better local volunteer base

2.1 Develop local affordable housing expertise.

Discussion: If achievement of affordable housing goals is to become a reality, the City or housing authority will need a staff position or to hire an affordable housing expert on a short term contract to oversee affordable housing activities. Presently the housing authority plans to hire a homeownership coordinator to administer a homeownership component of the Family Self-Sufficiency program. This will provide much-needed support for those residents of public housing authority who are good candidates for homeownership, but it won't necessarily address the needs of renters who aren't public authority residents. Nor will it ensure that the City can pursue development of publicly owned lands to the greatest advantage. Hiring an outside firm to exclusively provide services or to build housing is also a limited strategy because it doesn't engage the local private sector community as partners or expand the customer base beyond those participating in the housing authority's programs.

For this reason, this plan recommends that Las Vegas create a staff position to oversee housing development and administer a community-wide homeownership program, in addition to meeting the requirements of the housing authority's FSS program. A locally based affordable housing expert can coordinate services by bringing in a regional nonprofit housing counseling trainer to provide homebuyer training classes, as well as local, private sector partners to complement the curriculum. Without a local presence, once the out of town trainer is gone, it is unlikely that potential homeowners will pursue the many steps to becoming homeowners. Likewise, an in-house expert who is responsible for implementing the City's and public housing authority's development objectives will also have better leverage within the local development and financing community. Involving local builders and lenders provides a more widespread economic benefit, as well as creating capacity for future development.

As a longer-term strategy, the City and/or housing authority may consider creating a nonprofit entity to undertake its homeownership program (homebuyer training and counseling) and implement its development priorities. Having a non-governmental partner will help maximize access to funding sources that the public entities aren't eligible for, as well as offering services in a less political, more community-based environment. Nonprofit providers are uniquely positioned to bridge the differences between the public and private sectors by offering services that aren't profitable enough for the private sector to pursue and being less encumbered by regulation than the public sector. Furthermore, a nonprofit developer will typically reinvest its profits from mixed income housing development in higher quality homes and the deep subsidization of homes serving low and very low-income households. A properly run housing development nonprofit will amass a significant amount of resources over time through housing development activity, which will allow them to initiate new development projects without assistance from outside sources of funding. This helps develop a more sustainable affordable housing development sector, which insulates the community against variability in public sources of funding.

Implementation Strategies

2.1a: Create the position of Homeownership/Housing Coordinator, either as City/public authority staff or under a short-term professional services contract.

2.1b: Pursue recommended housing activities with the following scope of work (in addition to fulfilling the requirements of FSS): 1) administering the housing trust fund and all related policies and procedures; 2) providing oversight on all City/housing authority-sponsored housing development; 3) coordinating planning efforts with other City departments, as well as other governmental jurisdictions and private entities; 4) providing administrative oversight for general services contracts with housing providers; 5) implementing the recommendations of this plan; 6) overseeing all regulations related to affordable housing and future housing development and 7) acting as the point person for all housing-related issues in Las Vegas.

2.1c: Collaborate with a non-governmental services provider and/or development entity to undertake affordable housing activities and real estate development as a complement to the FSS program.

2.2 Provide technical assistance to the public housing authority and nonprofit partners to identify gaps in service provision and to improve service models.

Discussion: Currently, governmental agencies are providing the bulk of housing services in Las Vegas for its very low-income residents. The City's housing authority manages 247 units and the County's housing authority administers approximately 150 Section 8 vouchers, with the capacity to administer 170. The New Mexico Behavioral Health Institute provides supported care for residents with mental illness, as well as permanent beds for the frail elderly, those with Alzheimer's disease and those with severe mobility impairments or other disability. However, there is very little nonprofit capacity to provide affordable housing services. One emergency shelter provides a limited number of seasonal beds and another provides support services for people experiencing domestic violence but does not have any shelter. The only nonprofit provider of homebuyer services is the local Habitat for Humanity affiliate which builds no more than one home per year. Other than Vista Gallina, there aren't any services provided to low-income renters or those in need of transitional housing.

A first step to this process is to explore low-cost options for receiving technical assistance in Las Vegas with particular emphasis on organizations that specialize in rural areas. These organizations include, but are not limited to: Enterprise Community Partners, Rural Community Action Coalition (RCAC), Housing Assistance Council (HAC), NeighborWorks Training Institute, HUD place-based training and E-learning opportunities. These trainings can focus on improving technical proficiencies, service provision, public outreach, organizational capacity building and fund raising. Some areas in which the City may consider bringing in technical assistance providers include:

- Community needs assessments (RCAC, Enterprise)
- Capacity building, hands-on training, interagency collaboration (Enterprise, RCAC, HAC)
- Green building, energy efficiency retrofits (Enterprise Community Partners "Green Communities," HAC)
- Development financing (Enterprise, RCAC, HAC)
- Procurement of professional services (RCAC, HAC)
- Housing counseling (NeighborWorks, HUD)
- Real estate management (NeighborWorks, HAC)
- Asset Management (MFA)

Implementation Strategies

2.2a Engage nonprofit providers, other governmental entities, community institutions and the private sector building, real estate, and lending communities in a strategic planning activity to identify and prioritize gaps in the capacity to provide services. These gaps are further identified and discussed in the Programming Section of this Implementation Plan.

2.2b Provide seed funding to bring in technical assistance according to identified priorities.

2.2c With assistance from technical assistance providers, identify "best practices" approach that is locally relevant to Las Vegas. Outcomes include: providing housing services, building and preserving affordable housing, and prioritizing public housing and City funding accordingly.

2.2d Work with the San Miguel Housing Authority to ensure that all 170 housing choice vouchers allocated to the housing authority are used through outreach to private market landlords and potential renters.

2.3 Establish partnerships between private, nonprofit and public sector housing services providers, lenders and community institutions.

Discussion: At the core of all strong affordable housing approaches are strong partnerships. Probably the greatest advantage to developing strong public/private/nonprofit partnerships is that multiple resources can be accessed and a variety of housing needs can be served within the scope of a single development project. For instance, one entity may play the role of developer while the others provide services once the facility is built. The newly built Village Sage Apartments project in Santa Fe was funded through Low Income Housing Tax Credits, overseen by an established builder of affordable housing, the Community Housing Trust, while extended case management and operating services are managed by the NM Coalition to End Homelessness. The finished project is providing services to a range of residents – from homeless transitioning out of homelessness as well as those very-low income people in need of permanent supportive housing.

While nonprofit and public sector service providers can offer a range of necessary services to low and moderate-income homebuyers, private sector businesses can be helpful in leveraging additional services and funding and may be able to carry out certain activities more cost effectively than nonprofits. For instance, private developers may be able to develop homes more quickly and less expensively than nonprofits due to their asset base, economies of scale and inherent efficiency. Lenders, realtors, insurance agents, and title officers can be utilized to provide components of homebuyer training curriculum. Often these professionals will also teach a portion of the course on a pro-bono basis, both as a contribution to the overall effort but also to gain access to potential clients.

Coordination among public/private/nonprofit entities can also provide access to larger funding sources, and those not available to individual nonprofits because of scale. This approach has proven successful with transitional and homelessness service providers who can collaborate on larger federal grants, such as the Continuum of Care application, coordinated by the New Mexico Coalition to End Homelessness on a statewide scale.

Implementation Strategies

2.3a: Provide incentives to for-profit builders such as infrastructure and discounted land in exchange for building affordably priced housing for both qualified homebuyers and income-restricted renters.

2.3b: Engage housing authority officials, nonprofit service providers, private sector industry groups, local institutions, and other community representatives in a collaborative strategic planning process to coordinate project development and funding applications for private, state, and federal funds.

2.3c: Include a requirement in any public funding criteria that applicants must demonstrate collaboration across the nonprofit/government/private sector(s) in order to be eligible for public funds controlled by the City of Las Vegas and the housing authority.

2.3d: Engage lenders, realtors, builders, title companies, and insurance agents to help teach a portion of homebuyer training classes.

Section 3 – PROGRAM DEVELOPMENT

There are several programmatic needs not being met in Las Vegas identified in previous sections of this plan. Emergency shelter services are extremely limited and none are provided on a year-round basis. Those fleeing domestic violence situations can access support services – counseling, legal and medical help – but have to go to Santa Fe or Española to receive shelter. Homeless youth are underground, staying with friends, sleeping in cars, or camping.

Another overall need is for collaboration and referral between service providers. While services are being provided adequately in one area of the spectrum of housing need, they are not necessarily linked to the next. For instance, some renters in subsidized or income-restricted rental units or public housing units do not have access to any financial fitness services to help them become homeowners, and they find themselves without savings, poor credit ratings and general unawareness of their potential to become homebuyers. Existing homeowners are likely to live in mobile homes if their home is less than thirty years old and in possibly substandard housing if they live in an older home. In either case, they may have need for energy-efficiency retrofits and rehabilitation. Finally, there are several conditions unique to Las Vegas – high numbers of female-headed households, low participation rates in labor force, a significant student population, older housing stock – that are not being addressed through current program delivery systems.

Figure 16: Program Development - Opportunities/Constraints

Opportunities	Constraints
• Strong sense of community identity and uniqueness • Historical and architectural integrity of older housing stock • Local housing authorities (City and County) are functioning • Vista Gallina is an example of high-quality, newly constructed project serving special needs built by a statewide nonprofit • City of Las Vegas Housing Authority motivated to expand services to provide homeownership opportunities	• No year-round emergency shelter • No long-term transitional facility (other than NMBHI focused exclusively on those with mental health issues) • No shelter beds for victims of domestic violence • No specific subsidy programs, housing support services designed for Las Vegas • Highly variable occupancy rates for rental projects – no vacancy in rental units serving lowest income range (50% AMI and below)

3.1 Prioritize the housing needs of Las Vegas' very low-income residents.

Discussion: The population of Las Vegas generally has very low incomes. Seventy percent of Las Vegas' residents are classified as having low or moderate-incomes and are eligible for federal housing support. An unusually high percentage of households (25%) are extremely low income, earning less than $12,750 per year. An unusually small percentage of households (12%) earns between 80 and 120% AMI, a prime category for entry-level and/or workforce housing. Coupled with an economy that doesn't have any major employer expansions in its immediate future and a high reliance on service sector jobs, the housing needs for many of these low-income residents are likely not being met adequately.

While several subsidized rental properties are located in Las Vegas, they primarily serve those earning 50 – 60% of the area median income. Other than Vista Gallina and the public housing authority, there are virtually no affordable options for those with very-low incomes and special needs, such as disabilities, homeless youth and those fleeing domestic violence. The New Mexico Behavioral Health Institute (NMBHI) works with a couple of private sector providers to house its residents who are discharged from the hospitals, but staff noted there are few options with any supported services.

Implementation Strategies

3.1a: Continue with the housing authority's program of renovating existing units with priority on increasing accessibility options for residents with mobility impairments, the elderly, or disabled.

