Affordable Housing Plan for Northeast San Juan County, NM

January 2011

Prepared by:

sites southwest

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Sites Southwest and the City of Farmington hosted two meetings to gather input from the San Juan County community regarding the Affordable Housing Plan. The first meeting took place on March 2, 2010 at the San Juan County Administration Building in Aztec and included invitations to planners from Aztec, Farmington, Bloomfield, and County officials from San Juan County. The City of Farmington, the City of Bloomfield and San Juan County attended.

The second meeting took place on April 21, 2010 at the Sycamore Park Community Center in Farmington, and consisted of community stakeholders serving clientele in need of affordable housing, amongst other services.

A draft of this plan was made available to the public via the City of Farmington website during the month of October, 2010. Comments and input were welcomed during this time.

This Affordable Housing Plan is the first of its kind for the urbanized core of San Juan County, and drew upon research and data collected from the City of Farmington Community Development Block Grant Program and the Community Needs Assessment for San Juan County, extensive interviews with community stakeholders, and other sources.

I. EXECUTIVE SUMMARY

The purpose of this plan is to identify affordable housing needs and barriers to housing development within the study area, and propose goals and implementation steps aimed at addressing those issues. The study area is defined as the northeast portion of San Juan County, including unincorporated areas as well as the municipalities of Farmington, Bloomfield and Aztec, but excluding tribal lands. Tribal lands were not included because they are eligible for different federal funding sources for affordable housing than the remainder of the county. This report conforms to the guidelines set forth by the New Mexico Mortgage Finance Authority (MFA), which administers grants and technical support to New Mexico's municipalities and counties for affordable housing.

The plan is organized into the following sections:

Community and Economic Profile. This section describes demographic trends and projections for the study area, highlighting differences between individual communities when relevant. It includes data about populations that often have special housing needs, including seniors, disabled individuals and people living in poverty.

Housing Assessment. The housing assessment examines the types, condition and affordability of housing in the study area. It also examines characteristics and affordability of for-sale housing currently on the market as well as available rental housing. Finally, it describes local programs and organizations working to address the housing needs of San Juan County.

Housing Needs. This section provides a concise description of the specific housing needs by type, population and number.

Land Use and Policy Review. The policy review examines relevant planning documents of the three municipalities and their impacts on affordable housing. This section also describes other governmental and non-governmental constraints to affordable housing development, including land use and environmental barriers.

Potential Projects and Strategies. This section provides a description of projects and strategies that could be utilized by the municipalities to address affordable housing needs and eliminate barriers in the study area.

Quantifiable Goals, Objectives and Action Steps. This section puts forth specific yearly objectives for the number of housing units by type to be built in the total study area and individual communities. It then lists a number of goals and action steps, including the strategies explained in the previous chapter, which should be implemented in order to achieve these objectives. The responsible party for carrying out each action step is noted, whether it be one or more municipalities, a nonprofit organization, or another entity.

In addition to these chapters, the document includes a resource guide in the appendix describing various housing resources.

Data for this plan came from many sources. The most up-to-date sources were used for demographic data, including 2009 data from Claritas, Inc., the American Community Survey (2007), and the 2000 Census when no other sources were available. Data regarding housing for sale and rent was obtained from www.realtor.com as well as listings in local newspapers. Interviews were conducted with local realtors, developers, housing service providers, and other stakeholders, and the consultants met with the local Affordable Housing Alliance group. Finally, an additional literature review was conducted to obtain information about local, regional and national planning and affordable housing practices.

Based on the research, there are three main types of housing needs in the study area:

Affordable Rentals. These are by far the greatest need. Rentals are needed for low and moderate income individuals and families. Based on current and projected demographic data, the need is greatest for 1-, 2- and 3-bedroom units, though 4-bedrooms are also in demand. Currently, families are the largest group in need of affordable rentals, but couples and singles also have a need. A significant portion of rental units should be handicap-accessible, not only for people with disabilities, but for the growing population of seniors that is expected to more than triple by 2030.

Affordable Homes for Sale. Local people value homeownership, and there is a significant need for affordable homes to buy. At the same time, many people currently owning a home are paying a very high portion of their income on a mortgage, which may be unsustainable, and they may benefit from rental opportunities in the short-term.

Transitional Housing. Though smaller in numbers, the study area has several groups with specific transitional housing needs. These include the homeless, survivors of domestic violence, people recovering from substance abuse, and youth coming out of the juvenile detention system. These groups also benefit from affordable rentals to move into once they are able to leave transitional housing facilities.

The plan identifies a number of barriers to affordable housing in the plan area. These are described in the Land Use and Policy Review chapter. Some of the most salient constraints include:

- High land and construction costs
- Limited land availability, especially land that is appropriately-zoned

- Current zoning and subdivision regulations that prohibit three-story buildings, require large lot size, and otherwise limit affordable housing development
- Limited availability of construction financing for developers
- Credit issues and lack of financial stability of consumers
- Neighborhood resistance to multifamily development, especially for low-income projects

The complete list of goals and implementation actions can be found in the final chapter of the report. Some of the most important recommendations for the municipalities include:

- Upon adoption of this Housing Plan, adopt an Affordable Housing Ordinance, which will allow municipalities to donate land, materials, and other contributions for the development of affordable housing.

- Identify land in each community suitable for affordable housing; ensure appropriate zoning; and make this available to developers.

- Make changes to the zoning and subdivision codes to facilitate the development of affordable housing in appropriate locations.

- Provide incentives to developers to create affordable housing as well as housing that is handicap-accessible.

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II. COMMUNITY AND ECONOMIC PROFILE

A. COMMUNITY DESCRIPTION

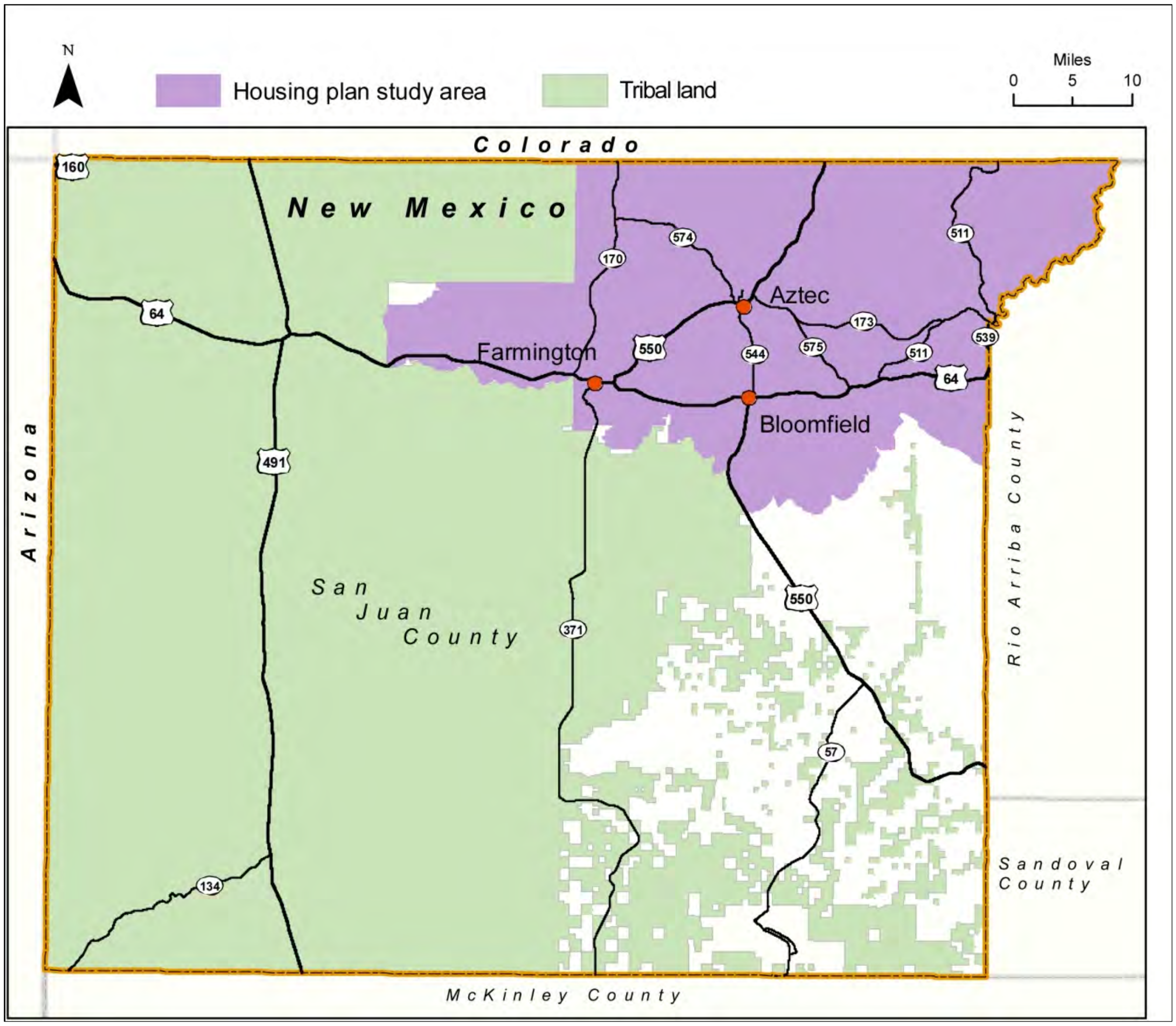
San Juan County is located in the northwestern corner of New Mexico, abutting Arizona, Colorado and Utah. Its rugged landscape includes rivers, canyons, piñon and juniper forests, mesas and grasslands. Major natural resources include oil and natural gas; the mining and extraction industry leads economic growth in the county. Tourism is also an important sector, and the region has many cultural and natural amenities, including wilderness areas, water sports opportunities, national cultural monuments and tribal attractions.

The majority of the county is tribal land, owned by the Navajo Nation. Much of the remaining land is publicly-owned by the Bureau of Land Management (BLM) or the State of New Mexico. Private ownership is centered on the three municipalities—Farmington, Aztec, and Bloomfield—as well as unincorporated areas like Kirtland, and major thoroughfares such as Routes 170 and 550.

The study area for this housing plan includes the non-tribal portions of the county, as shown in Figure 1 below. This area comprises the following Census Tracts: 1, 2.01, 2.02, 2.04, 2.05, 3.01, 3.02, 4.01, 4.02, 5.01, 5.02, 6.01, 6.05, 6.06, 7.02, 7.03 and 7.04, as well as Block Group 1 of Tract 9342. Non-tribal portions shown in white that were not included in the study area did not have large population centers, and data could not be separated from tribal lands in those sections; hence, they were excluded.

Natural and man-made recreational facilities are amenities for residents and visitors alike.

Figure 1. Plan Area Boundary



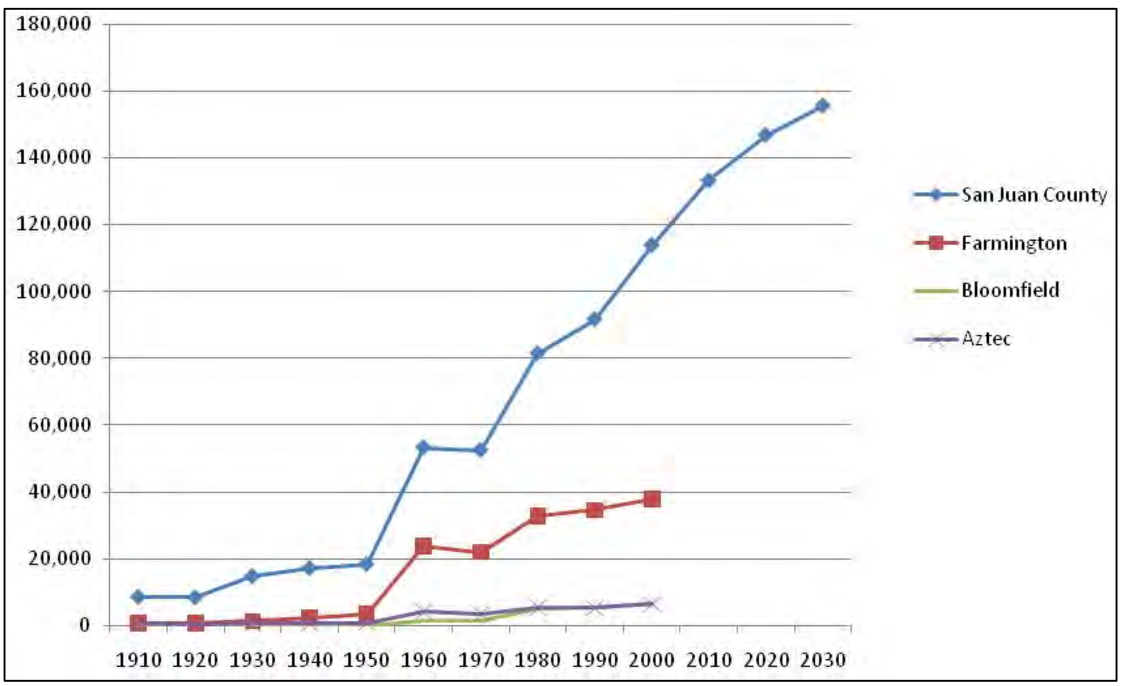
B. POPULATION TRENDS

Data sources for the following information include the 2000 US Census, the Bureau of Business and Economic Research (BBER) at the University of New Mexico, Claritas, Inc., and the American Community Survey. While the Census conducts an actual count of all persons, BBER, Claritas, Inc., and the American Community Survey estimate population and demographic figures using a variety of methods. All attempts were made to use the most up-to-date and accurate data that most closely aligned with the study area boundaries.

Population growth in San Juan County took off after 1950, with a brief period of stagnation in the decade of the 1960s. From 1970 to 2000, the county grew at an average annual rate of 3.9 percent, while the state as a whole grew at an average annual rate of 2.6 percent for the same time period. The three main municipalities in the plan area—Farmington, Bloomfield and Aztec—followed growth patterns similar to that of the county (US Census, 2000).

According to BBER, the total population for San Juan County in 2030 is projected to be 155,593, for an expected average annual growth rate of 1.2 percent since 2000.