3.1b: Close the gaps in housing related services for those with very low-incomes and prioritize these needs in technical assistance, housing development and renovation. These priorities include: 1) comprehensive emergency shelter services (including day services and case management); 2) transitional housing for those needing longer term assistance and have special needs (homeless youth, domestic violence victims, and mental health disabilities) and 3) increasing the supply of accessible housing in Las Vegas for very low-income renters.

3.1c: Ensure that any new housing development supported by the City and/or housing authority reserves a percentage of its units to serve the needs of very-low income residents. This might be accomplished with a layered subsidy model of development in which different funding sources are directed at specific needs. For instance, rather than relying on single source funding where a standard income limit defines eligibility such as with standard tax credit project, a layered model allows for more one project to serve a variety of needs.

3.1d: Work closely with agencies that provide social support services, job training and educational opportunities to ensure that these services are paired with housing provision as part of a comprehensive effort to reduce the number of people living in poverty situations.

3.2 Create a citywide homeownership education and counseling program.

Discussion: This recommendation addresses the need to grow the potential customer base for homeownership, as well as providing support services for current homeowners. In many cases potential LMI buyers must be cultivated for years to save the necessary down payment and repair or build credit that will allow them to access competitive mortgage financing. The City of Las Vegas Housing Authority is uniquely situated to connect its current renters with housing counseling services and to work with private and nonprofit developers to build new housing for homeownership. At the same time, the housing authority may lay the initial foundation for a broader homeownership program that can serve all Las Vegas residents.

The single most important objective for Las Vegas' future homebuyer program is to create a pipeline of income-qualified "mortgage ready" buyers. Having adequately educated and qualified buyers not only makes for more sustainable homeownership situations, but often times, construction financing will require having units presold or leased to commence building. Eventually, the homeownership program should be expanded to include foreclosure prevention counseling and access to financial products such as reverse mortgages or other products to improve the long-term affordability of current housing situations.

The success of Las Vegas' homebuyer counseling program is reliant on connecting trained homebuyers with financial mechanisms. This includes sources of downpayment and/or closing costs assistance that can take the form of a grant or a no-interest, no-payment loan that is often forgivable after a set period of time or due upon selling the home. These products help low and moderate-homebuyers overcome some of the biggest financial hurdles of becoming homeowners but also help them qualify for mortgages. In Las Vegas, the only program currently operating any form of downpayment assistance is HELP New Mexico through an Individual Development Account program. This program helps very low-income families create structured savings plans, when the savings goal is met their contributions are matched 4:1. The accumulated savings can be used for post-secondary education, business investments or housing downpayments. Staff at Help New Mexico related that the vast majority of people coming through their program were using the proceeds for business investments and that there was currently a waiting list for enrollment in the program. They also related that future annual funding for their program is uncertain.

Implementation Strategies

- 3.2a: Conduct outreach to the current residents of Las Vegas' subsidized rental projects to enroll participants in financial fitness training, savings/budget plans, and homebuyer training and counseling with the long term goal of creating homebuyer capacity and demand for homeownership units.

- 3.2b: Apply housing authority funds toward developing a homeownership program and leverage public investment to make services available to all low and moderate-income households interested in homeownership on a community-wide basis.

- 3.2c: Partner with the private sector lending community, credit counseling agencies, small business developers, community institutions and the public schools to provide homeownership education and counseling services, donations and/or financing. These may include: regularly scheduled classes, outreach events, online training, foreclosure prevention counseling and a program for the local high school curriculum.

- 3.2d: Design homeownership services to provide comprehensive counseling beyond homebuyer training including: DIY maintenance, foreclosure prevention counseling, "age in place" modifications and reverse mortgage financing.

- 3.2e: Consider partnering with a regional nonprofit homebuyer services provider to implement components of the homebuyer program that are outside the purview of the housing authority's FSS program.

3.3 Develop a home rehabilitation/energy efficiency improvement program, including retrofits to improve accessibility.

Discussion: Rehabilitation, repair and weatherization of existing homes can help improve home values, the overall condition of housing stock and provide a pipeline of housing for first time LMI homebuyers. Las Vegas has unusually old housing stock, which generally tends to suffer from long term deferred maintenance and poor energy efficiency. Lower-income renters and homeowners often live in homes that don't fully meet their needs because of substandard conditions and disproportionately high energy costs, growing family size and/or disability.

Another need in Las Vegas is for accessible and high quality housing options, especially for low-income or disabled renters. Due to a shortage of public housing units that can accommodate disabilities, especially for non-seniors, the City of Las Vegas Housing Authority is under obligation by HUD to provide more accessible units and is currently doing this through the renovation of existing units. Additionally, many existing homeowners may be assisted with accessibility retrofits to increase their ability to live independently, particularly for elders who want to "age in place," but who may live in an older dwelling.

Implementation Strategies

3.3a: Collaborate with Los Amigos to maximize current weatherization activities funded through the Energy$mart Program in Las Vegas. The program assists approximately 40 households per year in San Miguel County and helps participants save money on utility bills by replacing windows, repairing heaters and installing new appliances and ultimately, making homes more energy and water efficient. Homeowners and renters that qualify for the program can receive up to $6,500 in weatherization measures.

3.3b: Establish an owner-occupied rehabilitation program. This type of program focuses on substantial repairs, including: new roofs, foundations, windows, doors, floors, electrical and plumbing systems, as well as space additions, at a cost of approximately $50,000 per home, with a maximum of $75,000. The NMMFA offers a HOME-funded rehabilitation grant and the USDA's Rural Housing program provides grants up to $7,000 for seniors below 50% of median income for home rehabilitation.

3.3c: Design a "low-cost" weatherization program, in which basic services are provided to make homes more energy-efficient can be implemented with a very small investment per home, ranging from $300 to $3,000. Costs can be further reduced through the use of volunteer materials, labor, and self-help assistance. Often these programs are implemented through schools' building trades programs or youth development programs. They require oversight by a licensed contractor and some degree of administration, but are highly effective in improving long-term affordability. In Las Vegas, if the City were to provide a small amount of seed funding and initiate collaboration among probable partners – Department of Labor, Luna Community College and high school building trades programs, youth development/job corps providers, private sector builders, and perhaps the local Habitat affiliate – the program could likely become self-sufficient within a few years.

3.3d: Work with local lenders to establish an acquisition/rehabilitation program for Las Vegas. This type of rehabilitation program is designed to encourage homebuyers to purchase and rehabilitate existing homes. A single mortgage loan is provided to finance both the acquisition and rehabilitation of the property. The mortgage amount is based on the projected value of the property with the work completed, and is fully insured by HUD. Many lenders have successfully used the Section 203(k) program in partnership with state and local housing agencies and nonprofit organizations which manage the rehabilitation process. Section 203(k) loans can be combined with other financial resources, such as HUD's HOME, HOPE, and Community Development Block Grant Programs.

3.4 Design housing programs to meet the conditions unique to Las Vegas.

Discussion: As discussed earlier, several housing and demographic conditions are unique to Las Vegas, including older housing stock, very low incomes, and the presence of residents with hard-to-quantify needs – such as victims of domestic violence, homeless youth and those being discharged from NMBHI. Currently, there are no programs to address these specific needs and so these populations tend to “go underground” and are either living in substandard, unsafe or unstable housing situations, according to interviews with service providers.

The presence of New Mexico Highlands University also affects Las Vegas’ housing supply and demand in a way unique to this community. While the University offers on-campus housing and has recently added new units to its inventory, on-campus housing remains at 100% occupancy and many students live off campus. Student renters have very low incomes and are likely competing with other low-income residents of Las Vegas for a very limited supply of affordably priced rental units. This puts pressure on the supply of rental housing, driving rents up particularly in the downtown area, but also across the rental market to some degree. The University expects enrollment levels to stay high in the immediate future which has implications for the long-term affordability of Las Vegas’ rental market.

Other institutions such as Luna Community College and Alta Vista Regional Medical Center also have potential to affect the housing market in Las Vegas, although to a lesser degree. Many of the community college residents live at home or already have an established housing situation. Housing affects the hospital's ability to recruit and retain its higher paid employees, who don't need affordable housing but aren't able to find high quality and/or newly constructed homes in Las Vegas.

Another unique characteristic in Las Vegas is its historic downtown, a source of pride for many residents, but where many buildings are in dire need of renovation. Given the traditional, mixed-use layout of Las Vegas' downtown, live/work units may be an appropriate use achieved through redevelopment. This has the opportunity to provide broad-based benefits for both housing and economic development in that it may recruit entrepreneurial residents into the community. It also may create more desirable opportunities for current residents, particularly Highlands graduates, and provide incentive to stay in Las Vegas.

Implementation Strategies

3.4a: Work with NMBHI staff and other providers of services for populations with special or un-met needs to establish a priority for serving these populations, both through existing housing services provided through the public housing authority and through the development of new housing units and programs in Las Vegas. Part of this process will entail creating a more comprehensive referral system for residents in need of housing services.

3.4b: Collaborate with Highlands University to reduce the pressure put on rental housing by student housing needs.

3.4c: Explore housing options that will allow recent graduates and/or retain employees recruited by regional large employers and community institutions for long term residence in Las Vegas. This includes potential projects such as live/work housing discussed in the real estate development section of the Implementation Plan.

3.4d: Work with local lenders to bring into the community loan guarantees for acquisition/rehabilitation, particularly FHA's 203K program, to facilitate the renovation and re-use of existing and historic buildings in Las Vegas.

Section 4 – REAL ESTATE DEVELOPMENT

Affordable housing development offers the opportunity to create high quality, energy efficiency housing that is often better suited for low and moderate-income households than older housing stock that typically carries higher utility and maintenance costs. Housing development also presents the opportunity to both create and leverage subsidy from third party sources. In Las Vegas, housing development for low and moderate-income households on City-owned sites may be the single most effective strategy for increasing the quality of Las Vegas' housing stock. Aside from the most obvious benefit of the construction of high-quality affordable housing within the region, there are also many opportunities to increase the capacity of local partner affordable housing nonprofits through the development process and provide much needed economic growth in the construction sectors.

Figure 17: Real Estate Development - Opportunities/Constraints

Opportunities	Constraints
• City-owned sites ready for building • Motivated public housing entity • Land-rich population with tradition of ownership, mixed income development • Moderate land costs, variable according to location • There is ample infill land to absorb future development needs up to 2030 (620 acres is estimated need) • Economic development initiatives include making it easy for retirees to buy/renovate historic properties	• No production building capacity for single family (LIHTC, USDA developed successfully) • City or public housing authority as developer is subject to political, regulatory issues • No incentives for building affordably-priced housing on private land • Lack of production scale builders • Aging infrastructure • Tenuous water supply; insufficient water rights to support growth

4.1 Address the City's current liabilities to HUD through the completion of a mixed-income development plan to replace demolished public housing authority units.

Discussion: A development plan that integrates mixed-incomes, a variety of housing types and both rental and homeownership opportunities will maximize the quality and choice of housing in Las Vegas. It will also provide a much needed boost to the region's building industry and inspire collaboration across the governmental, nonprofit and private sectors. An appropriately structured program may engage private developers to participate in the construction of affordable housing, while also maximizing limited public resources to serve those most in need. Particularly, the City may use publicly-owned land to bring down construction costs. Moderately-priced units help de-concentrate poverty while also provide additional capital to help offset deeply subsidized housing for those most in need.

An analysis is provided in the Land Use section of this plan that illustrates how a proposed development plan may be structured that mixes uses and housing types and directly reflects the housing needs identified in this plan (see Table 27 on page 64). The recommended unit/tenure/income mix is based on the percentages of Las Vegas' population in each income category and the proportion of needs identified.

Another consideration is the complexity of housing development. Appendix D outlines the various decision points and corresponding processes that are essential to a successful project. The housing authority and City should consider designing a project specific flow chart for future housing development on a City- or housing authority-owned sites.

Implementation Strategies

4.1a: Complete a detailed sites analysis of all publicly-owned land to determine the most feasible site for development. The analysis should consider issues such as: topography, access to existing infrastructure, connectivity to surrounding community amenities (including transportation, shopping areas, schools and health care), neighborhood context, and development cost. See the feasibility analysis in the land use section of this plan for initial sites analysis.

4.1b: Work with team of nonprofit service providers/developers, members of the for-profit construction and building industries, realtors, other governmental entities, and community institutions to determine financial feasibility of developing site. Create development plan that addresses, at a minimum: a) effective sales pricing policy and appropriate rents, particularly for privately-operated rentals; b) subsidy provided through public resources (infrastructure, land, and cash); c) any regulatory changes required (zoning, setbacks, etc); and d) ensuring adequate water supplies and infrastructure service.

4.1c: Release RFP seeking development partners to implement development plan established in 4.1a. Use a local preference option or require that any out of town respondents include a local agent as part of their team.

4.1d: Begin community planning processes to define the context of the proposed development and enhance community buy-in. Issues addressed should include ensuring connectivity and minimizing impact to surrounding neighborhoods, as well as high quality design and aesthetic appeal.

4.1e: Prepare a detailed master plan, subdivision plat and development pro-forma that clearly regulates the total number of affordable and market rate units.

4.1f: Ensure that high quality design and construction methods are used to improve landscape, streetscape, and energy efficiency of newly constructed homes.

4.2 Consider a small-scale pilot project to build two to four (2 - 4) units on a City or housing authority-owned site to launch Las Vegas' housing development program.

Discussion: The City and housing authority may consider a very small-scale pilot project to launch their development program. There are many potential benefits to doing this. A small-scale project may be initiated sooner than a larger, mixed-income, multi-housing type project described in the preceding recommendation and could pilot housing designs and specifications to examine cost effectiveness. Second, there are likely enough current residents of the housing authority who could become homebuyers to buy two to four units built in a small-scale project, versus the time frame needed to prepare enough homebuyers to fill a larger project. Also, the success of moving current housing authority renters into homeownership may provide motivation for other residents to clean up their credit, participate in homebuyer training and become "mortgage ready," thus providing a pipeline of buyers for future projects.

Importantly, a successful construction project done efficiently and demonstrating high quality design would be invaluable from a public outreach perspective. It could provide the City and housing authority fundraising leverage for future projects, as well as providing a model for public/private building partnerships. The small-scale of the project may enable more innovative financing options and allow for alternative ownership structures such as putting the lots in trust to further bring down the sales prices of the homes, doing a “lease-to-own” or possibly donating a portion of the sites to the local Habitat for Humanity affiliate.

Implementation Strategies

4.2a: Apply for funding such as a Charrette and Sustainability grant from Green Communities to initiate a design process for the future homes to ensure they meet sustainable building objectives, are highly energy efficient, and fit into the neighborhood context.

4.2b: Use public housing funds as leverage to raise additional funding through Green Communities, LISC’s Housing Authority Resource Center (HARC), HUD’s Energy Efficient Mortgage program and private fundraising.

4.2c: Consider partnering with modular home developers to create affordable housing specific designs that are value engineered, energy efficient, and flexible for future adaptation and/or additions.

4.3 Initiate a live/work housing development that ties affordable housing provision to economic development efforts.

Discussion: Las Vegas is currently considering its housing, economic development and community redevelopment objectives in the light of creating a comprehensive economic development vision for the city and San Miguel County. The draft Master Plan discusses developing the creative class and opportunities for non-place based workers and leveraging opportunities in Las Vegas’ historic downtown, as well as incorporating green building and retrofits into local building projects. The Downtown Action Plan specifically identifies live/work housing as Priority #8 as a redevelopment strategy in the Railyard District. It also calls for attracting retiring seniors who may be interested in rehabilitating historic properties. Live/work housing provides a unique opportunity to not only promote regional efficiencies and local cooperation but also has the potential to leverage economic development resources.

An effective example of live/work housing redevelopment was piloted by the group Artspace in Salt Lake City Utah (www.artspaceutah.org/). By rehabilitating a vacant building in one of the most downtrodden neighborhoods in Salt Lake City, a revitalization effort was sparked that resulted in the establishment of one of the most vibrant arts districts in the city. Live/work housing tends to appeal to younger people, especially those engaged in entrepreneurial and creative efforts. In Las Vegas, this may help retain more young people graduating from Highlands University as long-term residents.

Implementation Strategies

4.3a: Establish a working group to direct the exploration and promotion of a live/work housing development in Las Vegas. This group should be comprised of obvious stakeholders including members of Las Vegas Arts Council, individual artists, people with experience in architecture or housing development, arts instructors from Highlands University and representatives from the City of Las Vegas. This group would ultimately oversee the implementation of the tasks contained in this recommendation.

4.3b: Conduct a market study to determine feasibility for live/work housing and other redevelopment efforts that contain a residential component. This study should include market analysis and a survey to establish interest on the part of potential buyers.

4.3c: Identify suitable sites for new construction, rehabilitation and/or redevelopment. Optimally, site identification would be based on the market demand and specific facilities needs identified in the market study. These sites should be located in the downtown area to take full advantage of walkability, create more downtown residences and small businesses and potentially create the opportunity to rehabilitate any of Las Vegas' historic buildings currently not in use.

4.3d: Use economic development tools to support redevelopment projects that provide housing such as TIDDs, New Market Tax Credits, historic preservation tax credits, general obligation bonds, the designation of redevelopment district(s), and revenue bonds.

4.4 Provide incentives such as donated or discounted land, infrastructure, and other public facilities for

local private sector builders and/or regional nonprofit builders who commit to meeting affordable housing pricing targets.

Discussion: Over the last decade Las Vegas has experienced very little housing development. Most of what's been provided is rental housing built by national tax credit developers serving renters in the 50-60% AMI income range. With housing choices limited to tax credit apartments, upward pressure is put on rents and home prices of existing housing, limiting access to affordably priced housing for low and moderate-income residents. Limited development activity also keeps construction costs high due to a lack of economies of scale for labor and materials, further undermining the capacity of local builders to provide housing.

Local builders report that finding buildable lots is difficult in Las Vegas. However, there are several platted subdivisions within the city limits that remain undeveloped because they are not served by infrastructure. Because it owns the utility providers in Las Vegas, the city may have the in-house capacity to install and upgrade infrastructure. Providing this infrastructure at a discount for private land owners and builders may serve to spur the development of private sector housing options and/or subsidize a nonprofit project.

The City and housing authority also own land and existing buildings that may be appropriate sites for affordable housing construction and redevelopment. See the land use section of this plan for a detailed discussion of two publicly owned sites, Rodriguez Park and Macario Gonzales.

Implementation Strategies

4.4a: Create opportunities within City or Housing Authority-sponsored development for local builders by offering discounted finished lots and/or publicly owned land in exchange for the builder meeting affordable pricing guidelines.

4.4b: Establish a local preference option in City-sponsored procurement processes to provide opportunities for local builders and/or regional nonprofits.

4.4c: Determine the feasibility of providing infrastructure through current City departments to increase the supply of buildable lots. This could also include subsidizing water, road and natural gas infrastructure development in exchange for commitments to provide affordably priced units, creating assessment districts in conjunction with using third party financing sources, CDBG and other housing authority funds.

Section 5 – REGULATORY ENVIRONMENT

In general, Las Vegas' zoning regulations do not appear to place a significant barrier or financial burden on the development of affordable housing in Las Vegas. Nor do permitting and process costs, which are at, or below, typical levels in other communities. However, the City and housing authority lack any regulatory framework to guide the proper administration and design of affordable housing programs.

The City of Las Vegas needs to implement a regulation that specifies the qualifications and requirements of grantees, long-term affordability requirements, application procedures, and general monitoring and compliance provisions. Success of this ordinance as a regulatory mechanism will rely on the proper design and implementation of administrative procedures.

Figure 18: Regulatory Environment - Opportunities/Constraints

Opportunities	Constraints
• Recent revisions to height, setback, min. lot sizes make higher density and varied housing types possible • City's regulatory and review process does not seem to limit production • High awareness of issues related to greenhouse gas emissions b/c of policy documents – supports weatherization initiatives, clustered development, re-use of water, etc. • Las Vegas equivalent to TND provides opportunity for affordable housing (allows higher density, mixed housing types) and promotes unique place-based design	• Not enough building volume to make effective inclusionary zoning or other mechanism • Lack of regulatory incentives for builders to produce affordably-priced homes • Lack of administrative capacity at City and housing authority to oversee development program and homebuyer support services

5.1 Create a regulatory template that complies with all rules and regulations of the Affordable Housing Act.

Discussion: The first priority for a set of regulatory template and/or set of ordinances is to comply with all the rules and regulations of the New Mexico Affordable Housing Act. The regulation must function to monitor City and/or public housing authority-sponsored projects that use public resources to provide affordable housing and/or services. As discussed in Appendix B, there are several factors that are essential for Las Vegas' affordable housing regulation and procedures for implementation. As the current regulation is finalized and put into place, it should be used as a model that incorporates lessons learned, actual market performance, and refinements of administrative procedures in the future ordinance(s).

Implementation Strategies

5.1a: Use the projected needs identified in this plan as a basis for determining the income/lot mix in each proposed housing development. The purpose for doing this is to encourage mixed-income, tiered subsidy projects that reflect the actual needs in the community.

5.1b: Adjust the definition of "Very Low Income" up to 60% AMI and below to compensate for Las Vegas' low income levels and to improve the long-term sustainability of the residents in this income range.

5.1c: Establish sales pricing requirements to reflect the incomes of the individual buyers rather than an average income range to ensure that buyers in the high end of the range aren't over-subsidized and that those in the lower part of the range are not overly cost-burdened.