Figure 2. Past and Projected Population



Source: US Census Bureau, 2000 and the Bureau of Business and Economic Research (BBER) at the University of New Mexico, 2010

Note: A chart detailing the exact population numbers can be found in Appendix C.

The 2009 population for the study area, according to Claritas, Inc., is 94,923 (see Table 1). The largest population concentrations in the study area are in Farmington and the unincorporated areas (marked as “remainder” in the table). The population in the study area is expected to grow by 1.0 percent annually for the next five years. Aztec, as shown below, experienced slower growth over the last decade, and Claritas, Inc. projects that it will continue to grow at a slower pace than the rest of the study area and individual municipalities.

Table 1. Population 1990 – 2014

Population	1990	2000	2009	2014 projection	Average Annual Growth Rate 1990-2000	Average Annual Growth Rate 2000-2009	Average Annual Growth Rate 2009-2014
Total Study Area	67,292	85,753	94,923	99,759	2.7%	1.2%	1.0%
Farmington	34,181	37,844	42,372	44,722	1.1%	1.3%	1.1%
Bloomfield	5,431	6,417	6,982	7,301	1.8%	1.0%	0.9%
Aztec	5,784	6,378	6,564	6,669	1.0%	0.3%	0.3%
Remainder	21,896	35,114	39,005	41,067	6.0%	1.2%	1.1%
San Juan County	91,605	113,801	123,552	128,889	2.4%	1.0%	0.9%

Source: Claritas, Inc., 2010

The study area as a percentage of the county has grown. This trend will likely continue as the population migrates to the economic centers of the county. If the study area as a percentage of the county continues to grow at the same rate of about 2 percent per decade, the population will be 124,163 by 2030 (see Table 2).

Table 2. Study Area as a Portion of San Juan County, 1990—2030

	1990	2000	2009	2014 Projected	2030 Projected
Population: Study Area	67,292	85,753	94,923	99,759	124,163
Population: San Juan County	91,605	113,801	123,552	128,889	155,593
Study Area Population as a Percentage of the County	73.5%	75.4%	76.8%	77.4%	79.8%

Source: US Census Bureau, BBER, Claritas, Inc., 2010

C. DEMOGRAPHIC AND HOUSEHOLD CHARACTERISTICS

1. RACE AND ETHNICITY

The study area for this plan varies both from San Juan County and the state in terms of racial and ethnic characteristics. It has about the same proportion of White residents (66.7%) as the state, and about double the proportion of Native Americans (18.6%) compared to the state. Demographics vary by municipality as well. For example, Farmington and Bloomfield have twice the proportion of Native Americans (16.9% and 16.2%, respectively) compared to Aztec (8.8%). Bloomfield has more than twice the proportion of people identifying as 'some other race' (20.5%) compared to the other municipalities (Claritas, Inc., 2010). This is likely a factor of its higher proportion of Hispanic/Latino residents, who may not identify their race as White.

The racial make-up of the study area did not have major changes from 2000 to 2009, though there are a few small differences. The Native American population increased in the study area, and the African American and 'some other race' categories increased in the municipalities and study area.

Table 3. Race, 2009

	White alone	American Indian and Alaska Native alone	Some other race alone	Two or more races	Black or African American alone	Asian alone	Native Hawaiian & Other Pacific Islander alone
Study Area	66.7%	18.6%	n/a	n/a	2.0%	0.9%	0.2%
Farmington	68.0%	16.9%	8.4%	3.4%	2.2%	1.0%	0.1%
Bloomfield	57.4%	16.2%	20.5%	4.6%	0.7%	0.5%	0.1%
Aztec	77.0%	8.8%	9.2%	3.5%	1.1%	0.1%	0.3%
San Juan County	51.3%	35.8%	8.0%	3.2%	1.1%	0.5%	0.1%
New Mexico	64.8%	9.2%	18.1%	4.1%	2.4%	1.3%	0.1%

Source: Claritas, Inc., 2010

In the study area, 22.4 percent of people are Hispanic/Latino, more than in the county as whole (20.0%), but about half the proportion in New Mexico (44.7%). This also varies by municipality: Bloomfield, as noted above, has a higher proportion of Hispanic/Latino residents—31.9 percent—while the other municipalities have about a 20 percent Hispanic/Latino population. All areas saw an increase of the Hispanic/Latino population from 2000 to 2009 (Claritas, Inc., 2010).

Table 4. Ethnicity, 2009

	Not Hispanic or Latino	Hispanic or Latino
Study Area	77.6%	22.4%
Farmington	79.7%	20.3%
Bloomfield	68.1%	31.9%
Aztec	80.0%	20.0%
San Juan County	82.3%	17.7%
New Mexico	55.3%	44.7%

Source: Claritas, Inc., 2010

2. AGE

The study area is roughly aligned with the county and state in terms of population age groups, with some variances between individual municipalities. Bloomfield has a larger population of children, while Aztec has a slightly larger senior population. In the whole study area, 25.9 percent of people are age 17 or under, 62.9 percent are age 18 to 64, and 11.2 percent are age 65 and older (Claritas, Inc., 2010).

Table 5. Broad Age Groups, 2009

	17 and under	18 to 64	65 and older
Study Area	25.9%	62.9%	11.2%
Farmington	24.4%	63.6%	12.0%
Bloomfield	28.6%	59.1%	12.3%
Aztec	22.1%	64.0%	13.9%
San Juan County	27.5%	61.8%	10.7%
New Mexico	25.4%	61.6%	13.0%

Source: Claritas, Inc., 2010

The table below shows the changing age mix in San Juan County from 2000 to 2005 and the percent of population by age. At the bottom of the table is a comparison of the total population change (9.8%) with the change in the 65 years and over (16.2%) and the 85 years and over populations (80.4%). The total change for the over 85 group was 835. The very large percentage increase indicates in-migration. Another item of interest in this table is the highlighted population numbers of the under 5 years in 2000 and 5 to 9 years in 2005. This significant decrease can only be explained by out-migration of families with young children. The second highest growth group is the 20 to 24 age group, which could represent both young workers and college students coming into the area (Farmington, New Mexico 2009 Consolidated Plan, 2009).

Table 6. San Juan County Population by Age, 2000 to 2005

	2000	% of Population	2005	% of Population	Total % Change
Total Population	113,801		124,994		9.84%
Under 5 years	9,149	8.0%	9,859	7.9%	7.76%
5 to 9 years	10,178	8.9%	8,434	6.7%	-17.13%
10 to 14 years	10,890	9.6%	12,010	9.6%	10.28%
15 to 19 years	10,854	9.5%	10,351	8.3%	-4.63%
20 to 24 years	7,427	6.5%	10,859	8.7%	46.21%
25 to 34 years	14,040	12.3%	15,923	12.7%	13.41%
35 to 44 years	17,963	15.8%	17,176	13.7%	-4.38%
45 to 54 years	14,267	12.5%	17,183	13.7%	20.44%
55 to 64 years	8,707	7.7%	11,199	9.0%	28.62%
65 to 74 years	6,033	5.3%	7,120	5.7%	18.02%
75 to 84 years	3,255	2.9%	3,007	2.4%	-7.62%
85 years and over	1,038	0.9%	1,873	1.5%	80.44%
Percent Change from 2000 to 2005					
Total Population	113,801		124,994		9.84%
65 years and over	10,326		12,000		16.21%
85 years and over	1,038		1,873		80.44%

Source: 2000 Census, 2005 ACS, Farmington, New Mexico 2009 Consolidated Plan, 2009
Prepared by: Farmington CDBG

3. HOUSEHOLD CHARACTERISTICS

There are an estimated 35,382 households in the study area (Claritas, Inc., 2010).

Average household size in the study area is 2.79, lower than the county (2.95) and higher than the state (2.57). This varies by municipality, with Aztec having a significantly lower average household size (2.47). Household size decreased from 2000 in all of the municipalities and the study area as a whole (Claritas, Inc., 2010). This is on par with national trends and the aging population.

Table 7. Average Household Size, 2009

	Average Household Size
Study Area Total	2.79
Farmington	2.65
Bloomfield	2.80
Aztec	2.47
San Juan County	2.95
New Mexico	2.57

Source: Claritas, Inc., 2010

The table below shows the household size in the three municipalities for 2009. (Data for the whole study area was not available). Over 50 percent of all households have one or two people, while approximately one third have three or four household members, ten percent have five or six members, and less than two percent have seven or more household members (Claritas, Inc., 2010).

Table 8. Number of Households by Household Size, 2009

Household size (number of people)	#Farmington	% Farmington	#Aztec	% Aztec	#Bloomfield	% Bloomfield	Percent total of the three municipalities
1	3,649	23.1%	704	28.7%	504	20.5%	23.5%
2	5,276	33.4%	788	32.2%	772	31.4%	33.0%
3	2,728	17.3%	412	16.8%	446	18.1%	17.3%
4	2,338	14.8%	318	13.0%	398	16.2%	14.8%
5	1,116	7.1%	150	6.1%	201	8.2%	7.1%
6	462	2.9%	55	2.2%	90	3.7%	2.9%
7 or more	226	1.4%	23	0.9%	48	1.9%	1.4%

Source: Claritas, Inc., 2010

Household types are shown in Table 9. Married couple families make up the largest segment (58.1%) in the study area, followed by one-person households (20.5%). There is also a significant amount of single parent households: 8.0 percent of all households are headed by a single mother, while 3.8 percent are single father families. Nonfamily households make up 3.9 percent of all households in the study area (Claritas, Inc., 2010).

There are several notable differences among the municipalities. Aztec has a greater proportion of one-person households, particularly female householders, and less married couple families. Bloomfield has a greater proportion of single parent householders, both male and female, and Farmington has a slightly higher proportion of nonfamily households.

Table 9. Households by Type, 2009

	Study Area	Farmington	Bloomfield	Aztec
Total:				
1-person household:	20.5%	23.1%	20.6%	28.8%
Male householder	9.6%	10.3%	9.0%	12.0%
Female householder	10.9%	12.8%	11.6%	16.8%
Family households:				
Married-couple family:	58.1%	55.1%	55.7%	50.0%
With own children under 18 years	28.9%	26.4%	27.5%	23.3%
No own children under18 years	29.2%	28.7%	28.2%	26.7%
Other family:	17.5%	17.6%	21.1%	17.6%
Male householder, no wife present:				
With own children under 18 years	3.8%	3.5%	4.1%	3.1%
No own children under 18 years	1.8%	1.9%	1.6%	2.0%
Female householder, no husband present:				
With own children under 18 years	8.0%	8.3%	11.0%	8.6%
No own children under18 years	3.8%	3.9%	4.4%	3.9%
Nonfamily households:	3.9%	4.3%	2.7%	3.6%
Male householder	2.5%	2.7%	1.4%	2.1%
Female householder	1.5%	1.6%	1.3%	1.5%

Source: Claritas, Inc., 2010

4. SPECIAL POPULATIONS

This section describes specific groups that have distinct housing needs, including seniors, disabled people, and homeless individuals. There are also a number of individuals and families who do not fall into these “special” categories, but still have affordable housing needs. These include members of the “working poor,” underemployed individuals, or those who for other reasons struggle with housing costs. They are included later in the report under the measures of people living in poverty (see discussion under Section D.2 of this chapter for definitions of poverty), and households that have a housing cost burden.

Seniors

Data regarding specific housing type and living situation for the senior population is available from the 2000 Census. Nearly 70 percent of seniors lived in family households, just over 25 percent lived in nonfamily households, and 5 percent lived in group quarters, such as nursing homes. 63.2 percent of seniors were heads of household. In total, 24.7 percent of seniors lived alone; the majority of these were women (US Census, 2000).

There are some differences among the municipalities. Only 54.5 percent of seniors in Aztec lived in family households, while 32.6 percent lived alone, and 10.9 percent lived in group quarters. Bloomfield also had a higher percentage of seniors living in group quarters—10.9 percent (US Census, 2000).

Table 10. Household Type by Relationship for the Population Age 65 and Over, 2000

	Study Area Total Number	Study Area Percent	Farmington	Bloomfield	Aztec
Total population 65 & over	8,221		4,054	644	826
Percent in households:	7,810	95.0%	94.7%	89.1%	89.1%
In family households:	5,655	68.8%	67.9%	62.4%	54.5%
Householder:	3,114	37.9%	38.0%	34.5%	29.2%
Male	2,625	31.9%	31.8%	29.3%	24.3%
Female	489	5.9%	6.2%	5.1%	4.8%
Spouse	2,024	24.6%	24.8%	23.1%	20.5%
Parent	243	3.0%	2.2%	2.6%	2.1%
Other relatives	236	2.9%	2.5%	1.9%	2.5%
Percent Nonrelatives	38	0.5%	0.4%	0.3%	0.2%
In nonfamily households:	2,155	26.2%	26.8%	26.7%	34.6%
Male householder:	550	6.7%	5.6%	7.8%	7.1%
Living alone	511	6.2%	5.3%	7.6%	6.4%
Not living alone	39	0.5%	0.3%	0.2%	0.7%
Female householder:	1,533	18.6%	20.4%	18.3%	26.5%
Living alone	1,477	18.0%	19.7%	18.0%	26.2%
Not living alone	56	0.7%	0.8%	0.3%	0.4%
Nonrelatives	72	0.9%	0.7%	0.6%	1.0%
Percent in group quarters:	411	5.0%	5.3%	10.9%	10.9%
Institutionalized population	364	4.4%	5.0%	10.9%	10.9%
Non-institutionalized population	47	0.6%	0.3%	0.0%	0.0%

Source: US Census Bureau, 2000

In 2009, there were an estimated 10, 642 seniors living in the study area, including 4,712 age 75 or older, and 1,322 age 85 or older (Claritas, Inc., 2010).

If the percentage of senior-headed households remained constant from 2000, there were 6,725 senior-headed households in 2009.

The Census Bureau estimates that by 2030, the percentage of seniors age 65 older in New Mexico will increase to 26.4 percent, moving its ranking from thirty-ninth to fourth in terms of states with the largest proportions of seniors (Interim State Population Projections, 2005).

The study area currently has a lower percentage of seniors than the state as a whole, but even if a more conservative estimate is used—assuming 24 percent of the population will be seniors—the study area will have 29,799 people age 65 or older by 2030, more than tripling the elderly population. This will have dramatic impacts on social services, economic needs, and housing.