5.1d: Specify security instrument used (via a specified calculation) to secure the equity created by the difference between sales price and actual value of the property. Make sure terms are also established for refinance, payoff and lien position.

5.1e: Create clear administrative policies for the subordination of City-held mortgages (if any) to allow homeowners to access their equity without jeopardizing the financial interests of the City.

5.2 Develop policies/procedures for administering the Las Vegas Affordable Housing Trust Fund and establish a competitive process for accessing public funds.

Discussion: While all public resources in Las Vegas are extremely limited in the current economic climate, there is an opportunity to leverage the City and housing authority's existing resources through the creation of the Affordable Housing Trust Fund. Eligible uses for the housing fund should be defined broadly and reflect the needs identified in this plan. For instance, a high priority for funding should be meeting the needs of the homeless and those very low-income renters with special needs. Another high priority is building the capacity of existing renters to become homeowners, through homebuyer training, financial fitness counseling and access to below market loan products tailored to meet the needs of a first-time homebuyer.

The process for allocating the funds needs to be competitive and transparent and regulated through an established set of procedures. Priorities may be established for each funding cycle to ensure that funding is distributed to meet the entire spectrum of needs. Another consideration is to design the fund so that it contains provisions for recycling and leveraging assets, rather than using it exclusively for one-time expenditures. For instance, if funds are used to secure down payment assistance mortgages, then when the subsidized buyer sells their home, they pay back their loan, replenishing the fund and the subsidy is recycled to the next qualified buyer. The City benefits because the fund becomes a portfolio asset that can then be used to leverage additional funding into the community.

Implementation Strategies

- 5.2a: Develop regulation that is tied to affordable housing trust fund. The accompanying regulation to the fund must consider: 1) how to "seed" the fund; 2) dedicate ongoing revenue sources (for example: City general funds, percentage of a general obligation bond, repayment of liens, payments-in-lieu of, third-party pass through funds, etc.); 3) identify eligible uses for the fund; 4) define a "qualified grantee" and income levels served by funded activities; 5) establish a basis for allocation (usually an adopted planning document that includes a needs analysis); 6) implement public/advisory component to provide oversight for funding decisions; and 7) determine leverage requirement..

- 5.2b: Assign a staff person as the fund's administrator to handle the application process, allocation, and reporting of uses of funds.

- 5.2c: Establish an oversight committee, preferably made up of members of the public who represent expertise in housing, building, design, and administration to establish the criteria for funding, consider applications, and make funding recommendations to the Governing Body for final approval.

- 5.2d: Designate the approved uses for recycled assets and program income (e.g. funds paid back through repayment of a subsidized loan must be used to support another subsidized loan for an income-qualified homebuyer).

- 5.2e: Establish a permanent affordability period on moderate-income and workforce units so that the subsidy isn't lost if the qualified buyer sells the home.

- 5.2f: Define specific income tiers eligible for assistance for both rental and homeownership as described in Appendix B.

5.3 Create a system of regulatory incentives for builders to produce reasonably priced homes.

Discussion: Many successful models for affordable housing found in the region include provisions that incentivize private developers to participate in affordable housing programs. Often, these incentives are paired with "sticks" or requirements to provide affordably priced housing in order to receive the benefit, such as inclusionary zoning. However, in Las Vegas, building volume is too low to be realistically tied to an inclusionary zoning requirement. That makes providing incentives all the more important.

Because the affordable housing market segment is generally a productive pool of potential buyers, having received counseling and training as well as verified loan qualification, a developer may be better able to secure construction financing. If the City can sweeten the deal with an additional set of incentives, this may tip the balance to spur affordable housing development when other types of building are too risky in the current economic climate. Additionally, while increasingly competitive, applications for LIHTC projects are still being funded and there is capacity in the regional private sector building community to put together successful proposals. The City and housing authority can play an important role in the application process given that local participation, which may be represented by incentives, garners additional points for the proposal.

Implementation Strategies

- 5.3a: Establish criteria for development proposals to be eligible for City-sponsored affordable housing incentives (income levels served, % of units, etc.) and application process, all of which should be consistent with the policies and procedures governing the Affordable Housing Trust Fund.

- 5.3b: Provide fee waivers, density bonuses, infrastructure development and discounted land to support proposed projects that meet the City's established criteria for affordable housing.

- 5.3c: Streamline regulatory review for projects meeting established criteria for affordable housing.

Las Vegas Housing Advisory Board
Housing Strategy Partners

1. Project Update

2. Review and Discussion of Needs Analysis

3. Discussion of initial tentative recommendations (handout)

4. Discussion of next steps and other key interviews

Alexandra- 505-795-4010
alexandra@housingstrategypartners.com

Daniel- 505-467-8340
daniel@housingstrategypartners.com

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AGENDA

Las Vegas Affordable Housing
June 23, 2011

I.	**INTRODUCTIONS**	**10:10 – 10:30**
II.	**PRESENTATION by Housing Strategy Partners**	**10:30 – 11:00**

a. Scope of Project
b. Community Profile
c. Housing Needs
d. Opportunities/Constraints

III.	**DISCUSSION**	**11:00 – 11:30**

a. Rating Exercise
b. Discussion of other Opportunities/Constraints

IV.	**WRAP UP/NEXT STEPS**	**11:30**

City of Las Vegas – Incomes and Affordability

Las Vegas	San Miguel	New Mexico	United States
$23,584	$30,956	$42,742	$51,425

Area Median Income for Las Vegas Metro Area	No. of Households	Percent of Households
30% AMI (Extremely Low Income) *$13,470 and below*	1,649	27%
30-50% AMI (Very Low Income) *$13,471 to $22,500*	1,010	17%
50-80% AMI (Low Income) *$22,501 to $35,900*	976	16%
Total Low Income	**3,635**	**60%**
80-120% AMI (Moderate Income) *$35,901 to $53,900*	897	15%

Source: Households for AMI categories estimated by Housing Strategy Partners using 2005-2009 American Community Survey data

- An unusually high percentage of households (27%) is extremely low income, earning less than $14,000 per year.
- An unusually small percentage of households (31%) earns between 50 and 120% AMI, a prime category for entry-level and/or affordable homeownership.
- An unusually high percentage (75%) of households can be classified as low to moderate income.

Student Households and Income Distribution

Area Median Income for Las Vegas Metro Area MINUS STUDENT HOUSEHOLDS*	No. of Households	Percent of Households
30% AMI (Extremely Low Income) *$13,470 and below*	1,138	20%
30-50% AMI (Very Low Income) *$13,471 to $22,500*	1,010	18%
50-80% AMI (Low Income) *$22,501 to $35,900*	976	17%
Total Low Income	**3,124**	**56%**
80-120% AMI (Moderate Income) *$35,901 to $53,900*	897	16%
Total Low to Moderate Income	**4,021**	**72%**

*Assumes approx. 500 of Las Vegas' households earning less than 30% are student households, based on number of students at Highlands *not* from Las Vegas and *not* living in dorms.

Affordability Matrix for Las Vegas, NM

Household Size	1	2	3	4	5	6	7	8
40% AMI	$291	$333	$373	$415	$448	$482	$515	$548
	$51,163	$58,560	$65,752	$73,149	$78,903	$84,861	$90,615	$96,573
50% AMI	$364	$417	$468	$520	$562	$603	$645	$687
	$64,108	$73,355	$82,396	$91,642	$99,039	$106,231	$113,628	$121,025
60% AMI	$436	$498	$561	$623	$673	$722	$772	$823
	$76,848	$87,738	$98,834	$109,724	$118,559	$127,189	$136,025	$144,860
70% AMI	$508	$581	$653	$726	$784	$842	$900	$958
	$89,382	$102,327	$115,066	$127,806	$138,079	$148,353	$158,422	$168,695
80% AMI	$587	$671	$755	$838	$905	$972	$1,040	$1,108
	$103,354	$118,148	$132,943	$147,531	$159,449	$171,161	$183,079	$195,202
90% AMI	$655	$749	$842	$936	$1,010	$1,085	$1,160	$1,236
	$115,272	$131,915	$148,353	$164,791	$177,942	$191,092	$204,243	$217,598
100% AMI	$727	$831	$935	$1,038	$1,121	$1,204	$1,493	$1,371
	$128,011	$146,298	$164,586	$182,873	$197,462	$212,051	$263,008	$241,434
110% AMI	$800	$915	$1,029	$1,143	$1,234	$1,327	$1,418	$1,510
	$140,956	$161,093	$181,229	$201,366	$217,393	$233,626	$249,653	$265,885
120% AMI	$873	$996	$1,121	$1,246	$1,345	$1,446	$1,545	$1,645
	$153,696	$175,476	$197,462	$219,448	$236,913	$254,584	$272,049	$289,720

Housing Ratio:	28%
Interest Rate	5.50%

Numbers in red denote affordable monthly housing cost.

Numbers in green denote affordable housing sales price.

For Sale Housing Market in Las Vegas

Median Sales Price for Las Vegas

Single Family	Manu. Home	Condo	Total
$298,000	$120,000	$125,000	$150,000

Affordable Sales Opportunities

Sales Price	# Homes For Sale	% of Total	Income Needed to Afford Price	% of Tot. Pop. Earning this Income
Under $100,000	18	23%	*$22,501 to $35,900*	17%
$100,001 to $150,000	22	28%		
$150,001 to $200,000	13	16%		
$200,001 to $250,000	14	18%	*$35,901 to $53,900*	16%
$250,001 to $300,000	9	13%	*Over $53,900*	19%
Above $300,000	2	3%		
Total	79	100%		

City of Las Vegas Housing Authority

Affordable Housing Plan

Presentation to Las Vegas Housing Advisory Committee
by Housing Strategy Partners
June 2011

Housing Strategy Partners

Scope of Project

- Produce a planning document that meets the requirements of the Affordable Housing Act and is consistent with the City's Comprehensive Plan and other Las Vegas planning policy
- Provide recommendations for local affordability issues, including a housing needs assessment and implementation plan
- Identify local, regional and federal funding sources to support implementation

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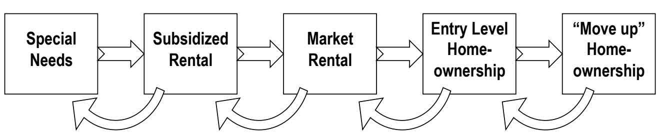
Project Approach/Methodology

1. Spectrum of Housing Need



2. "One size does NOT fit all": consider local capacity, community context
3. Integrated recommendations based on: funding, capacity, programming, real estate development, and regulation

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Status of the Plan

I.	Community Profile	90%
II.	Affordable Housing Inventory	90%
III.	Land Use and Development	50%
IV.	Housing Needs Analysis	60%
V.	Implementation Plan	20%

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Community Profile Highlights

- Many existing homes are affordable for low to moderate households
- Population is declining
- Job growth for the County is flat, with recent declines in Las Vegas
- Low income levels
- Older housing stock, with unique historic integrity

Compare:

City of Las Vegas Pop.
2000: 14,565
2010: 13,753
Down 5.6%

San Miguel County Jobs
2000: 7,832
2010: 8,124
Up 3.7%

Median Household Income
City of Las Vegas: $23,584
New Mexico: $42,742

Housing Units Before 1940
Las Vegas: 21.4%
New Mexico: 5.7%

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Areas of Housing Need (in Red)

AMI	INCOME	AFFORDABILITY	NO. OF HH	POPULATIONS SERVED
30%	$13,470	$282 rent $49,725 own	1,649 HH 27%	Homeless Transitional Homeless Extremely Low Income Renters
50%	$22,500	$468 rent $82,396 own	1,010 HH 17%	Very Low Income Renters Fixed Income Seniors
80%	$35,900	$755 rent $132,943 own	976 HH 16%	Low Income Renters Low Income Homeowners Homeowners with Rehab Needs
120%	$53,900	$1,121 rent $197,462 own	897 HH 15%	Moderate Income Renters Move-up Homeowners

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Needs Analysis: High Need

Homeless and Transitional Shelter
- ✓Limited/seasonal shelter beds
- ✓Few supported housing options

Extremely and Vey Low Income Rentals
- ✓No vacancy for subsidized rentals and supported housing

Senior Housing
- ✓Limited senior housing options

Rehabilitation
- ✓Old housing stock, high ownership rates, low mortgages indicate rehab needs
- ✓No rehab or energy efficiency services

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Needs Analysis: Moderate and Low

Moderate Need Areas

Low Income Homeownership
- ✓Low rate of nonprofit housing production
- ✓Majority of new construction mobile homes

Low Need Areas

Low to Moderate Income Rentals
- ✓Vacancies exist for mid-priced rentals

Moderate Income Homeownership
- ✓Adequate market supply of affordable homes

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How do we address the needs?

The Implementation Section of the Plan will make recommendations in the following areas:

1. Programs
2. Capacity
3. Real Estate and Development
4. Policy, Regulation, and Incentives
5. Funding

Your input today will help us craft specific recommendations.

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Some Possible Constraints

Capacity	• Limited local capacity to provide services, build and manage housing • No homebuyer training, counseling
Develop-ment	• Aging infrastructure, tenuous water supply, possibly insufficient water rights • "Drive by" real estate development by out-of-town firms
Policy	• Older zoning regulations don't maximize housing densities, mixed housing types, contemporary design options
Funding	• Limited access to third-party funds: local lenders are not MFA approved, lack of non-profits means nonprofit sources underutilized

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Some Probable Opportunities

Capacity	• City and PHA motivated to expand services and dedicate resources for affordable housing
Develop ment	• Unique community identity: historic buildings; investment in planning efforts; interest in developing city-owned land; "hard to develop" priority on tax credit applications
Policy	• "Blank slate" regulatory environment allows City/PHA to adopt best-fit affordable housing regulations
Funding	• Several large institutions with steady employment and community commitment (NMHU, LCC, NMBHI, hospital); eligible for rural assistance programs

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Tell us what you think

Prioritize Opportunities

✓Rate them from 0-5:

0- Low Priority; 5- High Priority

Additional Feedback

✓Identify Opportunities and Constraints not presented today

✓Discuss roles and priorities of stakeholders

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Next Steps

1. **Incorporate priorities from today's meeting into further research and draft plan**
2. **Continue information gathering and analysis**
3. **Finalize draft implementation plan**
4. **Present final draft plan to stakeholders**

Housing Strategy Partners

Contact Us

Alexandra Ladd, Principal
505-795-4010
agladd@me.com

Monica Abeita, Principal
505-241-9196
mabeita@me.com

Daniel Werwath
505-467-8340
dwerwath@gmail.com

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Why this Plan?

With this plan in place, as approved by MFA, the New Mexico Affordable Housing Act enables the City of Las Vegas and the public housing authority to mobilize public resources to support affordable housing and related services, new construction and the rehabilitation of existing homes. Specifically, the plan:

- Assesses housing need in Las Vegas
- Determines the feasibility of real estate development
- Provides recommendations for addressing the needs

10/19/11 2

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Summary of Existing Conditions

- A population loss of 2.4% since 2000 due to slow rates of natural increase and out-migration
- Lower % of children and working-age adults; higher % of seniors; higher rates of disability
- Incomes are 30 – 40% lower than rest of NM
- Economy reliant on public sector jobs (>40%)
- More renters (reflection of student pop)
- Older housing stock, with unique historic integrity
- Only 3.3% of housing constructed in last decade

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Summary of Existing Conditions

- Existing regulation (zoning and approval process) does not pose significant constraints on production
- Low participation by local lenders to offer subsidized lending products
- High construction costs due to transportation, lack of economies of scale
- Renters are not “buyer-ready”
- Approx. 400 developable lots owned by City and housing authority with several more platted lots privately owned
- Lack of infrastructure cited as major constraint on housing development

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Incomes and Cost Burden

- 60% of Las Vegas population is "low income" (earning less than 80% AMI, or $32,350 for 3 person HH)
- 27% of HH earn less than $14,000
- Only 15% of HH earn between 80-120%AMI
- 40% of owner HH and 60% renter HH are "cost-burdened" (compare to 34% and 48% in rest of NM)
- Rental inventory for less than 30% and/or special needs extremely limited with few emergency shelter beds
- Private market offers adequate inventory for sale

10/19/11 5

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Needs Analysis

"Catch Up Need"- Needs of current population

Demographics + Qualitative Data → **Inventory/Services + Pipeline** → **Compare across income categories** **= 350 units**

"Keep Up Need"- Needs of future population

At this time, it is not anticipated that new housing demand will be created as a result of job growth, in-migration or natural increase.

10/19/11 6

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Five-Year Goal

Housing Production Plan	# units
Emergency/Transitional Units	10
Disabled/Senior/Frail Elderly Rental	48–52
Rental Units for Renters with < 60% AMI	127–168
Rental Units for Renters with 80-120% AMI	15–20
Homeownership for Renters at 80-120% AMI	10–13
Rehabilitation – Owner-Occupied < 50% AMI	5
Rehabilitation – Acquisition	10
Rehabilitation – Low Cost Weatherization	100
Totals (15% - 20%)	**325 - 378**

10/19/11 7

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How do we address the needs?

The Implementation Section of the Plan makes recommendations in the following areas:

1. Funding
2. Capacity
3. Programs
4. Real Estate and Development
5. Policy, Regulation, and Incentives

10/19/11 8

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Funding Recommendations

1.1. Create Las Vegas Affordable Housing Trust Fund.

1.2. Apply for third-party funding not used in Las Vegas.

1.3. Invest local resources in local service providers.

1.4. Create capacity through local lenders to provide MFA, FHA and USDA loan products

10/19/11 9

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Capacity Recommendations

2.1. Develop local affordable housing expertise by establishing the position of Affordable Housing Planner.

2.2. Provide technical assistance to the housing authority and nonprofit/for profit partners to identify gaps in service provision and improve service models.

2.3. Establish partnerships between private, nonprofit and public sector housing services providers, lenders and community institutions.

10/19/11 10

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Programming Recommendations

3.1. Prioritize the needs of very low-income residents.

3.2. Create a community-wide homeownership and counseling program.

3.3. Develop a home rehabilitation/energy-efficiency improvement program.

3.4. Design housing programs to meet conditions unique to Las Vegas.

10/19/11 11

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Development Recommendations

4.1. Complete a mixed-income development plan to replace demolished public housing authority units, provide development opportunities for high-quality homeownership housing and engage the private and nonprofit building sectors in a collaborative development scenario(s).

4.2. Consider a pilot project for the 2nd Street site to launch the City and PHA's housing development program.

4.3. Initiate live/work housing development.

4.4. Create opportunity for private sector housing development.

10/19/11 12

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Regulatory Recommendations

5.1. Create regulatory template/ordinances to monitor City and/or public housing authority-sponsored development projects and the use of governmental resources to provide affordable housing.

5.2. Develop policies/procedures for administering the Las Vegas Affordable Housing Trust Fund and establishing a competitive process for accessing funds.

5.3. Create a system of incentives for builders to create reasonably-priced homes.

10/19/11 13

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Next Steps

1. Incorporate comments from today's meeting into final plan (by Oct 26)
2. Submit final to MFA for review (on Nov 6)
3. Revise plan according to MFA's comments (completed by Nov 23)
4. Present plan to Las Vegas City Council for approval and then back to MFA for final approval

10/19/11 14

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Keep in Touch!

Alexandra Ladd, Principal
505-795-4010
agladd@me.com

Monica Abeita, Principal
505-241-9196
mabeita@me.com

Daniel Werwath
505-467-8340
dwerwath@gmail.com

10/19/11 15

APPENDIX B–RECOMMENDATION FOR AFFORDABLE HOUSING REGULATION

Future Affordable Housing Ordinance(s)

A proper umbrella affordable housing ordinance will satisfy the requirements of the New Mexico Affordable Housing Act and define the standards for eligible projects, qualified grantees and create mechanisms for securing municipal contributions for affordable housing. The following describes the primary components that are essential to a fully functional future affordable housing ordinance in Las Vegas.

Project Solicitation

The ordinance should clearly define a process for the solicitation of proposals for affordable housing development. This should include definitions of eligible grantees (both individual and organizational if mechanisms such as downpayment assistance are included), project standards, submission and review procedures. Because of the limited nonprofit development capacity in Las Vegas, the City's ordinance may allow for participation of private sector builders and developers. The private sector participants will be subject to the same verification and documentation requirements as all other grantees to ensure that public contributions are being used appropriately.

Income Mix

The ordinance needs to provide clear guidelines regarding the income ranges served by proposed projects or assistance. This should be established based on a combination of actual community housing needs and best practices regarding mixed income projects. It is also critical that these requirements do not preclude the economic feasibility of development projects. Typically these guidelines would specify which requirements apply to homeownership activities and those that are pertinent to rental projects. This is particularly important in activities where municipalities are dedicating land or other resources to private developers.

Based on the data contained in this report it appears that there are three income tiers appropriate for subsidized homeownership. These range from 0-50% AMI, 50-80% AMI and 80-100% AMI. A market-rate, workforce housing tier may be added to this mix for earners up to 120%, the costs of which would be borne by the private sector.

> **Homeownership Tier 1 0-60% AMI**– This category is precarious for homeownership. The cost of large repairs to a home could amount to the equivalent of a year's wages. As such, people in this income range should

generally be considered for homeownership only in new construction scenarios. Potential homebuyers below 60% AMI should be thoroughly vetted and receive not only homebuyer training but individual counseling and financial feasibility analysis as well. Despite the challenges, this income range is important in that it represents 48% of Las Vegas households, with half of this group earning less than 30% AMI. Housing development in this income range is eligible for federal housing development assistance. This income range is also the primary service population of organizations such as Habitat for Humanity.