Home-owning seniors living alone, especially those in poverty, do not always have the ability or means to properly maintain their homes. This could lead to the deterioration of their houses, which may lose resale potential, as well as reduced property values in the surrounding neighborhoods. This is a quality of life issue, not only for those seniors, but for the broader community as well.

The 2008 American Community Survey estimates that 17.2 percent of people age 65 and older in San Juan County are living under the poverty level. Meanwhile, the 2000 Census estimates that 23.4 percent of senior-headed households have a housing cost burden in the study area. (Of those with a cost burden, 39.3% were renters, while 60.7% were home-owners). Using those percentages, 1,830 seniors are currently living in poverty, and 1,574 senior-headed households have a cost burden in the study area. By 2030, those figures can be expected to rise to 6,436 and 4,407, respectively.

Table 11. Characteristics of Senior Population, 2009

	Total Number of Seniors	Estimated Number of Seniors Living in Poverty	Estimated Number of Senior-headed Households with a Housing Cost Burden
Age 65 or older	10,642	1,830	1,574
Age 75 or older	4,712	n/a	n/a
Age 85 or older	1,322	n/a	n/a

Source: Claritas, Inc., 2010; American Community Survey, 2008; Sites Southwest, 2010

People with Disabilities

The US Census Bureau reports disabilities for people age 5 and older who have a long-lasting sensory, physical, mental or self-care disability; who have difficulty going outside the home because of a physical, mental or emotional condition lasting six months or more; or who have difficulty working at a job because of one of these conditions. Data is not tabulated for people in institutions, people in the Armed Forces, or children under age 5.

Table 12 shows the population with disabilities. An individual may report multiple disabilities, so the reported disabilities may be more than the total number of people with disabilities. In the whole study area, 5.3 percent of the adult working age population reported a disability that prevented them from going outside the home, while 10.5 percent reported disabilities that kept them from work. Nearly 30 percent of seniors in the study area reported a physical disability, while 5.9 percent reported a disability that prevented them from being able to fully care for themselves, and 17.4 percent had a disability that kept them from going outside the home (US Census Bureau, 2000).

Table 12. Disabilities by Age Group, 2000

	Study Area	Study Area	Farmington	Bloomfield	Aztec
Total disabilities tallied	24,881		10,333	2,167	2,221
Total in age group 5 to 15 years	25,524		6911	1,234	1,077
Total disabilities tallied for people 5 to 15 years	1,534		518	153	103
Sensory disability	303	1.2%	1.6%	1.8%	2.9%
Physical disability	255	1.0%	1.2%	3.1%	1.2%
Mental disability	806	3.2%	3.9%	5.4%	4.3%
Self-care disability	170	0.7%	0.8%	2.1%	1.2%
Total in age group 16 to 64 years	56,293		24,075	3950	4066
Total disabilities tallied for people 16 to 64 years	16,842		6,853	1,618	1,450
Sensory disability	1,639	2.9%	3.1%	3.0%	3.6%
Physical disability	3,479	6.2%	5.7%	8.2%	6.9%
Mental disability	2,076	3.7%	4.1%	4.6%	3.4%
Self-care disability	754	1.3%	1.2%	1.8%	1.7%
Go-outside-home disability	3,006	5.3%	5.0%	7.6%	6.9%
Employment disability	5,888	10.5%	9.4%	15.8%	13.0%
Total in age group 65 or over	8,221		4,054	644	826
Total disabilities tallied for people 65 years and over	6,505		2,962	396	668
Sensory disability	1,427	17.4%	16.6%	9.9%	19.7%
Physical disability	2,380	29.0%	26.9%	23.8%	30.9%
Mental disability	783	9.5%	9.2%	3.7%	8.8%
Self-care disability	484	5.9%	4.0%	4.5%	8.8%
Go-outside-home disability	1,431	17.4%	16.4%	19.6%	12.6%

Source: US Census Bureau, 2000

The 2008 American Community Survey reports the percentage of the civilian, non-institutionalized population with disabilities by age group for all of San Juan County. Using current population estimates, it is possible to estimate the number of people with disabilities in the study area. These are not reported as specific types of disabilities. In addition, it is possible to estimate the number of people with disabilities living in poverty.

Table 13. People with Disabilities in the Study Area, 2009

Age Group	Estimated Number of People with a Disability	Percentage of Population with a Disability	Percentage of Age Group with Disabilities Living In Poverty*
Under 18 years	1,401	5.7%	22.2%
18 to 64 years	4,955	8.3%	18.5%
65 years or older	3,816	35.9%	11.6%
Total	**10,172**	**10.5%**	

Source: American Community Survey, 2008; Sites Southwest, 2010

*These figures are derived by applying the percentage of each age group living in poverty to the number of people with disabilities. However, the estimated number of people with disabilities living in poverty is likely more than is reported here, due to the fact that adults with disabilities are often on small, fixed incomes, and families with disabled children may have lower incomes due to parents serving as caregivers or additional medical expenses. Hence, they may represent a larger portion of people living in poverty.

It should be noted that not all people with disabilities require ADA-accessible housing, and not all are low-income. The San Juan Center for Independence assists individuals with disabilities in finding adequate housing. The director estimates that the Center could assist at least 100 low-income individuals with disabilities per year to find adequate housing, if such housing were available. This includes people living in nursing homes who could transition to a home environment. The greatest need is for one-bedroom units. About 50 to 60 percent of units would need to be ADA-accessible; people with sensory or mental disabilities may not require full ADA accessibility (San Juan Center for Independence, Interview, 2010).

5. HOMELESSNESS

The homeless population is notoriously difficult to track—it has a transient nature with people moving from one community to the next. In addition, many people do not seek services or assistance and some people simply do not want to be found. There is also a level of hidden homelessness where people are living in vehicles, boats, motels or in overcrowded conditions with extended family members.

Local organizations report that there has been a decline in the traditional single men homeless population, and an increase in single women, single mothers with children, and two-parent families with children. Recent layoffs and reductions in hours have caused many families to lose their homes. Unlike single men who may travel to another community to look for work, families often have deeper roots and want to stay in the area and wait out periods of financial instability. There has also been a slight increase in homeless individuals with mental disabilities. For many people rents and utilities have risen, and those with mental

PATH Homeless Shelter

disabilities may not be aware of the resources available to them, or sometimes do not seek assistance until it is too late, and they lose their homes.

Service providers addressing the needs of the homeless include the PATH (People Assisting the Homeless) shelter, the Drexel House transitional housing facility, and The Roof. In 2009, PATH served 711 people. It did not keep records of how many people were turned away, however. The Drexel House has four transitional housing units. When there was an opening last summer, 25 families applied. At The Roof, a shelter serving the homeless inebriate population, between 1,350 and 1,795 beds were occupied per month during the months of November, 2007 through March, 2008. This number may be higher than the permanent homeless population, however, due to the fact that the same individual could theoretically spend more than one night at the shelter.

Table 14. Statistics for the Roof Shelter

Winter 07/08	Clients	Native American	White	Hispanic	African American	Other
Nov-07	1350	1250	110	36	1	4
Dec-07	1795	1533	188	30	1	1
Jan-08	1730	1501	184	28	3	7
Feb-08	1475	1312	115	43	4	1
Mar-08	1618	1457	97	58	5	1
Totals	**7968**	7053	694	195	14	14
Percent		88.5%	8.7%	2.45%	0.18%	0.18%

Source: The Roof, 2010

As noted above, exact numbers of the homeless population cannot be produced. However, the Farmington Consolidated Plan 2009-2014 (2009) estimated that there is an approximate homeless population of 1,120 in the area.

D. ECONOMIC TRENDS

Important industries in San Juan County include oil and gas, healthcare, education and tourism. Although incomes tend to be high in this region compared to other parts of the state, San Juan County is beginning to feel the effects of the national economic downturn. The total poverty rate in the study area is 12.8 percent, impacting primarily married couples with children and single female-headed households (Claritas, Inc., 2010).

1. INCOME

In general, incomes in San Juan County are higher than those in the state as a whole. The approximate median household income for the study area was $46,613 in 2009 (see note under Table 15). The municipalities had lower median household incomes, with Aztec significantly lower, indicating that higher-earning households live in the unincorporated areas (Claritas, Inc., 2010).

Per capita income in the study area was $21,117, slightly lower than the state. Farmington had the highest per capita income in 2009, at $22,461 (Claritas, Inc., 2010).

Table 15. Median Household Income, 2000 and 2009

	2000	2009	% change
Study Area	n/a	$46,613*	n/a
Farmington	$38,401	$45,875	19.5%
Bloomfield	$33,199	$42,405	27.7%
Aztec	$33,883	$40,344	19.1%
San Juan County	$33,762	$43,999	30.3%
New Mexico	$34,133	$42,752	25.3%

Source: US Census Bureau, 2000 and Claritas, Inc. 2010

*Note: This is the median household income for the seventeen Census Tracts in the study area; it excludes Block Group 1 of Census Tract 9432. The median household income for that Block Group was significantly higher - $59,489. Households in the Block Group account for 3.9% of the total households in the study area.

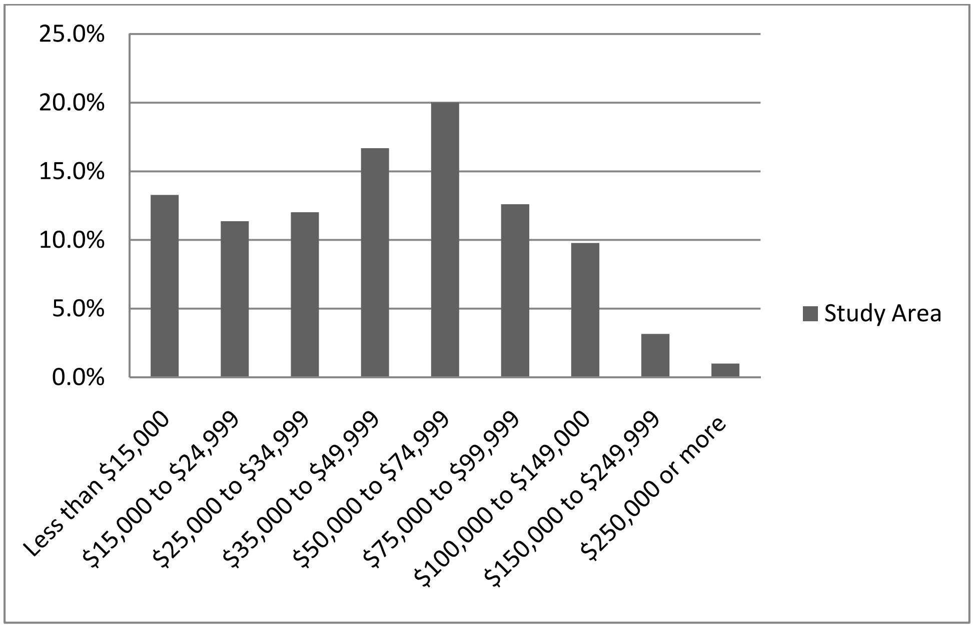
Table 16. Per Capita Income, 2000 and 2009

	2000	2009	% change
Study Area	$16,559	$21,117	27.5%
Farmington	$18,055	$22,461	24.4%
Bloomfield	$14,004	$18,894	34.9%
Aztec	$15,310	$18,936	23.7%
San Juan County	$14,282	$18,878	32.2%
New Mexico	$17,261	$21,916	27.0%

Source: US Census Bureau, 2000 and Claritas, Inc. 2010

The following graphics show the percentage of households by income group. As evidenced in Figure 3, 20 percent of all households in the study area earned between $50,000 and $74,999 in 2009. Over 50 percent earned less than $50,000 and the remaining quarter earned $75,000 or more (Claritas, Inc., 2010).

Figure 3. Percentage of Households by Household Income in Study Area, 2009



Source: Claritas, Inc. 2010

The percentage of households in different income brackets varies between municipalities. Aztec, in particular, has a higher percentage of households in the lowest brackets—under $24,999—while Bloomfield has a higher concentration in the middle brackets—between $25,000 and $50,000. Farmington and the unincorporated areas ('remainder') have larger percentages in the highest income brackets—$100,000 or more (Claritas, Inc., 2010).

Table 17. Percentage of Households by Household Income, 2009

	Study Area	Farmington	Bloomfield	Aztec	Remainder
Less than $15,000	13.3%	14.3%	12.8%	20.1%	10.8%
$15,000 to $24,999	11.4%	11.2%	12.6%	14.6%	10.8%
$25,000 to $34,999	12.0%	12.7%	15.1%	10.6%	10.9%
$35,000 to $49,999	16.7%	16.3%	19.2%	13.3%	17.3%
$50,000 to $74,999	20.0%	18.4%	21.0%	20.2%	21.7%
$75,000 to $99,999	12.6%	12.2%	10.2%	12.1%	13.7%
$100,000 to $149,000	9.8%	10.3%	5.5%	7.3%	10.5%
$150,000 to $249,999	3.2%	3.2%	2.6%	1.5%	3.5%
$250,000 or more	1.0%	1.4%	1.0%	0.4%	0.9%

Source: Claritas, Inc. 2010

The senior population (age 65 or older) is concentrated in the lowest income brackets. Nearly 30 percent of senior-headed households earn less than $15,000, while nearly 50 percent earn less than $24,999 (US Census, 2000). This is often due to living on a fixed income.

Table 18. Population Age 65 or Older by Income, Study Area, 2009

Income Category	Percent Population Age 65 and older in Income Category (2000)	Number Population Age 65 and Older in Income Category (2009)*
Less than $15,000	29.3%	3,117
$15,000 to $24,999	20.4%	2,166
$25,000 to $34,999	14.4%	1,535
$35,000 to $49,999	16.9%	1,794
$50,000 to $74,999	10.4%	1,108
$75,000 or more	8.7%	921

Source: US Census Bureau, 2000; Claritas, Inc., 2010; Sites Southwest, 2010

*Note: The percentage of seniors in each income category per the 2000 Census was applied to the total 2009 senior population, as determined by Claritas, Inc.