Homeownership Tier 2 60-80% AMI- This is a primary target range for homeownership and represents the upper threshold for Federal assistance through the US Department of Housing and Urban Development for most programs. This income range represents 9% of Las Vegas households. The upper end of this income range could access entry-level homes on the open market if provided modest amounts of downpayment assistance.

Homeownership Tier 3 80-100% AMI- This income range represents 8% of Las Vegas households and is the upper limit for assistance for homeownership programs receiving municipal donations. The upper limit was set at 100% of AMI on the basis of the availability of housing affordable to those over 100% AMI. While the quality of the housing available on the current market at this affordability level is debatable, the gap is not justifiable enough to provide public resources for support. However, this income tier can be supported through homebuyer training and counseling and through the economies of scale achieved through a mixed-income projects.

The income breakdown for rental requires slightly more refinement with more complex needs at the low and high end of the income spectrum. The need for very low-income rental is clearly present in Las Vegas. Most Low Income Tax Credit (LIHTC) projects only require that rental units be leased to families earning below 60% AMI. The result is heavily subsidized housing that often fails to meet the need of the lowest income families, as rents are typically set to the 60% level. Other financially feasible models for this type of development exist that create tiered rent levels down to the lowest income families. For this reason, Las Vegas should require that any future LIHTC projects provide units for very low-income households if any form of municipal donation is to be offered.

Las Vegas faces similar challenges on the upper end of the income spectrum. Surveys of rental units reveal a lack of decent rental housing serving those between 100-120% AMI. Employers also related difficulties facing employees in finding decent housing in this income range. The lack of housing options is a contributing factor to the relative transience of professional workers in Las Vegas and contributes to the challenges of both recruiting and retaining professionals in the community. Providing adequate housing for the entry level professional workforce is critical to economic development in Las Vegas, and the success of the major anchor institutions that drive much of the economy. Even minor municipal donations would likely leverage large amounts of support from private employers interested in producing housing in this range.

Rental Tier 1 0-30% AMI- Nearly 25% of households in Las Vegas fall into this income range. Currently served by legacy homeownership, typically through family transfer, and deeply assisted public rental housing, this is the highest priority area for housing development in Las Vegas. As such, this should be a priority for municipal donations and a required component of future LIHTC development and any rental development assisted through municipal sources.

Rental Tier 2 30-60% AMI- Representing 24% of Las Vegas households, this is the second highest priority for rental housing development. This income range is typically served by legacy homeownership and large subsidized rental projects funded by third party sources. Municipal investment should be used to lower rent levels well below the 60% affordability threshold.

Rental Tier 3 60-80% AMI- This income range represents 8% of Las Vegas households and is the third priority for rental housing development. Based on affordability calculations, this income range has few options for market rate rentals. Development for this income category could be included in large multi-family projects as well as smaller 1-4 attached unit developments.

Rental Tier 4 80-100% AMI- This income range represents 8% of households in Las Vegas. Within this affordability range you begin to enter market rate rental prices. But the lack of decent rentals in this range again makes it suitable for municipal donation to support development. With near market rents units serving this income range could be used to help support more deeply subsidized housing, while lowering the concentration of low, and very low-income households within a project.

Rental Tier 3 100-120% AMI- This income range represents 7% of Las Vegas households and is largely comprised of the entry level professional workers in Las Vegas. Again, while mostly competing with market rentals, the lack of quality rentals at this income level makes it an important component of new housing development. As with Rental Tier 4, rentals serving this income range will help support the development of much needed deeply subsidized units for low and very low-income units.

In all circumstances, the amount of direct subsidy should be scaled appropriately to reflect Las Vegas' population so that most of it is dedicated to the lower income tiers. The reason for this is twofold. First, the lower income a family is the more subsidy required to make a home affordable. Secondly, the lower income a family is, the more limited they are in the amount of available housing. In this way, needs track directly with income.

Income Certification

A critical aspect of any affordable housing program design is proper determination and documentation of family income level. This is a standard requirement of the New Mexico Affordable Housing Act, but it also should reflect local needs and conditions. Typically, qualification activities will vary depending on whether proposed project is a rental or homeownership project, and depending on the other sources of federal and state funding that that support the project, as they are subject to their own tenant qualifications. Additionally, the income certification process needs to be tied to clear application procedures, documentation requirements and response deadlines to ensure a timely processing of applications. It is also advisable for these activities to be carried out by a third party "agent" such as a nonprofit housing provider or possibly a local lending partner. One advantage with using a nonprofit or outside agent as a qualifier, is to address privacy concerns (particularly of non-public housing authority residents) about the income qualification process.

Pricing

Proper sales pricing and target rents will ensure that qualified grantees are not cost burdened by high monthly payments and that proposed development projects will meet minimum qualifications under the Affordable Housing Act.

Homeownership. For single family development, there are two basic approaches to establishing pricing: one that establishes blanket pricing for an entire income range, and a more refined approach that establishes the price based on the actual income of the purchasing family. A blanket approach bases the effective sales price on a formula that uses the assumed average affordability for an average sized family within a given income range (very low, low and moderate income). Mortgage capacity is then imputed based on current prevailing interest rates. The more custom approach ties the effective price to the gross income of the specific homebuyer. The resulting subsidy amount is based on their actual mortgage capacity as established through a mortgage prequalification procedure.

Table B-1: Affordable Home Price Ranges

	1BD/Studio	2BD	3Bd	4bd
<60% AMI	Low- $39,040	Low- $44,383	Low- $50,136	Low- $55,478
	High- $77,464	High- $88,354	High- $99,450	High- $110,546
60- 80% AMI	Low- $77,464	Low- $88,354	Low- $99,450	Low- $110,546
	High- $103,354	High- $118,148	High- $132,943	High- $147,531
80-100% AMI	Low- $103,354	Low- $118,148	Low- $132,943	Low- $147,531
	High- $129,244	High- $147,531	High- $166,024	High- $184,517

This scenario assumes income levels based on one household member per bedroom and is based on the affordability table included in Appendix C. For the <60% AMI range, affordability for 30% AMI was used as the low figure. For all other calculations, the low figure represents affordability at the lowest level of the income range.

The latter method is preferable because it is based on the individual homebuyer's ability to pay rather than using an income range to establish subsidy amount. Using a range implies a risk of cost-burdening those that fall into the lower part of the range and slightly over-subsidizing those that earn at the top-end of the range. A further advantage to customizing sales prices to individual incomes is that it maximizes the effective use of program resources. A potential consideration is that each transaction requires more program administration because it requires establishing a unique sales price that needs to be calculated and documented based on the specific family being assisted. However, with the relatively modest scale of proposed future development in Las Vegas, the latter approach should not place an undue administrative burden, particularly if this type of activity is contracted out to an agent or is a dedicated part of the job description for the housing authority's homeownership coordinator.

Rental Pricing. For rental projects, the ordinance should establish appropriate target rent levels at benchmarked income levels. If the local ordinance ties these target rents to those required by federal and state subsidy programs, it increases the likelihood of attracting future development. Las Vegas should include more stringent requirements to meet local needs, for instance, increasing the number of units required at lower income levels. As always, affordability is best defined by the conditions for a particular family's income situation and as with homeownership calculations, is best calculated at 30% of gross income on a case-by-case basis.

Table B-2: Affordable Rent Ranges

	Studio	1BD	2Bd	3bd
<30% AMI	High- $222	High- $252	High- $285	High-$315
30-60% AMI	Low- $222	Low- $252	Low- $285	Low- $315
	High- $440	High- $502	High- $565	High- $628
60- 80% AMI	Low- $440	Low- $502	Low- $565	Low- $628
	High- $587	High- $671	High- $755	High- $943
80-100% AMI	Low- $587	Low- $671	Low- $755	Low- $943
	High- $734	High- $838	High- $943	High- $1,019
80-120% AMI	Low- $734	Low- $838	Low- $943	Low- $1,019
	High- $881	High- $1,006	High- $1,132	High- $1,258

Securing Subsidy

It is essential to establish within the ordinance consistent methods for calculating the amount of subsidy in a given project and provide clear direction as to how that is secured. Investments in affordable rental projects should include mechanisms to secure municipal contributions such as land or infrastructure provision through liens and other restrictive mechanisms.

Affordability Periods. The New Mexico Affordable Housing Act mandates specific affordability periods for municipal contributions to affordable housing projects. In other words, the subsidy must be secured for a set period of time so that if the subsidy user sells or leaves the home, the subsidy is recycled to another buyer, instead of becoming a windfall profit for the original buyer. Table C-3 demonstrates the minimum affordability periods under the Affordable Housing Act. It is important to note that Las Vegas may elect to create longer affordability periods.

Table B-3: Mandated Affordability periods

Subsidy Amt	Affordability Period
$1-14,999	5 Years
$15,000-$40,000	10 Years
$40,000-$100,000	15 Years
$100,000+	20 Years

Subsidy Calculation. For single-family projects, guidance within the ordinance should include a subsidy calculation based on the difference between the effective sales price and market value. It is also worth considering basing this calculation on an amount less than the full appraised value (such as 95% or 97%) to create a small equity buffer to protect homebuyers against variability in the housing market. The ordinance should also establish clear conditions for refinance, payoff and lien position.

Methods for Securing Subsidy. There are three methods for securing subsidized value through liens in single-family development scenarios:

1) **Forgivable Lien.** This time-limited method of securing subsidized value is the most beneficial for a program participant's long-term asset growth. As a subordinate lien to the first mortgage, this requires no monthly payments, and is paid at the time of sale or cash-out refinance. The amount of the lien would gradually be forgiven over time, or extinguished after a predetermined period, allowing the full realization of the subsidy value in the form of equity for the family, along with the full increase in value of the home over time. For instance, a loan term could be structured for 10 years, or incrementally decrease 10% a year, both resulting in the mortgage being released after the end of the ten-year period. The period of forgiveness would have to meet minimum standards required under the affordable housing act.

This type of lien mechanism would be an appropriate fit for Las Vegas in that it would provide a needed incentive in the form of an eventual grant for potential buyers, which could help overcome hesitancy towards homeownership. This lien format also provides motivation for a homeowner to stay in that unit for the duration of the affordability period to have their assistance converted to a grant. This motivation towards longer housing tenure can help stabilize communities that typically experience more transient habitation patterns. The potential downside is that because a portion of the liens will be forgiven, this approach does not provide as much opportunity for the municipality to recapture donations or amass program assets over time.

2) **Perpetual Lien.** A perpetual lien secures the subsidy amount for the entire period of time that the program participant occupies the home. This type of lien requires full payback of the subsidy amount at the time of sale, transfer or cash-out refinance regardless of how long the buyer occupies the home. This model allows for a balance between the goals of program resource recapture, which leads to the steady accumulation of program assets for Las Vegas affordable housing programs over time, while still allowing for the full realization of the increase of value of the home for the homeowner. Many times this type of structure allows the subsidy lien to be assigned to an income-qualified family member in the event that the homeowner passes away. This approach is also desirable because it is relatively simple to administer.

3) Shared Equity Lien. Like the previous two subsidy models, a shared equity mortgage does not require monthly payments and would only be repaid at the time of sale or cash-out refinance. But this model not only provides for the recapture of the initial subsidy amount, but also a portion of the property's increase in value over time. For instance, if 25% of the value of the home purchase were subsidized, then the family would repay not only the initial subsidy value, but also 25% of the increase in value of the home during the period of occupancy. This method is most popular in very high cost, high appreciation markets and allows for program resources to grow over time to better keep pace with accelerating home prices. While most favorable from the perspective of long-term program resource accumulation, it has the least beneficial effect for the long-term asset accumulation of program participants. Likewise, it is the least marketable to potential program participants and presents certain administrative burdens. Given strong local perceptions about ownership, the high need for asset creation and the lack of robust administrative capacity to manage this type of program, this approach is not a good fit for Las Vegas.

Affordable rental projects that receive municipal investments should also have clear mechanisms for securing these donations along with appropriate long-term affordability mechanisms. It is recommended for the City or housing authority to place a lien securing the total amount of the donation for the appropriate period under the NM Affordable Housing Act while also establishing baselines for affordable rents and required documentation through some sort of agreement with either the developer or operator of the property. The lien would serve to recapture municipal resources in the case that the property failed to provide affordable rents as outlined by the ordinance.

Subordination

The last important consideration in regards to securing subsidy in single-family projects is the creation of rules for subordination of subsidy mortgages in the event of refinance. Typically, affordable housing programs prohibit the refinance of homes with a few important exceptions. These include simple rate-term refinances aimed at achieving a lower monthly payment for buyers. This still has implications as it resets the amortization schedule of the loan, affecting the percentage of principle and interest apportioned in the monthly payment, essentially slowing principle reduction. Given that for many moderate-income homeowners, the equity in their home is their single biggest financial asset, there are circumstances where allowing cash out refinancing is recommended - such as for home repairs, home expansion, medical expenses and college tuition.

APPENDIX C:
San Miguel County 2011 AMI Guidelines

San MIguel County Area Median Income Guidelines

HH #	1	2	3	4	5	6	7	8
30% AMI	$9,950	$11,350	$12,750	$14,150	$15,300	$16,450	$17,550	$18,700
40% AMI	$12,100	$13,850	$15,550	$17,300	$18,700	$20,050	$21,450	$22,850
50% AMI	$15,100	$17,300	$19,450	$21,600	$23,350	$25,050	$26,800	$28,500
60% AMI	$18,150	$20,700	$23,300	$25,900	$27,950	$30,050	$32,100	$34,200
70% AMI	$21,150	$24,150	$27,200	$30,200	$32,600	$35,050	$37,450	$39,850
80%AMI	$26,400	$30,150	$33,900	$37,650	$40,700	$43,700	$46,700	$49,700
90% AMI	$27,250	$31,100	$35,000	$38,900	$42,000	$45,100	$48,250	$51,350
100% AMI	$30,250	$34,550	$38,900	$43,200	$46,650	$50,100	$53,550	$57,000
110% AMI	$33,250	$38,000	$42,750	$47,500	$51,300	$55,100	$58,900	$62,700
120% AMI	$36,250	$41,450	$46,600	$51,800	$55,950	$60,100	$64,250	$68,400

Affordability Matrix

HH #	1	2	3	4	5	6	7	8
30%	$232	$265	$298	$330	$357	$384	$410	$436
	$40,890	$46,643	$52,396	$58,150	$62,875	$67,601	$72,122	$76,848
40%	$282	$323	$363	$404	$436	$468	$501	$533
	$49,725	$56,917	$63,903	$71,094	$76,848	$82,396	$88,149	$93,902
50%	$352	$404	$454	$504	$545	$585	$625	$665
	$62,054	$71,094	$79,930	$88,765	$95,957	$102,943	$110,135	$117,121
60%	$424	$483	$544	$604	$652	$701	$749	$798
	$74,588	$85,067	$95,752	$106,436	$114,861	$123,491	$131,915	$140,545
70%	$494	$564	$635	$705	$761	$818	$874	$930
	$86,916	$99,245	$111,779	$124,107	$133,970	$144,038	$153,901	$163,764
80%	$616	$704	$791	$879	$950	$1,020	$1,090	$1,160
	$108,491	$123,902	$139,312	$154,723	$167,257	$179,585	$191,914	$204,243
90%	$636	$726	$817	$908	$980	$1,052	$1,126	$1,198
	$111,984	$127,806	$143,833	$159,860	$172,599	$185,339	$198,284	$211,023
100%	$706	$806	$908	$1,008	$1,089	$1,169	$1,250	$1,330
	$124,313	$141,983	$159,860	$177,531	$191,709	$205,886	$220,064	$234,242
110%	$776	$887	$998	$1,108	$1,197	$1,286	$1,374	$1,463
	$136,641	$156,161	$175,681	$195,202	$210,818	$226,434	$242,050	$257,666
120%	$846	$967	$1,087	$1,209	$1,306	$1,402	$1,499	$1,596
	$148,970	$170,339	$191,503	$212,873	$229,927	$246,981	$264,036	$281,090

Housing Ratio	28%
Interest Rate	5.50%

Assumptions:
Income Calculations: the incomes represented above are based on the percentage of HUD median income for median family size numbers rounded to the nearest $100. Adjustments for family size are based on the HUD income formula of a 10% decrease in allowance for each family member less than the median size of four and an 8% increase in income for each family member greater than the median size. These numbers are then rounded to the nearest $50 increment as is HUD's policy. This is true for all categories with the exception of the 30% and 80% tier which are published numbers from HUD and differ from the number derived from full median income.The manually entered cells are bolded, all other field are link formulaically to the 100% AMI for a family of four figure.

Mortgage Affordability: This basic mortgage calculator assumes a 30yr fixed rate loan based on the income guidelines for family size and income levels. These calculations do not include taxes and insurances. Both the front end debt ration and the interest rate are can be manipulated. This does not take into account required downpayment, closing costs, or monthly taxes and insurance.

APPENDIX D:
DEVELOPMENT FINANCING SOURCES

Development Financing Needs

There are four types of financing needs related to single family home production and multifamily development: 1) capacity support (to build capacity of the developers, service providers and homebuyers and supportive services for renters); 2) securing seed money and predevelopment funds; 3) paying for land acquisition, infrastructure needs, environmental issues, home construction and any other interim needs; and 4) establishing affordable, permanent financing (homeowner debt or permanent affordability controls such as a land trust).

In New Mexico, there are several sources of funding available to meet these needs and innovative ways to layer these funds through the establishment of public/private/nonprofit partnerships. The final consideration is to bring down the public cost of the development so that some of the homes and rental units can be reserved or set aside for those homebuyers or rents earning substantially less than the area's median income. The following budget provides a breakdown of potential sources commonly used in housing development projects in New Mexico.

Capacity Building (Organizational)

Capacity building is generally provided through training, technical assistance and program development. Funds to support this activity are usually restricted to nonprofit service providers. For a development project, the most common assistance provided to developers is accessing funding, both for leveraging other funds, discounting the final cost of the development and providing support during the process. Table E-1 outlines sources of technical assistance, presented in alphabetical order, and how they may be used in Las Vegas.

Table D-1: Technical Assistance Sources

Program/Funding Source	Objective	Application in Las Vegas
Corporation for Supported Housing (CSH)	Provides training re. housing development, provision of housing services, case management for supported housing.	Build capacity of special needs service providers, collaborate with NMBHI aligned efforts
Enterprise Community Partners	Provides resources for capacity building, training for service providers, builders, public agencies; assists with financing packages, accessing funding, and applying Green Communities criteria to make existing and new housing energy efficient.	Previous experience in Northern New Mexico. Instrumental in development of many housing initiatives and community-wide program development and design.
Housing Assistance Council	Assists rural communities with accessing financing for predevelopment, acquisition and other preconstruction costs; self-help housing; capacity building and partnerships; access to national trainings and webinars regarding affordable housing development, management and financing; and access to green building/healthy homes funds.	Could provide support for increasing affordable housing development capacity in Las Vegas. HAC offers national conferences on project construction, management as well as issues affecting special groups.
HUD Housing Counseling Assistance Program	Provides funds to HUD-approved nonprofits for homebuyer counseling programs. Can be accessed through consortium application such as NMMFA or other national housing intermediaries as well as by a single agency.	Funds were cut in HUD's 2012 budget however, Congress is currently considering restoring funds at a reduced level. Could be used to supply funding for a community scale homeownership program,
Institute for Community Economics	Provides funding, technical assistance, with focus on establishing housing trusts.	Provide funding for permanently affordable housing through loan fund mechanism
Local Initiatives Support Coalition (LISC)	Supports comprehensive community development – housing, economy, schools – through technical assistance and loan program. Also has Green Development Center dedicated to making affordable housing more energy-efficient.	Would require a local Community Development Corporation partner.
Neighborworks Training Institute	Offers training and technical support for housing counseling, foreclosure, real estate development as well as housing program development and management.	Core technical resource for the development of community-wide homeownership programs.
Rural Community Action Coalition	Capacity building in rural areas - community needs assessments, improving area-wide collaboration, securing project financing, professional services.	Multifamily housing development, homeownership program development technical assistance.
Technical Assistance Collaborative (TAC)	Specializes in homeless services, including transitional and permanent supported rental housing.	Has assisted numerous groups in NM; good resource to address lack of homeless services.

Housing Development Financing

Pre-development costs include: architectural and engineering services and other planning-related activities that are essential to getting a project built. Because these are typically unsecured and apply to the early stages of development, this type of funding is sometimes more difficult to obtain. There are several sources available to ensure that any gaps in predevelopment funds don't jeopardize the project. Seed money is used to leverage additional funds and is often a critical component in demonstrating a jurisdiction's commitment to building an affordable housing project. Other sources represent opportunities for acquisition, land development construction and gap financing. These funds are used for all costs associated with the actual building of the project. Some of these funds are used as "guaranty" to leverage private investment when a private lender might not be willing to take a risk on an affordable project. Table E-2 demonstrates the use (acquisition, construction, permanent, gap), the project type (homeownership, rental, special needs), and the eligible recipients (non-profit, for-profit, public sector), along with contact information and website as available.