2. POVERTY

There are an estimated total of 3,237 families living under the federally-designated poverty level in the study area.[1] Bloomfield and Aztec have the highest proportion of families in poverty. In all communities and the study area, female-headed households with children and married couples with children are the groups most likely to experience poverty (Claritas, Inc., 2010).

Table 19. Families with Income Below the Poverty Level

	Study Area Total Number	Study Area	Farmington	Bloomfield	Aztec
Married Couple, with own children	921	3.6%	3.1%	2.7%	3.5%
Married Couple, no own children	336	1.3%	1.0%	2.9%	2.3%
Male householder, with own children	472	1.9%	1.8%	1.4%	1.6%
Male householder, no own children	51	0.2%	0.0%	0.1%	1.3%
Female householder, with own children	1,338	5.3%	6.7%	7.2%	5.7%
Female householder, no own children	119	0.5%	0.5%	0.5%	0.4%
Total Percent Families in Poverty	3,237	12.8%	13.1%	14.8%	14.8%

Source: Claritas, Inc. 2010

This data aligns fairly well with the 2008 American Community Survey, which noted that 13.5 percent of families in San Juan County as a whole are living under the poverty level. Higher levels of poverty in the Navajo Nation are likely leading to the higher figure.

[1] The poverty level is determined annually by the federal government. It varies by household size. The 2009/2010 poverty levels are: $10,830 (1 person household), $14,570 (2 person household), $18,310 (3 person household), $22,050 (4 person household), $25,790 (5 person household), $29,530 (6 person household), $33,270 (7 person household), and $37,010 (8 person household). The Area Median Income (AMI) is determined by HUD on a county-by-county basis, and is shown in Table 26).

Oil and gas production is one of the cornerstones of the local economy.

3. INDUSTRIES

As of the fourth quarter 2009, the most important industries in San Juan County were health care and social assistance, retail trade, education services, and mining, which together provide about 48 percent of the area's employment (NM Department of Workforce Solutions, 2010).

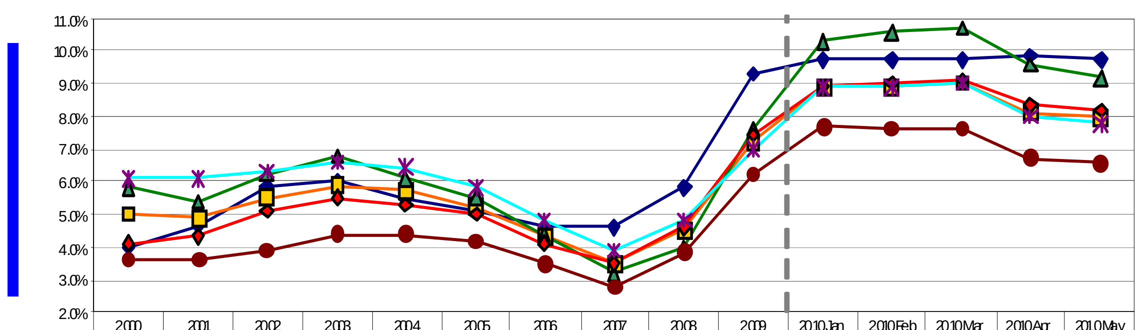
San Juan County ranks first in the state for total natural gas output, and fourth for oil production (New Mexico Oil and Gas Association, 2006). Oil and gas (mining) and their spinoff industries are extremely important to the region. Farmington is also a regional hub for retail, healthcare, and education, attracting people throughout the Four Corners region. Finally, tourism is an important driver in this area, and is reflected in the strong retail trade industry, as well as hotel accommodation and food services.

4. EMPLOYMENT

The total civilian workforce in San Juan County, as of April, 2010, was 57,045. The unemployment rate was 9.6 percent, a sharp increase over the previous year. In April 2009, unemployment was 6.0 percent, lower than the state average. It steadily rose, peaking in March 2010 at 10.7 percent. The current unemployment rate is now higher than the State average (8.1%), and higher than the other three top oil and gas producing counties (Lea, Eddy and Rio Arriba) (Department of Workforce Solutions, 2010). Local stakeholders have indicated that this region was hit later than other parts by the national recession, and may just now be feeling the impacts.

As shown in the graph below, Farmington has experienced higher unemployment in 2010 compared to other regions of the state.

Figure 4. Unemployment Rates – Comparison of Farmington with National, State and New Mexico Metropolitan Statistical Areas



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010Jan	2010Feb	2010Mar	2010Apr	2010May
National	4.0%	47%	5.8%	6.0%	5.5%	5.1%	46%	46%	5.8%	9.3%	9.7%	9.7%	97%	9.9%	9.7%
NM	5.0%	49%	5.5%	5.9%	5.7%	5.2%	43%	35%	4.5%	7.2%	8.9%	8.9%	90%	8.1%	8.0%
Farmington	5.8%	54%	6.2%	6.8%	6.1%	5.5%	44%	32%	4.0%	7.6%	10.3%	106%	10.7%	9.6%	9.2%
Albq	4.1%	43%	5.1%	5.5%	5.3%	5.0%	41%	35%	4.6%	7.4%	8.9%	9.0%	91%	8.3%	8.2%
Las Cruces	6.1%	61%	6.3%	6.6%	6.4%	5.8%	48%	39%	4.8%	7.0%	8.9%	8.9%	90%	8.0%	7.8%
Santa Fe	3.6%	36%	3.9%	4.4%	4.4%	4.2%	35%	28%	3.8%	6.2%	7.7%	7.6%	76%	6.7%	6.6%

Source: Bureau of Labor Statistics, 2010

The top occupations in San Juan County, as of 2008, were construction and extraction occupations; office and administrative support occupations; sales and related occupations; installation, maintenance and repair occupations; and food preparation and serving related occupations (Department of Workforce Solutions, *2018 In Brief* ,2009).

Average weekly wages for the third quarter 2009 were estimated to be $742 in San Juan County, ranking it the fifth highest in New Mexico (Department of Workforce Solutions, 2010).

5. TRENDS AND FUTURE OUTLOOK

San Juan County has recently been hit with layoffs and reduction of hours in the oil and gas industry, affecting workers in that sector as well as support industries, restaurants, entertainment venues, etc. Nevertheless, unemployment seems to have peaked in March 2010, and will hopefully continue to decrease in coming months.

According to projections from 2009, the occupations most in demand are in health care (surgeons, physicians, dentists, nurses, personal care aides), retail, services (food workers, janitors), and construction. The largest anticipated growth of occupations in the next decade is expected to be in these occupations, as well as in education. Some of these are high-paying jobs (health care and construction), while retail and service occupations tend to pay less (Department of Workforce Solutions, *2018 In Brief* ,2009).

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III.HOUSING ASSESSMENT

A. HOUSING CHARACTERISTICS

The majority of housing in the study area is made up of single family homes with a significant portion of manufactured homes. The housing stock is aging, and some is of low-quality, particular single family rental homes and older mobile homes.

1. TOTAL HOUSING UNITS

There were an estimated 36,067 housing units in the study area in 2009. Farmington and the unincorporated areas ('remainder') had the most new units since 2000, while Aztec had the least, both in number and percent growth (Claritas, Inc., 2010).

Table 20. Total Housing Units, 2000 and 2009

	2000	2009	Number Change	Percent Change
Farmington	15,077	16,842	1,765	11.7%
Bloomfield	2,446	2,673	227	9.3%
Aztec	2,545	2,644	99	3.9%
Remainder	12,641	13,908	1267	10.0%
Study Area Total	32,709	36,067	3358	10.3%

Source: US Census Bureau, 2000 and Claritas, Inc. 2010

2. TYPES OF HOUSING

Single family detached units and mobile homes are the predominant housing types in the study area, making up nearly 50 percent and 37 percent of all housing, respectively. Multifamily units make up about 10 percent of total housing. Farmington has a higher proportion of single family detached housing (60.6%), while Bloomfield and the unincorporated areas have a significantly higher proportion of mobile homes (45.7% and 61.2%, respectively) (Claritas, Inc., 2010).

Table 21. Units in Structure, 2009

	Study Area	Farmington	Bloomfield	Aztec	Remainder
1 Unit, attached	773	595	84	37	57
(for example townhomes or condominiums sharing a common wall)	(2.1%)	(3.5%)	(3.1%)	(1.4%)	(0.4%)
1 Unit, detached	17,899	10,204	1,089	1,406	5,200
(stand-alone, individual houses)	(49.6%)	(60.6%)	(40.7%)	(53.2%)	(37.3%)
2 units	632	404	72	131	25
	(1.8%)	(2.4%)	(2.7%)	(5.0%)	(0.2%)
3 to 19 units	2401	1,783	186	379	53
	(6.7%)	(10.6%)	(7.0%)	(14.3%)	(0.4%)
20 to 49 units	430	408	12	9	1
	(1.2%)	(2.4%)	(0.5%)	(0.3%)	(0.0%)
50 or more units	267	266	0	1	0
	(0.7%)	(1.6%)	(0.0%)	(0.0%)	(0.0%)
Mobile home or trailer	(13,481)	3,109	1,221	626	8,525
	(37.3%)	(18.5%)	(45.7%)	(23.7%)	(61.2%)
Boat, RV, van, etc.	214	73	9	55	77
	(0.6%)	(0.4%)	(0.3%)	(2.1%)	(0.6%)
Total	**36,097**	**16,842**	**2,673**	**2,644**	**13,938**
	(100.0%)	**(100.0%)**	**(100.0%)**	**(100.0%)**	**(100.0%)**

Source: Claritas, Inc. 2010

3. OCCUPANCY AND TENURE

In 2009, 93.0 percent of all housing units in the study area were occupied. Occupancy increased from 91.9 percent in 2000. Occupancy rates in all of the municipalities increased as well; Farmington had the highest occupancy rate, at 93.8 percent in 2009 (Claritas, Inc., 2010).

Of the 33,576 occupied housing units in the study area, 75.9 percent are owner-occupied, and the remaining 24.1 percent are renter-occupied. The municipalities have higher proportions of renter-occupied housing than the area as a whole (Claritas, Inc., 2010).

Table 22. Tenure of Occupied Housing Units, 2009

	Owner-occupied	Renter-occupied
Study Area	75.9%	24.1%
Farmington	69.4%	30.6%
Bloomfield	72.8%	27.2%
Aztec	68.6%	31.4%

Source: Claritas, Inc. 2010

4. AGE OF HOUSING

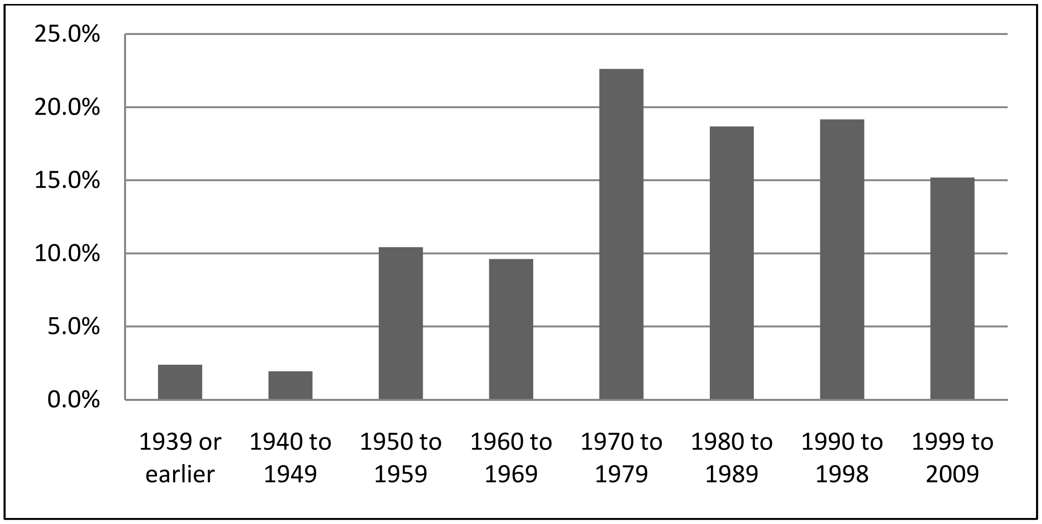
Table 23 and Figure 5 show the percentage of housing units by year built. Over 50 percent of the housing units in the entire study area were built since 1980; over 75 percent were built since 1970. About 15 percent of all housing was built in the last decade. Although some of the housing stock is relatively new, much of the growth has been in mobile homes, which do not retain their quality or value over the years (Claritas, Inc., 2010).

Table 23. Housing Units by Year Structure Built, 2009

	Study Area	Study Area	Farmington	Bloomfield	Aztec
1999 to 2009	5,484	15.2%	14.2%	14.4%	6.7%
1990 to 1998	6917	19.2%	12.6%	23.0%	19.5%
1980 to 1989	6,742	18.7%	16.9%	25.2%	12.6%
1970 to 1979	8,164	22.6%	22.9%	25.1%	22.1%
1960 to 1969	3,469	9.6%	12.1%	5.6%	14.1%
1950 to 1959	3,762	10.4%	16.2%	3.7%	14.4%
1940 to 1949	697	1.9%	2.5%	2.5%	3.0%
1939 or earlier	862	2.4%	2.5%	0.6%	7.4%
TOTAL	36,097	100.0%	100.0%	100.0%	100.0%

Source: Claritas, Inc. 2010

Figure 5. Percentage of Housing Units by Year Built, Study Area, 2009



Source: Claritas, Inc. 2010

5. HOUSING CONDITION

There are currently no surveys of housing condition for either the region or the municipalities. However, an inventory of residential properties and their associated condition is in progress for the Farmington Metropolitan Redevelopment Area District. Although no formal data is available yet, quality has been reported as an issue in the study area. Of primary concern are mobile homes, which make up 37 percent of the housing stock, and individual rental homes. Because of the tight rental market, landlords are not motivated to make improvements to their properties. Local housing service providers have reported substandard and dangerous conditions in some living situations.

6. OVERCROWDED CONDITIONS

The Census Bureau defines overcrowding as a housing unit that has more than one occupant per room; a unit with more than 1.5 occupants per room is considered severely overcrowded. (Note that "rooms" includes bedrooms, kitchens, living rooms, etc. but excludes bathrooms, porches, hallways, and unfinished basements). Renters face more overcrowded conditions than homeowners. In the whole study area, 13.3 percent of renter-occupied units are overcrowded, compared to 6.6 percent of owner-occupied units. Aztec does not have as high a rate of overcrowded conditions as the other municipalities and unincorporated areas (US Census Bureau, 2000).

Because of the tight rental market, landlords have been able to lease very poor quality homes.

Table 24. Percent Occupied Housing Units with Overcrowded Conditions, 2000

	Study Area	Farmington	Bloomfield	Aztec
Owner-occupied				
1.0 or fewer occupants per room	93.4%	94.7%	94.6%	97.7%
1.01 to 1.5 occupants per room	4.6%	3.9%	3.0%	2.3%
1.51 or more occupants per room	2.0%	1.5%	2.4%	0.0%
Renter-occupied				
1.0 or fewer occupants per room	86.7%	86.6%	91.6%	92.9%
1.01 to 1.5 occupants per room	6.6%	6.6%	7.2%	2.5%
1.51 or more occupants per room	6.7%	6.8%	1.2%	4.5%

Source: US Census Bureau, 2000

B. HOUSING AFFORDABILITY

Housing affordability is a major concern in the plan area. Nearly one fifth of homeowners and more than a third of renters have a cost burden, paying more than 30 percent of their incomes on housing. There are very limited choices of homes for sale and available rentals that are affordable to families earning 60 percent or less of the median family income.

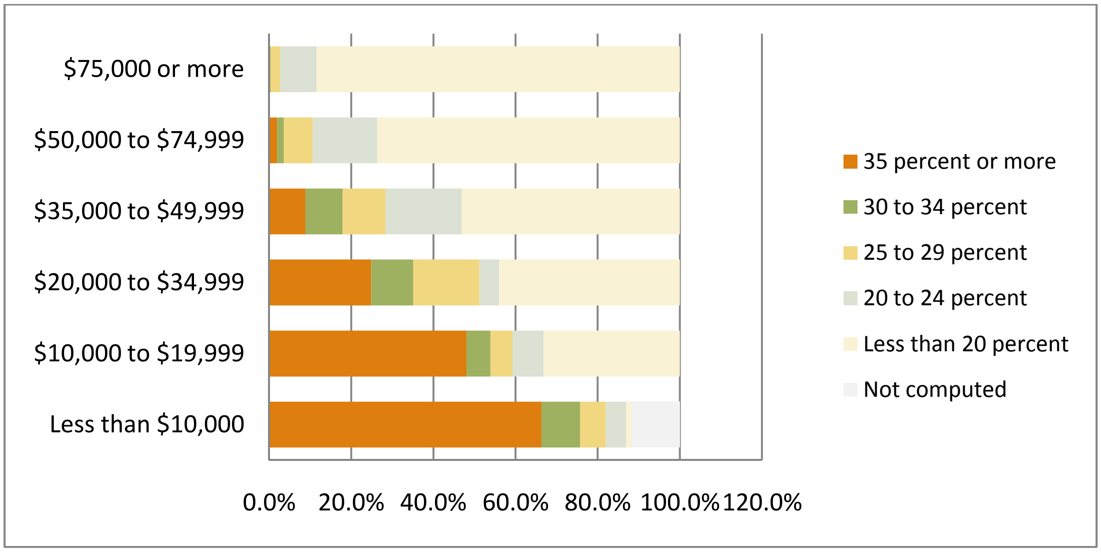
1. COST BURDEN

Housing cost burden, as defined by the Department of Housing and Urban Development (HUD), refers to households that spend more than 30 percent of their income on housing.

The following figures show the cost burden for owner and renter households by income level. In both figures, it is evident that the frequency of cost burden increases as household income level decreases. For example, in 2000, over 75 percent of owner households earning $10,000 or less had a cost burden, while over 50 percent of households in the $10,000 to $19,999 income bracket did. In total, 2,429 (or 19.1% of all homeowner) households at various income levels were spending 30 percent or more on housing costs, including 1,800 that were spending more than 35 percent (US Census Bureau, 2000).

Meanwhile, 73.2 percent of owner households earning $35,000 or more spent less than 20 percent of their income on housing costs (US Census Bureau, 2000).

Figure 6. Cost Burden by Income Level, Owner Households in Study Area, 2000

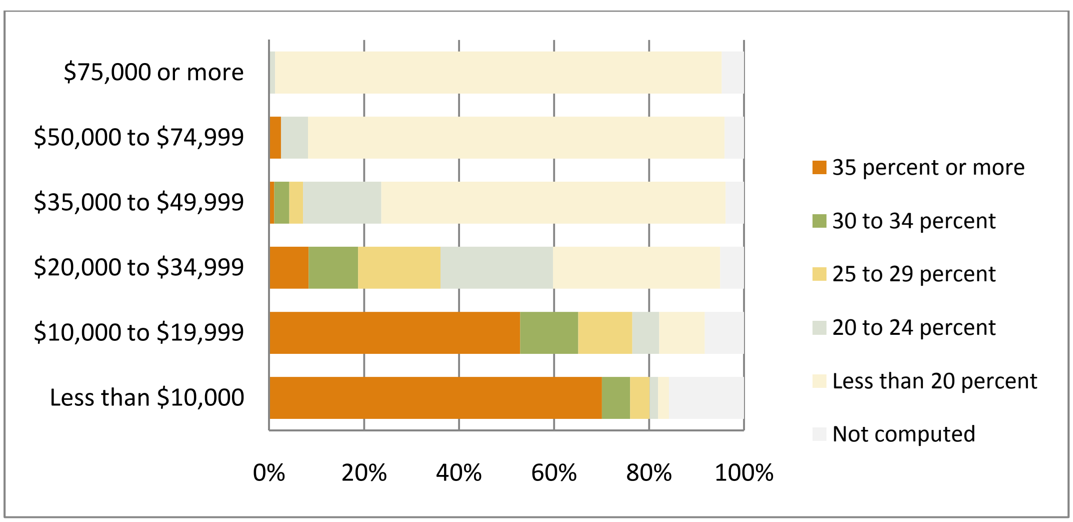


Source: US Census Bureau, 2000

Renter households are even more likely to carry a housing cost burden, at least those in the lower income brackets. Of renter households earning less than $10,000, 76.0 percent paid more than 30 percent of their income on housing costs, while 65.1 percent of households in the $10,000 to $19,000 did. In total, 2603 (or 36.1% of all renter) households had a cost burden of 30 percent or higher (US Census Bureau, 2000).

Higher income renter households fared much better; 81.4 percent of those earning $35,000 or more paid less than 20 percent of their income on housing (US Census Bureau, 2000).

Figure 7. Cost Burden by Income Level, Renter Households in Study Area, 2000



Source: US Census Bureau, 2000

Housing cost burden data is not available for 2009. However, by assuming that there are the same proportions of renters and owners by income bracket as in 2000, as well as the same proportion of households with a cost burden, it is possible to estimate the current number of households with a cost burden by income bracket. This is demonstrated in the table below.

Table 25. Number of Households with Cost Burden by Tenure, 2009 Estimates

Annual Household Income (2009 estimate)	Estimated Number of Owner Households with a Cost Burden	Estimated Number of Renter Households with a Cost Burden	Total Cost-Burdened Households by Income Level
<$15,000	1,376	765	2,141
$15,000 to $24,999	1,177	655	1,832
$25,000 to $34,999	1,244	692	1,936
$35,000 to $49,999	781	52	833
$50,000 to $74,999	217	17	234
$75,000 +	24	0	24
Total	4819	2181	7000

Source: Sites Southwest, 2010

Note: The number of households by income level for 2009 was obtained from Claritas, Inc., which uses different income categories for households earning less than $35,000 than the US Census (<$15,000; $15,000 to $24,999; $25,000 to $34,999). In order to calculate the estimated number of cost-burdened households in these lower income brackets, we first calculated the percentage of cost-burdened households as a whole for households with an income less than $35,000, and applied this same percentage to the lower three brackets.

2. HOUSING AFFORDABILITY OF HOMES FOR SALE

Information regarding homes for sale was analyzed to determine affordability of the homes currently on the market as of April 2010, according to MLS listings on www.realtor.com. Affordable housing prices were calculated based on percentages of the area median income (AMI) as determined annually by HUD for San Juan County. The following income categories are used by HUD:

- Middle income. Between 80 percent and 120 percent of the AMI
- Low-income. Between 50 percent and 80 percent of the AMI
- Very low-income. Between 30 percent and 50 percent of the AMI
- Extremely low-income. Less than 30 percent of the AMI

Housing affordability varies based on current interest rates, the term of the loan, down payment amount, insurance and tax costs, and other household debts. Affordability was calculated based on the following assumptions:

- Down payment: 5 percent[2]
- Interest Rate: 5.25 percent
- Loan term: 30 years
- Property tax: 0.76 percent of value (calculated using Farmington[3] property tax rates and assuming property is appraised for tax purposes at its actual value)
- Private mortgage insurance: 0.5 percent of value
- Maximum amount of housing payment: 28 percent
- Maximum amount of all housing costs, including utilities, maintenance, etc.: 36 percent

The chart below indicates the availability of affordable houses for sale to different income brackets. As shown, there are 245 houses on the market that would be affordable for middle income households (earning 80% to 120% of the AMI). There are very limited options for very low-income and extremely low-income households.

Table 26. Housing Affordability by 2009 San Juan County Area Median Income (AMI)

% Area Median Income (2009)	Annual Income	Affordable House Price	Number Houses in Price Range
30% AMI	$15,240	$0 – $61,024	1
40% AMI	$20,320	$61,025 – $81,365	6
50% AMI	$25,400	$81,366 – $101,706	7
60% AMI	$30,480	$101,707 – $122,048	13
70% AMI	$35,560	$122,049 – $140,143	33
80% AMI	$40,640	$140,144– $162,730	41
100% AMI	$50,800	$162,731 – $203,413	136
120% AMI	$60,960	$203,414 – $244,095	68

Source: HUD, 2009; Sites Southwest real estate listings compilation, 2010

While there is a reported AMI ($50,800 for San Juan County in 2009), a family's eligibility to receive housing assistance and be considered 'low-income' varies based on the household size. Data tying income to household size is not available for the study area; hence, the percentage of the population at different AMI levels cannot be determined. For this reason, an alternative range of income brackets was used (see below). Table 27 shows the percentage of the population at different income levels and the availability of affordable homes for sale.

[2] Note that first-time homebuyers obtaining FHA loans are only required to make a 3% down payment. This would raise monthly mortgage costs, which would have a slight impact on affordability.

[3] There are several different tax rates in San Juan County, and these vary based on whether the property is inside of municipal limits. Rates range from a low of 0.57% in the unincorporated areas of the Aztec tax district to a high of 0.89% in Bloomfield. These changes would affect monthly payments by about $30 per month.

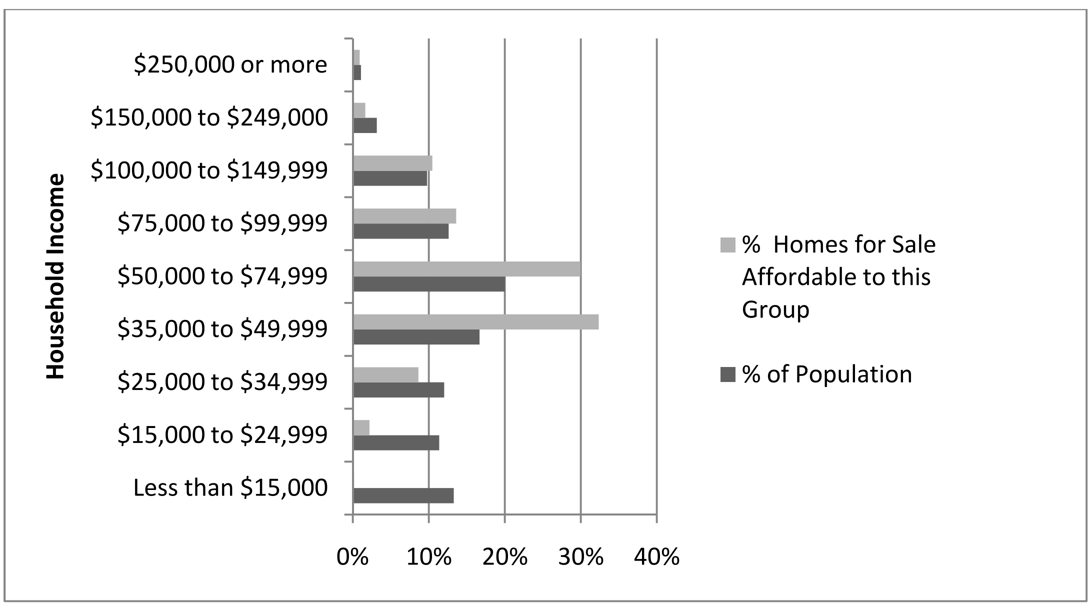
Table 27. Housing Affordability by 2009 Income, Study Area

Annual Household Income	Affordable House Price	Number and % of Houses Available in Range		% of Households in Income Range
		#	%	
Income Less than $15,000	$0 – $60,059	1	0.2%	13.3%
Income $15,000 - $24,999	$60,062 – $100,100	12	2.2%	11.4%
Income $25,000 - $34,999	$100,104 – $140,143	47	8.6%	12.0%
Income $35,000 - $49,999	$140,147 – $200,205	176	32.4%	16.7%
Income $50,000 - $74,999	$200,209 – $300,310	163	30.0%	20.0%
Income $75,000 - $99,999	$300,314 – $400,415	74	13.6%	12.6%
Income $100,000 - $149,999	$400,419 – $600,624	57	10.5%	9.8%
Income $150,000 - $249,999	$600,628 – $1,001,043	9	1.7%	3.2%
Income $250,000 and more	$1,001,047 +	5	0.9%	1.1%

Source: Claritas, Inc., 2010; Sites Southwest real estate listings compilation, 2010

Figure 8 displays this information graphically. It shows that there are a greater percentage of homes available for households earning $35,000 to $75,000 and a gap for the very lowest income households. However, interviews with stakeholders indicate that many of the homes available to the middle and low income levels may be very low quality or too small for the families that need them.