Table D-2: Development Financing Sources

PD-Predevelopment, A- Acquisition, C- Construction, RE- Rehabilitation, P- Permanent, G- Gap Financing, HO-Homeownership, R- Rental, SN- Special Needs, NP-Nonprofit, FP-For Profit, JV- Joint Venture, LLC-Limited Liability Company, SE-Single Entity, CO-Corporation, P- Partnerships PU- Public

Program/Funding Source	Use	Project Type	Recipient	Contact
Enterprise Community Partners/HUD www.enterprisecommunity.org	PD	HO, R, SN	NP	David Steele 505-438-2350 dsteele@enterprisecommunity.org
Primero Loan Program (MFA) www.housingnm.org/developers	A, C	HO, R, SN	PU, NP, FP	Felipe Rael 505-767-2249 frael@housingnm.org
542C FHA Insured Loan Program (MFA) www.housingnm.org/developers	A, C, P, RE	R	SE, NP, FP, LLC, JV, P	Dan Pucetti 505-767-2151 dpuccetti@housingnm.org
Access Loan (MFA) www.housingnm.org/developers	A, C, P	R	NP, FP, LLC, JV	Dan Pucetti 505-767-2151 dpuccetti@housingnm.org
538 Rural Loan Program (MFA) www.housingnm.org/developers	A, C, P, RE	R	PU, SE, C, P, LLC	Felipe Rael 505-767-2249 frael@housingnm.org
MFA Build it Loan Guaranty (MFA) www.housingnm.org/developers	A, C	HO, R	PU, NP	Felipe Rael 505-767-2249 frael@housingnm.org
HOME/CHDO Funds (MFA) www.housingnm.org/developers	C, G, P	HO, R	NP (CHDO's)	Dan Pucetti 505-767-2151 dpuccetti@housingnm.org
Community Development Block Grant**	A, P, G	HO, R	NP, FP	Delores Gonzales 505-827-4972 Dolores.Gonzales@state.nm.us
Federal Home Loan Bank (FHLB)-Dallas www.fhlb.com/community/ahp/	C, RE, G	HO, R, SN	NP	ahp@fhlb.com
Land Title Trust Fund (MFA) www.housingnm.org/developers	G	HO, R, SN	PU, NP	Dan Pucetti 505-767-2151 dpuccetti@housingnm.org
Low-Income Housing Tax Credit (MFA) www.housingnm.org/developers	A, C, P	R, SN	NP	Dan Foster 505-767-2273 dfoster@housingnm.org
NM Affordable Housing Tax Credit (MFA) www.housingnm.org/developers	A, C, P, G	HO, R, SN	FP, SP	Dan Foster 505-767-2273 dfoster@housingnm.org
NM Affordable Housing Trust Fund (MFA) www.housingnm.org/developers	A, C, RE	HO, SF	NP, FP, PU	Dan Pucetti 505-767-2151 dpuccetti@housingnm.org

*as defined by housing plan and affordable housing ordinance
**as administered by a local jurisdiction for uses as defined in the State of New Mexico Consolidated Plan

Permanent Mortgage Financing

These funds are used for the long-term financing of a home and are provided directly to the consumer. Local lenders can play an important role in getting these loan products to borrowers, however there is sometimes a perception that the subsidized products are more complicated to use. In other cases, lenders aren't familiar with the available products. In the case of Las Vegas, there is no access to any third party loan products through local banks. The development of this local lender capacity will be critical for future homeownership program success.

Table D-3: Mortgage Financing Programs

Program	Income Range	Source	Contact
Mortgage$aver Program (MFA) http://www.housingnm.org/mortgageaver-programs	Low and Moderate	MFA Approved Lender	505-843-6881
HERO (MFA) www.housingnm.org/hero-home-equity-required-occupation	Low and Moderate	MFA Approved Lender	505-843-6881
FHA – Sect 203(b) insured loan http://www.fha.com/fha_loan_types.cfm	Low and Moderate	FHA Approved Lender	800-225-5342
FHA – Sect 245 Graduated Payment http://www.fha.com/fha_loan_types.cfm	Low and Moderate	FHA Approved Lender	800-225-5342
FHA – Energy Efficient Mortgage (EEM) http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/eem/energy-	Low and Moderate	FHA Approved Lender	800-225-5342
USDA – Sect 502 Loan Guaranty http://www.rurdev.usda.gov/rhs/sfh/brief_rhguar.htm	Low and Moderate	USDA Approved Lender	Carlsbad Office-575-887-3506 X4
USDA – Direct Loan Programs http://www.rurdev.usda.gov/rhs/sfh/brief_rhdirect.htm	Very Low	USDA Local Offices	Carlsbad Office-575-887-3506 X4
USDA Mutual Self Help Housing www.rurdev.usda.gov/rhs/sfh/brief_selfhelpsite.htm	Very Low	USDA Local Offices	Carlsbad Office-575-887-3506 X4

Downpayment Assistance Programs

Downpayment assistance is a critical tool for helping extend the affordability of homes for low and very low-income households, as well as for assisting moderate-income homebuyers access homes on the open market. There are a variety of sources that range from local to national. The HOME/CHDO and FHLB sources listed are development related and must be tied to housing development. General Fund sources are dictated by municipal affordable housing ordinance and are guided by the gap and needs identified in the municipal housing plan. Generally, Home Rule municipalities have the freedom to use CDBG for down payment assistance as allowed by federal regulations, entities that receive their CDBG funds through the State are bound by State rules, which in some cases do not allow downpayment assistance as an eligible activity. MFA downpayment assistance program are available through MFA partner lenders.

Table D-4: Downpayment Assistance Sources

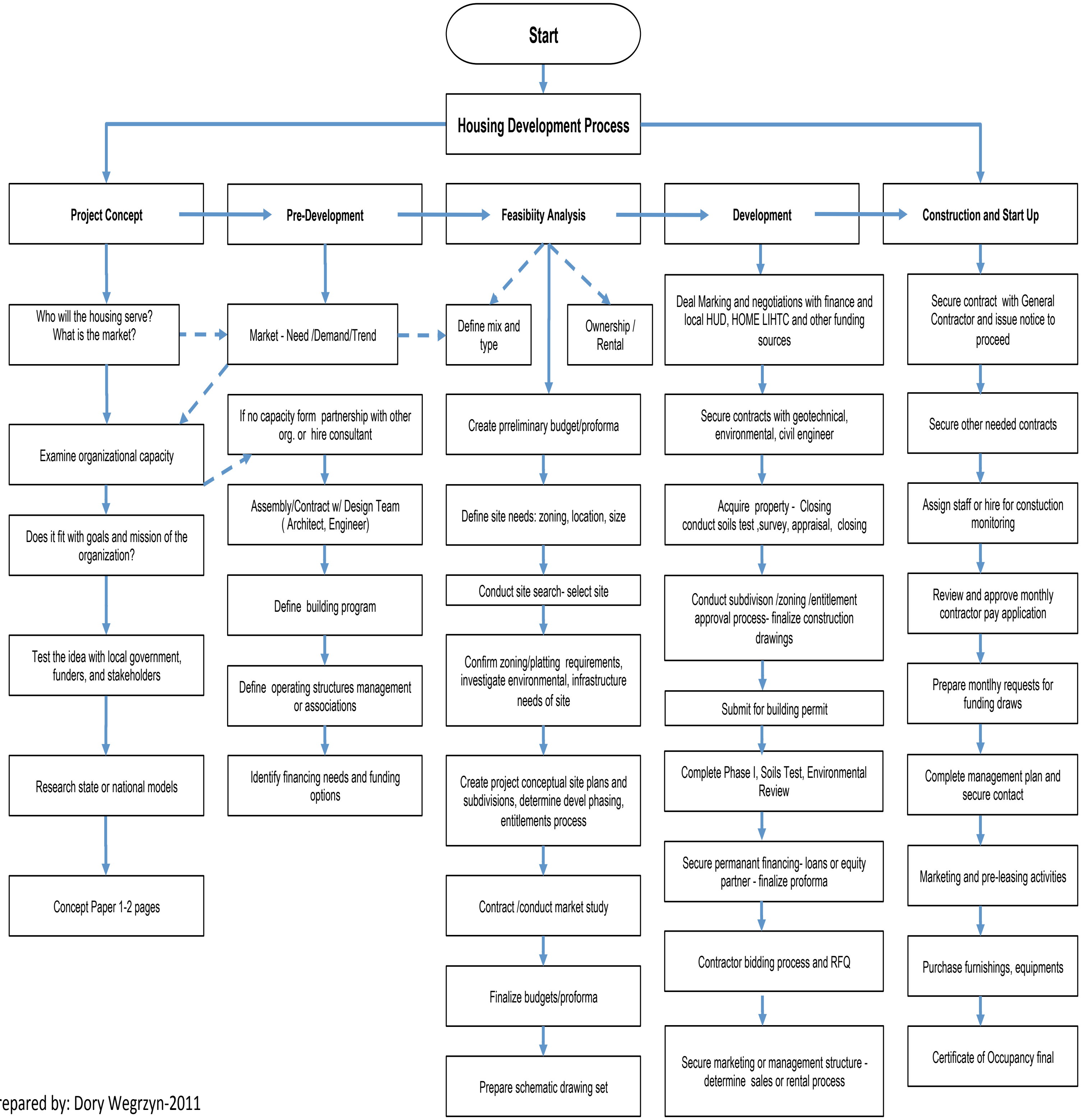
Program	Income Range	Terms	Contact
MFA Payment$aver www.housingnm.org/paymentaver	80% AMI	$8,000/0%	505-843-6881
MFA Mortgage Booster www.housingnm.org/mortgage-booster-0	120% AMI	$8,000/Amortizing	505-843-6881
MFA Helping Hand www.housingnm.org/helping-hand	80% AMI Disabled	$8,000/0%	505-843-6881
MFA HERO www.housingnm.org/hero-home-equity-required-occupation	120% AMI	8% of Sales Price/Amortizing	505-843-6881
Municipal General Funds*	As defined	As Defined	
CDBG**	80% AMI	As Defined	Delores Gonzales 505-827-4972 Dolores.Gonzales@state.nm.us
HOME/CHDO (housing development) www.housingnm.org/developers	80% AMI	Up to $14,999/0%	Dan Pucetti 505-767-2151 dpuccetti@housingnm.org
FHLB-Dallas (housing development)	80% AMI	Variable/0%	ahp@fhlb.com 505-843-6881

*as defined by housing plan and affordable housing ordinance
**as administered by a local jurisdiction for uses as defined in the State of New Mexico Consolidated Plan

Sample Development Flow Chart

Figure D-1 illustrates a standard development process, from the project concept stage, through pre-development and feasibility analysis to development and construction. This flow chart can be used as a planning tool for Las Vegas to better structure its development objectives and to evaluate available funding sources according to stage.

Figure D-1: Sample Development Process Flow Chart



Prepared by: Dory Wegrzyn-2011