Figure 8. Current Housing Availability at Different Income Levels, 2010



Source: Claritas, Inc., 2010; Sites Southwest real estate listings compilation, 2010

3. HOUSING AFFORDABILITY OF RENTAL UNITS

Rental properties were researched using listings posted in the Farmington Daily Times, the Thrifty Nickel, and Internet searches during the last week of April, 2010. Large apartment complexes were also contacted.

Affordability was calculated using median rents by number of bedrooms for families at different percentages of the area median income. Units deemed affordable are white; unaffordable are yellow, and extremely unaffordable units are gray. For the most part, median rental prices are lower than those reported for 2009 in the CDBG Affordability Update, suggesting that prices may have dropped due to the economic situations. Several landlords and apartment managers did indicate that they were having a harder time filling vacancies, and had adjusted prices accordingly. Nevertheless, when the local economy stabilizes, rents could increase to previous levels, meaning that the subsidies listed below could be lower than actually needed by low-income families.

Table 28. Affordability of Rental Units, 2010

% Area Median Income (2009)	Annual Income	2010 Median Rental Prices by Number of Bedrooms*			
		1 BR	2 BR	3 BR	4 BR
		$625	$650	$863	$1600
		Percentage of Income Spent on Housing			
30% AMI	$15,240	49.2%	51.2%	68.0%	126.0%
40% AMI	$20,320	36.9%	38.4%	51.0%	94.5%
50% AMI	$25,400	29.5%	30.7%	40.8%	75.6%
60% AMI	$30,480	24.6%	25.6%	34.0%	63.0%
70% AMI	$35,560	21.1%	21.9%	29.1%	54.0%
80% AMI	$40,640	18.5%	19.2%	25.5%	47.2%
100% AMI	$50,800	14.8%	15.4%	20.4%	37.8%
120% AMI	$60,960	12.3%	12.8%	17.0%	31.5%

Source: Sites Southwest rental market research, 2010

*Note: Because of the small sample size of rentals currently on the market, median rates were calculated by including available rentals as well as the normal asking prices for different sized units at large apartment complexes. This includes 15 apartment complexes, regardless of current availability, plus 21 individual houses, townhomes, four-plexes, etc. that were available to rent.

As shown, rental units of all sizes are extremely unaffordable for families earning 40 percent of less of the AMI. Families at 50 percent of the AMI can moderately afford a one-bedroom unit, while those at 60 percent of the AMI can moderately afford a one- or two-bedroom.

Four-bedroom units are unaffordable for all income levels, even those earning 120 percent of the AMI. Three-bedroom units are only affordable to those earning 80 percent of the AMI or greater, while two-bedroom units are affordable to those earning 60 percent of the AMI or more.

4. COST GAP: RENTERS AND OWNERS

The tables below were developed to determine the cost gap between what households can afford, and the current cost of housing in the plan area. This will help determine how to bridge that gap, whether through direct subsidies or other forms of assistance.

The cost gap for renter households is shown in Table 29. As shown below, there is a significant cost gap for households earning 40 percent or less of the AMI, regardless of the rental unit size. Households earning 60 percent or less of the AMI have a cost gap for three- or four-bedroom rental units, and there is a cost gap for all households, including those earning greater than 100 percent of the AMI, for four-bedroom units.

Table 29. Cost Gap of Rental Housing

% Are Median Income (2009)	Annual Income	Maximum Affordable Monthly Payment*	Monthly Cost Gap**			
			1 BR	2 BR	3 BR	4 BR
			$625	$650	$863	$1600
30% AMI	$15,240	$356	$269	$294	$507	$1,244
40% AMI	$20,320	$474	$151	$176	$389	$1,126
50% AMI	$25,400	$593	$32	$57	$270	$1,007
60% AMI	$30,480	$711	n/a	n/a	$152	$889
70% AMI	$35,560	$830	n/a	n/a	$33	$770
80% AMI	$40,640	$948	n/a	n/a	n/a	$652
100% AMI	$50,800	$1,185	n/a	n/a	n/a	$415
120% AMI	$60,960	$1,422	n/a	n/a	n/a	$178

Source: Sites Southwest rental market research and calculations, 2010.

*Calculated at 28% of monthly income to allow for the cost of utilities.

**The difference between the maximum affordable monthly payment and the median rental cost for units, based on number of bedrooms.

Housing prices for new, site-built homes were estimated at different sizes, using pricing input from local developers. As shown in Table 30, the cost gap between what families can afford and the cost of new housing is quite high for most housing configurations. Direct subsidies could possibly serve to cover the cost gap for families earning 70 percent of the AMI purchasing 1200 square foot homes or for families earning 80 percent of the AMI purchasing 1400 square foot homes. The cost gap for lower income families or those requiring larger homes is greater than $37,000, making direct subsidies seem an unlikely and unsustainable long-term solution. This is problematic, especially because three-bedroom homes are in high demand, and there is a dearth of four-bedroom homes on the market.

Table 30. Cost Gap of New Single Family Homes for Sale

Price of New Homes By Size		Maximum affordable house price by Income Level						
		30% AMI	40% AMI	50% AMI	60% AMI	70% AMI	80% AMI	100% AMI
		$61,024	$81,365	$101,706	$122,048	$140,143	$162,730	$203,413
		Cost Gap*						
1200 sq ft (2 BR)	$150,000	$88,976	$68,635	$48,294	$27,952	$9,857	n/a	n/a
1400 sq ft (2 BR)	$175,000	$113,976	$93,635	$73,294	$52,952	$34,857	$12,270	n/a
1600 sq ft (3 BR)	$200,000	$138,976	$118,635	$98,294	$77,952	$59,857	$37,270	n/a

Source: Sites Southwest, 2010

*The difference between the cost of new housing and what households at different income levels can afford

To determine how to lessen this substantial cost gap, it is helpful to review the specific costs involved in building affordable housing to see which particular areas might most feasibly be reduced.

The following table shows the average construction costs for a 1400 square foot home, as estimated by a local developer of affordable housing at ECHO, Inc. The table indicates that the highest costs are materials, land costs, labor, and construction management/overhead. Of these, land price is the cost that could most likely be reduced, either through donation of land, or swaps with schools, state or federal entities. Construction costs could also potentially be reduced if affordable housing developers entered into contracts with municipalities and suppliers to receive discounted pricing on materials, as cities are able to do. Another strategy is to increase density allowances for affordable housing projects, to make better use of available land.

Table 31. Construction Costs in Study Area for Single Family Homes, 2010

	Total Cost	Cost per Square Foot
Developed Land Cost	$40,000	$28.60
Site Preparation Costs	$1,800	$1.30
Permits	$3,000	$2.10
Contractor Fees	$5,000	$3.60
Construction Management and Overhead Costs	$25,000	$17.90
Materials	$59,900	$42.80
Labor	$39,980	$28.60
Total	**$174,680**	$124.90

Source: Interview– Ryan Downey, ECHO, Inc., 2010

Interviews with local stakeholders suggested that high land costs are one of the major obstacles to developing affordable housing. Table 32 below shows the price of land for sale in the study area during August, 2010 based on plot listings on www.realtor.com. According to this review, Farmington has the highest median price per acre, at $101, 724. The median price per square foot, however, is not unusually high, especially compared to land costs in larger cities such as Albuquerque, which run around $4.50 per square foot (Interview, Witherspoon, 2010). At the same time, land prices vary widely, as shown below by comparing the median and average prices per acre, and it is likely that desirable land plots in close proximity to existing infrastructure and amenities have higher asking prices. Due to the way listings are categorized, for-sale land was not separated based on developed or undeveloped land, which could significantly impact the price. Furthermore, plots listed for each municipality include those that are in the vicinity of the cities, but not actually within municipal boundaries, as well as those within the municipal jurisdiction.

Table 32. Price of Land for Sale, 2010

City (and surrounding areas)	Median Price per Acre	Average Price per Acre	Median Price per Square Foot*	Total Land Plots for Sale**
Farmington	$101,724	$132,711	$2.34	155
Aztec	$42,356	$53,182	$0.97	171
Bloomfield	$60,087	$119,198	$1.38	71

Source: Sites Southwest, review of land for sale on www.realtor.com during August, 2010

* It was not possible to separate out developed versus undeveloped vacant land for sale. However, a sample review of the data suggests that Farmington land prices more frequently included developed lots (with water and sewer connections, etc.) while those in Aztec and Bloomfield did not.

**Land listings that did not include the size of the parcel were excluded from these calculations.

In order to better estimate land prices of developed plots within municipal borders, the consultants reviewed select plots for sale in city subdivisions during December, 2010 (see Table 33). Lots over $100,000 were excluded, as these would be unlikely candidates for affordable housing developments. Parcels included are all developed lots with access to municipal sewer, water, etc. As shown, the range of prices is significantly higher than those shown in Table 32.

The wide variation in prices could be related to various factors, including desirability of location (view lots), developer profit, etc.

Table 33. Prices of Select Lots for Sale in Developed Subdivisions, 2010

City	Subdivision Name	Range of Cost for Parcels	Range of Parcel Sizes (acres)	Range of Cost per Square Foot
Farmington				
	Mesa Vista	$42,000	0.18—0.19	$5.16—$5.25
	Ellsworth	$47,500	0.26	$4.19
	Greenacres	$36,000	0.49	$1.69
	San Juan Country Club Estates	$53,000—$62,900	0.25—0.42	$2.90—$4.66
	Rabbitbrush Ridge PUD	$53,500—$85,000+	0.12—0.16	$8.91—$14.88
	SunriseTownhomes	$59,500—$60,000	0.13—0.37	$3.72—$10.51
Farmington Summary		$36,000—$85,000+	0.12—0.49	$1.69— $14.88
Aztec				
	Phelps-Ramsey PUD	$41,000—$49,500	0.16—0.30	$3.60—$7.07
	Kokopelli Park	$37,500—$47,500	0.52—0.83	$1.24—2.69
Aztec Summary		$37,500—$49,500	0.16—0.83	$1.24—$7.07
Bloomfield				
	Standing Stone	$38,000—$46,000	0.16—0.26	$4.11—$5.94
Bloomfield Summary		$38,000—$46,000	0.16—0.26	$4.11—$5.94

5. LOW-INCOME HOUSING

There are several types of low-income or affordable housing projects in the study area. These include tax credit projects, USDA rural development projects, and HUD project-based apartment complexes. Some apartment complexes are a combination of these. The apartment complexes listed below are for low-income households exclusively, with the exception of Cedar Ridge, which reserves fourteen of 72 units for low-income families. Four of the complexes are reserved for elderly or disabled individuals. In total, 459 affordable rental units are available. Of those, about 40 percent are one-bedroom units, and the remainder are divided between two- and three-bedroom units. The high number of one-bedroom units is likely due to the inclusion of elderly housing in this count. There are currently no four-bedroom affordable units.

Table 34. Affordable Housing Apartment Complexes

Name	Location	Type	Who is Eligible?*	Total #Units	# 1 BR	#2 BR	# 3BR
Animas Village	Aztec	Tax credit, rural development	Elderly	40	40	0	0
Apple Ridge	Farmington	Tax credit	Elderly and disabled	80	80	0	0
Cedar Ridge	Farmington	HUD	Any	14		(varies; part of market-rate apartment complex)	
Cielo Azul	Aztec	Tax credit, USDA rural development	Elderly	30	30	0	0
Deer Hollow	Bloomfield	Undetermined	Elderly and disabled	20	16	4	0
Eaton Village	Farmington	Tax credit	Any	96		45	51
Embarcadero	Aztec	USDA rural development	Any	39	9	30	
Hidden Valley Village	Bloomfield	Tax credit	Any	60		12	48
San Juan Apartments	Farmington	HUD	Any	80	16	40	24
Summary				All units	1 BR	2 BR	3 BR
TOTAL				**459**	**191**	**131**	**123**
% TOTAL					**41.6%**	**28.5%**	**26.8%**

Source: Sites Southwest, Affordable Apartment Complex Survey

*Note: All households must meet income eligibility requirements. In addition to those listed above, three additional affordable housing complexes are located in the plan area, but were unable to provide information. These include Northgate and Mesa Village in Farmington, and Pinos Blancos in Bloomfield.

In addition to affordable housing complexes, the San Juan Housing Authority can offer up to 320 housing choice vouchers to low-income households, when its funding allows. Qualified households can use these vouchers to subsidize their rents at any rental unit, provided that the unit meets HUD standards for quality. Other organizations provide short-term emergency rental assistance or assist residents at risk of becoming homeless. These are described in Section D of this chapter.

6. HOUSING AT RISK OF NO LONGER BEING AFFORDABLE

According to apartment surveys, at least two apartment complexes that were previously HUD project-based properties changed ownership in 2009 and are no longer reserving units for low-income households. These include the 40-unit Zia Vista and the 18-unit Parkview.

As shown below, four of the affordable housing complexes have contracts that expire within the next ten years. According to apartment managers and/or owners, at least one is not likely to renew its affordability contract with HUD, which will pull fourteen affordable units off the market. The future status of several other affordability contracts is unknown, indicating that these could also be at risk of no longer being affordable.

Table 35. Apartment Complexes at Risk of No Longer Being Affordable

Name	Total #Units	Year Affordability Contract Expires	Will Contract be Renewed?	At Risk of not Being Affordable (by 2020)
Animas Village	40	2017	Probably	
Apple Ridge	80	2025	Don’t know	
Cedar Ridge	14	2011	Not likely	YES
Cielo Azul	30	2022	Probably	
Eaton Village	96	2025	Don’t know	
Embarcadero	39	2013	Don’t know	YES
Hidden Valley Village	60	2039	Yes	
San Juan Apartments	80	2014	Probably	

Source: Sites Southwest

C. HOUSING MARKET TRENDS

1. CONSTRUCTION ACTIVITY

Information on building permits for new residential construction was available for the three municipalities and the unincorporated parts of the County (excluding tribal lands). The average number of total residential permits issued annually was 311. The years 2000 and 2001 had the least amount of residential construction, while 2005 and 2006 had the highest amount. On average, 59 percent of permits were found in Farmington, while nearly 30 percent were in the unincorporated areas, six percent were in Aztec and five percent were in Bloomfield in any given year.

Table 36. Residential Building Permits, San Juan County

Year	Farmington	Aztec	Bloomfield	Unincorporated Parts of County	Total
2000	106	11	7	67	191
2001	107	10	11	62	190
2002	118	16	12	77	223
2003	231	21	20	94	366
2004	206	15	30	106	357
2005	270	16	31	119	436
2006	244	48	19	132	443
2007	218	22	17	114	371
2008	193	14	16	91	314
2009	154	16	8	50	228

Source: San Juan County, 2010 and BBER, 2010 (for City of Farmington data)

Building permit data for Farmington was available by single family versus multifamily development. (According to the County, single family development predominated over multifamily development, but specific data was not available).

The average number of permits issued for single family home development in Farmington since 1997 was 156 permits per year. Single family home development peaked in 2005, with 260 permits issued. Multifamily development has been more sporadic, with several years seeing less than ten permits issued. The only years when sixty or more permits were issued were 1998 and 2003. Since then, the most permits issued in one year were 27, in 2008.

Table 37. Building Permits, City of Farmington, 1997—2009

Year	Single Family Permits Issued	Multifamily Permits Issued
1997	115	0
1998	103	60
1999	104	0
2000	104	2
2001	105	2
2002	118	0
2003	166	65
2004	193	13
2005	260	10
2006	236	8
2007	218	0
2008	166	27
2009	134	20

Source: BBER, 2010

2. HOMES SOLD

The table below shows the total number of homes sold in San Juan County over the last six years, as well as the average and median sales prices in each year. The housing market peaked in 2005, and has been in decline since then. However, the decrease in sales in San Juan County has been moderate compared the nationwide home sales rates. For instance, while in 2008 San Juan County rates fell by 14.0 percent, national home sales fell by 37.7 percent, and in 2009 national sales fell by 22.4 percent, compared to 18.5 percent in San Juan County (City of Farmington CDBG, 2010). Local stakeholders report that the region tends to lag behind the country in economic trends, so San Juan County may just be entering a more recessionary period, while the nation begins to recover.

The median price of homes sold peaked in 2008, and went down slightly in 2009. However, as shown in the following section, the asking prices of homes currently on the market are much higher than in 2009.

Table 38. Homes Sold in San Juan County, 2003—2009

	2003	2004	2005	2006	2007	2008	2009
Total Units Sold	955	974	1046	1015	948	815	664
% Change in Units Sold		2.0%	7.4%	-3.0%	-6.6%	-14.0%	-18.5%
Average Sales Price	$141,629	$151,941	$174,234	$198,805	$209,141	$209,182	$205,085
Median Sales Price	$125,000	$134,000	$153,000	$169,000	$186,800	$190,000	$185,000
% Change in Median Sales Price		7.2%	14.2%	10.5%	10.5%	1.7%	-2.6%
% Change in Area Median Income		6.5%	0.0%	-1.8%	3.0%	11.4%	2.0%

Source: San Juan County Board of Realtors, 2010

3. CHARACTERISTICS OF HOMES FOR SALE

There were 544 homes for sale in the study area during April 2010. Information regarding these homes was gathered from www.realtor.com. The majority of homes for sale (510) were single family site-built units; 21 were townhomes or condos; and 13 were modular or manufactured homes. The majority of homes for sale in the study area were in Farmington. Homes in the unincorporated areas were significantly newer, but smaller on average than in the municipalities and the study area as a whole. Aztec had the highest median and average sales prices compared to the other areas, while the unincorporated areas had the lowest prices. This represents a shift, since for the last several years, Farmington has had higher prices for home sales. There is no clear explanation as to why Aztec has higher prices; it may be a product of the smaller sample size, or may indicate that a higher income demographic is selling their homes, compared to the past. There is no data to substantiate this, however.

Table 39. Characteristics of Homes for Sale

Place	Number of Homes for Sale	Median Sales Price	Average Sales Price	Average Square Footage	Average Age of Homes
Farmington	354	$226,700	$274,742	2,117	22
Aztec	85	$248,000	$283,131	1,909	24
Bloomfield	71	$199,000	$257,443	1,826	24
Unincorporated areas*	34	$184,000	$224,879	1,763	14
Whole Study Area	544	$220,000	$270,678	2,025	22

Source: www.realtor.com, 2010; Sites Southwest

*Unincorporated parts of the study area include Flora Vista, Kirtland and La Plata.

The average price of all homes for sale was $270,678, while the median sales price was $220,000. These asking prices are higher than the average and median prices of homes sold in previous years (see table below). Bloomfield and Aztec, especially, had large increases in the price of homes for sale. This may be due in part to the fact that the asking prices of homes for sale could be significantly higher than the final sales price after negotiation. No information is available regarding the size, age, or condition of previous homes for sale compared to those currently on the market.

Table 40. Median Price of Homes Sold and Homes for Sale, 2006 - 2010

Place	2006 Median Price Homes Sold	2007 Median Price Homes Sold	2008 Median Price Homes Sold	2009 Median Price Homes Sold	2010 Median Asking Price
Farmington	$174,300	$190,000	$199,250	$195,550	$226,700
Percent Change over Previous Year		9.0%	4.9%	-1.9%	15.9%
Aztec	$157,000	$174,000	$184,250	$161,250	$248,000
Percent Change over Previous Year		10.8%	5.9%	-12.5%	53.8%
Bloomfield	$133,500	$149,950	$146,500	$139,250	$199,000
Percent Change over Previous Year		12.3%	-2.3%	-4.9%	35.8%

Source: 2006-2009 data is from the San Juan County Assessor's Office for the median price of homes sold, as reported in the Farmington CDBG Housing Affordability 2010 Update. 2010 data is from the Sites Southwest review of properties for sale during the time period reviewed.

The following table shows characteristics of homes for sale in different affordability brackets. Housing affordable to families in the lowest income brackets is smaller and older, and tends not to have handicap features or an alternative energy source, which can lower utility bills in the long run.

Table 41. Homes for Sale by Affordability Level

% Area Median Income	Number Houses Affordable to this Income Level	Number of Bedrooms			Homes with Handicap Accessible Features	Homes with Alternative Energy Source	Average Square Footage	Average Age of Home
		2 BR	3 BR	4 BR or more				
30% AMI	1	1	0	0	0	0	730	59 years
40% AMI	6	3	3	0	0	0	1,036	38 years
50% AMI	7	3	3	1	0	2	1,060	37 years
60% AMI	13	6	6	1	1	0	983	40 years
70% AMI	33	10	21	1	6	0	1,237	46 years
80% AMI	41	8	29	4	3	1	1,372	38 years
100% AMI	136	9	109	18	17	4	1,567	24 years
120% AMI	68	4	43	21	10	0	1,889	18 years
Greater than 120% AMI	239	7	108	123	49	44	2,659	15 years

Source: www.realtor.com, 2010; Sites Southwest

Note: Real estate listings did not specify what type of handicap accessible features were available. "Alternative energy source" includes radiant heat, active and passive solar.

4. RENTAL MARKET OVERVIEW

Information about rentals was gathered from listings in the Farmington Daily Times and the Thrifty Nickel during the final week of April and first week of May, 2010. In total, 39 units were available for rent in the study area during this time period. Of those, 23 were located in Farmington, 5 were available in Aztec, and the remainder were distributed between Bloomfield, Crouch Mesa, Flora Vista and Kirtland. About half of the units—18—were located in apartment complexes, 12 were rentals of single family homes, 6 were in attached units (accessory dwelling units, duplexes, four-plexes or townhomes), and 3 were mobile homes or trailers.

As shown in Table 42, two-bedroom and three-bedroom units were the most readily available, and account for over three-fourths of available rentals. Prices and square footage varied widely based on the number of bedrooms in the unit.

Table 42. Characteristics of Homes for Rent

Number of Bedrooms	Total Available Units	% of Total Units	Average Rental Price	Median Rental Price	Average Square Footage
1 BR	6	15.4%	$550	$550	500
2 BR	19	48.7%	$663	$650	872
3 BR	11	28.2%	$1070	$1050	1,408
4 BR	3	7.7%	$1600	$1600	2,825
Total	39	100.0%	$833	$700	1,171

Source: Farmington Daily Times, Thrifty Nickel, Sites Southwest, 2010

The table below shows the number of units available by percentage of the area median income. Very few units are available to families earning below 60 percent of the AMI. Larger rentals, in general, are limited, and rentals across the board are aging, which could indicate lower quality. Only six available rentals include the price of utilities, while 17 include partial utilities. In those instances, water, sewer, and garbage costs are included in the rent, though in seven of the units, gas is also included.

Table 43. Available Rentals by Affordability

% Area Median Income	Number of Rentals Affordable to this Income Level	Number of Available Units by Number of Bedrooms				Average Deposit	Number that Include Full or Partial Utilities	Average Age of House or Complex
		1 BR	2 BR	3 BR	4 BR			
30% AMI	0	0	0	0	0			
40% AMI	1	1	0	0	0	$450	1 partial	
50% AMI	4	3	1	0	0	$412	3 partial	41 years
60% AMI	21	2	17	1	1	$571	6 full; 11 partial	40 years
70% AMI	2	0	1	1	0	$563	1 partial	1 year
80% AMI	3	0	0	3	0	$692	1 partial	31 years
100% AMI	3	0	0	3	0	$867	0	42 years
120% AMI	2	0	0	2	0	$975	1 partial	18 years
Greater than 120% AMI	3	0	0	1	2	$1800	1 partial	32 years

Source: Sites Southwest

D. EXISTING SUPPORT FOR HOUSING DEVELOPMENT – LOCAL PROGRAMS

There are a number of programs operating in the study area that address housing issues. These include assistance for permanent housing for low-income residents, as well as temporary and transitional housing for the homeless, survivors of domestic violence and people recovering from substance abuse. Most services are located in Farmington.

1. AFFORDABLE HOUSING ALLIANCE

The Affordable Housing Alliance (AHA) is a loose network of housing providers, nonprofits, and other agencies interested in affordable housing in San Juan County. AHA meets monthly and serves primarily as a way to exchange information between the individual groups represented, and occasionally to lobby at the County level regarding affordable housing issues. Because each of the participating members has an individual focus (whether housing the homeless, domestic violence victims, disabled individuals, etc.) it has not developed into a more formal organization or worked to develop affordable housing facilities. Nevertheless, it provides an important outlet for local organizations to network and share information. In addition, City of Farmington CDBG staff network with AHA members, gather statistics and provide input to the group. ECHO, Inc. and the San Juan County Partnership have been instrumental in helping organize AHA.

2. LOW-INCOME HOUSING ASSISTANCE AND DEVELOPMENT

San Juan County Housing Authority

The mission of the San Juan County Housing Authority is “to promote adequate and affordable housing, economic opportunity and a suitable living environment free from discrimination to all San Juan County residents.” The Authority participates in the HUD housing choice voucher program. Vouchers are available for qualified low-income households including families, disabled individuals, and elderly individuals. Separate databases or prioritized waiting lists are not maintained for different groups; rather, there is one pool of applicants. If desired, the Authority can set a preference for a specific group, such as the elderly or disabled individuals, if a special need is determined above and beyond low-income households.

To apply for the housing choice voucher program, families provide information about their income, assets and family size to the Authority to determine eligibility. They then select a rental unit that meets their needs. The unit must meet quality standards determined by HUD. The family pays 30 percent of their monthly adjusted income, and the housing voucher pays the remainder of the rent (up to a set amount determined by the Authority).

The Authority is authorized to provide up to 320 vouchers in the study area. The vouchers, however, are dependent on funding at the federal level each year. Typically, there are not sufficient funds for the Authority to administer its full allotment of vouchers in any given year. As of September, 2010, 256 units were in lease-up, and approximately 600 households were on the waiting list to receive vouchers. Families must wait approximately eight months to a year to move through the waiting list.

In addition to the San Juan County Housing Authority, the Northern Regional Housing Authority was created in 2009. It covers many counties in northern New Mexico, including San Juan County. It has a board, but does not currently offer any programs. There is a potential for the Northern Regional and San Juan County Housing Authorities to partner on programs or projects in the future.

San Juan County Partnership

The San Juan County Partnership works on a number of community development issues, and provides several kinds of housing assistance. It offers tenant-based rental assistance, providing rental and utilities deposits for people at risk of homelessness. It also participates in the federal Rapid Re-housing program, which can offer financial assistance for people whose rents or utility payments are in arrears. Finally, it participates in the Transitional and Supportive Services program, which can help pay families' mortgage costs. Clients of the SJCP must be homeless or in imminent risk of homelessness.

The Farmington CDBG program provides funding to the SJCP through its Emergency Rental Assistance Program, to help renter households stay in their apartments during difficult economic times. This funding applies only to residents living within Farmington.

Animas Valley Land &Water Company

The Animas Valley Land & Water Company (AVLW) has various land holdings in San Juan County, particularly in the area of Crouch Mesa. They have been involved in affordable housing by renting lots for mobile homes at low rates.

The AVLW has about 1500 acres of undeveloped land and is interested in developing site-built affordable housing on some of this land. They are currently in conversations with the City of Farmington and a builder to develop an affordable multifamily housing project on a site that already has appropriate zoning and an approved site plan. They also have sites earmarked for active adult and/or senior living housing facilities.

ECHO

ECHO, Inc. is a nonprofit community action agency based in Farmington that works in various ways to address the needs of low-income families in the region. In addition to providing food assistance and affordable early childhood education, ECHO has initiated an affordable housing program in San Juan County, and is an official community housing development organization (CHDO).

ECHO provides several housing services. ECHO builds site-built single family homes that are available to qualifying low to moderate income families. ECHO assists families with various types of financing and subsidies which include: low interest loans from USDA, subsidies from the Mortgage Finance Authority, subsidies from the Federal Home Loan Bank through a partnership with Four Corners Community Bank, and Individual Development Accounts which provide a down payment. Due to USDA Rural Development funding, the houses must be located in rural areas (which excludes Farmington). Since the program began in July, 2009, ECHO has built 6 homes and has 4 more under construction with 6 additional homes to begin construction by the end of September, 2010. Their goal is to begin construction on a new home every two weeks. These goals can be met with support and cooperation from USDA, the agency providing mortgages for the homes in the rural area (ECHO, 2010).

ECHO also provides educational and pre-purchase counseling services to the community. They are certified by HUD to offer homebuyer education, financial literacy classes and one on-one-counseling. Homebuyer education is a one day, eight hour class. Financial literacy is a series of classes totaling 20 hours. This course provides a comprehensive education on repairing credit, straightening out finances and preparing for the purchase of a home. One-on-one-counseling is provided to those needing additional, personalized assistance with financial issues that will prepare them to qualify for a home loan. ECHO is teaching homebuyer education monthly and financial literacy six times a year. Additional classes are needed to meet the ever growing demand for help. During the past year, ECHO provided educational classes and one-on-one counseling to over 200 households. ECHO is also working closely with San Juan County Partnership to provide shorter financial workshops for those seeking assistance from their programs. All classes are taught by HUD-certified staff and are free to participants (ECHO, 2010).

Tres Rios Habitat for Humanity

Tres Rios is the local affiliate of Habitat for Humanity International, a nonprofit Christian housing ministry. Tres Rios helps low-income families achieve home ownership by developing new site-built affordable housing. The organization utilizes volunteers, donated materials, and ‘sweat equity,’ where the purchasing family contributes at least 200 hours of volunteer work to the construction of the home. Tres Rios is currently building its seventh home since 2007.

3. HOMELESSNESS

People Assisting the Homeless (PATH)

PATH has an emergency homeless shelter that allows people to stay for up to 90 days. Individuals must go through a pre-screening process in order to be eligible to stay at the shelter. Once accepted, they are required to participate in a savings program and actively seek employment. PATH currently has 36 beds, though it can house up to 44 people at a time if there are couples, or if overflow rooms are utilized. One limitation of the PATH shelter is that it is not currently wheelchair-accessible. According to the executive director, the organization is moving forward on building an additional shelter that will bring their total facilities up to 60 beds. The additional shelter will be wheelchair-accessible, will include family rooms, and will have transitional units for single people or couple who could stay for up to two years. PATH believes that this addition will meet the needs of homelessness in the region, and the organization does not anticipate more expansions after this.

During difficult economic times, some families are forced to live in cars, tents or campers. They are the new faces of homelessness today.

Drexel House

Drexel House is a program of San Juan Catholic Charities. It has four units of transitional housing that are available to homeless individuals and families. People are allowed to stay up to two years at Drexel House, during which time they are linked up with a variety of services depending on their needs, including life skills, parenting, and budgeting classes and counseling.

The Roof

The Roof is a winter wet shelter, operated by the Salvation Army. The shelter was created to avoid winter exposure deaths among the Farmington homeless inebriate population. Unlike other shelters, intoxicated people are not turned away at The Roof. As noted previously, The Roof had between 1,350 and 1,618 beds occupied per month during the winter of 2007-2008. However, because a person may have stayed more than one night, this number may over-represent the total number of clients served.

4. DOMESTIC VIOLENCE

The Family Crisis Center

The Family Crisis Center (FCC) addresses domestic violence through counseling, community outreach and housing services. Through two protective shelters, the Family Crisis Center has room for up to 63 individuals. They are allowed to stay for up to 90 days, but can apply for extensions if needed. Currently, the Center does not turn people seeking services away; if there is no space at the shelter, staff will find a room at a hotel for their clients. The Center reports that 2009 saw more clients than normal; they were at full capacity most of the time, and had more applications for extensions that year than in the previous ten years combined. In total, 500 women and children (230

The Family Crisis Center.

households) stayed at the Center's shelters in 2009. The FCC completed the development of a new shelter, Marge's Place, in August 2010, which brought the facility's total capacity to 63 people, including men. The Center is also looking at a Phase Two of this project that would add room for an additional eight families. Their site has space for this expansion, but funding has not yet been secured.

New Beginnings

New Beginnings is a program of the Navajo United Methodist Center. It provides transitional housing for women and children who are survivors of domestic violence, and links them with supportive services. Residents can stay for up to 18 months. Total capacity at New Beginnings is 9 women and 18 children. In 2009, 81 people were served (20 households total). Because turnover is so slow at New Beginnings, their waiting list (6 people) is not reflective of the number of women in the study area that really need services. Staff estimates that between 15 and 20 women seeking services are turned away each month.

5. SUBSTANCE ABUSE

Community needs assessments conducted by the San Juan County Partnership have consistently ranked alcohol and substance abuse as one of the highest priority issues (San Juan County Partnership, 2008). There are various treatment programs and counseling services in the area dealing with substance abuse. However, former users face challenges when they return to their previous neighborhoods or family situations, and are faced with the temptation to use again. One way to address this problem is through supervised, transitional housing.

A limited, scattered site program has assisted between 15 and 25 former drug users to find temporary rental housing after they leave treatment. Participants are allowed to stay for 90 days; the first month is free, the second month requires partial payment, and the third month is paid in full.

The Masada House is a new organization that plans to open a halfway home for women coming out of drug treatment. It would provide supervision, services and housing while women reestablish themselves and find jobs before seeking housing on their own. Once the women's halfway house is built and running, Masada House hopes to build a similar facility for men. Currently, the organization has several sites in mind, but the funding has not yet been secured.

Finally, a third group wants to develop a larger apartment-style housing complex that would let people coming out of drug treatment stay for 90 days, making graduated payments similar to the scattered site program. The idea is for the complex to have a clinical element and be run by a medical center. It would have between 35 and 40 one- and two-bedroom units. Excess capacity could be leased to a federal corrections facility as a halfway house to make the project economically feasible.

6. PEOPLE WITH DISABILITIES

The San Juan Center for Independence works to address multiple types of disabilities in the county, providing a variety of services including referrals and advocacy. The Center also helps clients find suitable housing. According to the director, there are approximately ten individuals currently in nursing homes that could move to a more normal housing situation using a housing choice voucher, if adequate accessible units were available. There are another 58 clients actively seeking housing. Many disabled individuals live on a very low fixed salary. While they are eligible for housing choice vouchers, they are not always able to find suitable housing (one-bedroom, ADA-accessible) within the specified timeframe and therefore lose their vouchers. The Center estimates that there is a need for approximately 100 vouchers per year specifically for disabled individuals. Only 50 to 60 percent of units would need to be handicap-accessible.

7. AT RISK YOUTH

According to the local Juvenile Corrections facility of the Children, Youth, and Families Department, youth who are coming out of long-term placements in juvenile detention often have housing issues. In some cases, their families may no longer be in the area, or do not allow them to come home. Some of the youth have felony offenses that make them ineligible for public housing assistance programs. Many have limited job and budgeting experience, and are unprepared for finding and affording housing on their own.

There are two types of housing programs that could be developed to serve this population. One would be a semi-independent living facility, staffed at all times, that would provide some level of supervision, as well as assistance with life and career skills. Sometimes, single family houses can be converted into youth housing facilities. A four-bedroom home could house up to eight people, assuming residents each have a roommate. Another alternative is a supportive housing program, where the individual finds a suitable rental, regardless of location, and pays 30 percent of their income for rent for an agreed-upon amount of time. The remainder of the rent would be paid by the program.

Currently, no youth housing facilities exist in San Juan County. There is a need to house approximately 25 at-risk youth per year.

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IV. HOUSING NEEDS

There are a variety of housing needs in the study area, including affordable rentals, affordable home ownership opportunities, transitional housing, and additional financial education for the community. Needs are listed for 2010, and are estimated for total rental and owner-occupied units for 2030, based on future population projections. Each need is described below.

A. AFFORDABLE RENTALS

1. TOTAL AFFORDABLE RENTAL UNITS NEEDED

Affordable rental units form the greatest need in the study area. They are needed by both cost-burdened renter households, as well as a portion of cost-burdened owner households who may be facing foreclosure and need to downsize into a rental home. Included as a subset of cost-burdened households are seniors with a cost burden, people with disabilities living in poverty, and people ‘graduating’ from transitional housing situations, including recovering substance abusers, former homeless individuals and families, people recovering from domestic violence situations, and youth transitioning out of the juvenile justice system.

Not every cost-burdened household will be willing or able to take advantage of new rental opportunities. The exact percentages of each group expected to utilize new rental units are shown in Table 44 below. Based on these calculations, there is a current estimated need for 3,094 additional affordable rental units. If the percentages of cost-burdened households remains the same, the estimated number of new affordable rental units by 2030 will be 4,047.

Table 44. Determining Current Rental Need

Cost-Burdened Renter Households					
Income Level	% AMI*	Number Cost-Burdened Renter Households (2009)	% Who Would Utilize New Rental Housing**	Total Need (2010) (Renters)	Estimated Future Need (2030) (Renters)
<$15,000	< 30% AMI	765	90%	688	
$15,000 to $24,999	30% - 50% AMI	655	80%	524	
$25,000 to $34,999	50% - 70% AMI	692	70%	484	
$35,000 to $49,999	70% - 100% AMI	52	50%	26	
Subtotal				1,722	2,252
Cost-Burdened Owner Households					
Income Level	% AMI*	Number Cost-Burdened Owner Households (2009)	% Who Would Utilize New Rental Housing**	Total Need (2010) (Owners)	Estimated Future Need (2030) (Owners)
<$15,000	< 30% AMI	1,376	30%	412	
$15,000 to $24,999	30% - 50% AMI	1,177	30%	353	
$25,000 to $34,999	50% - 70% AMI	1,244	30%	373	
$35,000 to $49,999	70% - 100% AMI	781	30%	234	
Subtotal				1,372	1,795
TOTAL				**3,094**	**4,047**

Source: Table 24 of this document.

*Note: Income brackets do not match precisely with the AMI levels for San Juan County. Actual AMI levels are: $15,240 (30% AMI); $25,400 (50% AMI); 35,560 (70% AMI); $50,800 (100% AMI).

**It is unlikely that 100% of cost-burdened households will take advantage of new housing opportunities, either due to ignorance of the opportunities, or because they have chosen their current housing for other factors, despite its cost. In general, it was assumed that households in lower income brackets would be more likely to need and take advantage of new opportunities. (Note: Percentages for renter households were modeled after the Los Alamos County Draft Affordable Housing Plan, 2009). Owner households are less likely to be willing to move due to past investment in their homes or other factors. However, facing foreclosure, some families have little choice. Families earning less than 50% of the AMI are more likely to opt for rental housing, as new affordable home ownership opportunities are unlikely (see Section B of this chapter).

To determine the number of rental units needed for each percentage of the AMI, the total need for renters and owners by AMI level (see Table 44) was combined. As shown in Table 45, the greatest need is for rental units for households earning 30% or less of the AMI.

The second part of Table 45 details the affordable rental housing need by bedroom size. This was calculated by starting with the percentage of households by household size in the study area (see Table 8), and adjusting upward to allow for more three- and four-bedroom units, due to the current dearth of these units on the market and the high rents on units that are available (see Tables 37, 38, and 39). One-bedroom units are needed primarily for cost-burdened seniors and disabled individuals, as well as other single individuals and cost-burdened married couples with no children. Two-bedroom units are needed for families with three or four members, including married couples with one or two children, and single parents with one or two children—which make up the largest group of those living in poverty (see Table 19)—and seniors or disabled individuals with a live-in caretaker. Three-bedroom units are needed for families with four, five, or six members, depending on the family configuration, while four-bedroom units are for those with five, six, or seven members, which make up a minority in the study area.

Table 45. Characteristics of New Rental Housing Needed

By %AMI:	Total Number Rental Units Needed	Percent Total (Rounded)
< 30% AMI	1,100	36%
30% - 50% AMI	877	28%
50% - 70% AMI	857	28%
70% - 100% AMI	260	8%
Total	3,094	
By Number of Bedrooms	Rental Units Needed	Percent Total
1 BD	866	28%
2 BD	990	32%
3 BD	866	28%
4 BD	371	12%
Total	3,094	

Source: Sites Southwest, 2010

2. SENIOR HOUSING NEEDS

As noted previously in the plan, senior-headed households are concentrated in lower income brackets, often due to a low fixed income. There were an estimated 1,574 senior-headed households with a cost burden in 2009 (see Table 11). In order to avoid being double-counted, the number of disabled seniors living in poverty was subtracted from the figures here, but is included in Section A.3 below. As shown below, approximately 530 cost-burdened seniors could be expected to seek affordable rental options. These are a subset of the total rental needs described in Tables 43 and 44.

Table 46. Determining Senior Housing Needs

Seniors					
Senior-Headed Renter Households with Cost Burden (2009)	% Who Would Utilize New Rental Housing	Senior-Headed Owner Households with Cost Burden (2009)	% Who Would Utilize New Rental Housing	Minus Disabled Seniors Living in Poverty	Total Need (New Senior Rentals)
618	80% (494)	955	50% (477)	(-441)	
	494	+	477	-441	**530**

Source: Sites Southwest, 2010

There is no data available to determine the precise percentages of units by AMI levels for seniors with a cost burden; hence the percentages in Table 47 are approximate, based on the percentages of all seniors by income bracket, and the percentage of all households with a cost burden by income bracket.

According to the inventory of existing senior housing facilities in the study area (see Table 34), about 97 percent of senior units should be one-bedroom, with the remaining three percent being two-bedroom units.

Table 47. Senior Housing Characteristics

By % AMI	Total Number Rental Units Needed	Percent Total in Each AMI category
< 30% AMI	318	60%
30% - 50% AMI	186	35%
50% - 70% AMI	26	5%
70% - 100% AMI	0	0%
Total	530	
By Number of Bedrooms	Total Units	Percent Total
1 BD Units	514	97%
2 BD Units	16	3%
Total	530	

Source: Sites Southwest, 2010

3. HOUSING NEEDS FOR DISABLED INDIVIDUALS

As noted in Table 13, an estimated 1,670 disabled people in the study area are living in poverty. Of those, 1,359 are age 18 or over. (Disabled children are excluded from the housing count here, as their families would be part of the general cost-burdened household count in Section A.1).

According to a US Census Press Release (*Facts for Features* CD08-FF.1, 2008), 23 percent of individuals with a non-severe disability live alone or with unrelated family members, while 28 percent of those with a severe disability do. It is likely that disabled individuals in married couples or living with other family members who are in poverty are included in the cost-burdened households listed in Section A.1. Those living alone would be heads of household eligible for housing assistance based on their income and disability, and therefore are included in the count below. Therefore, an estimate of 25 percent (part way between 23% and 28%) was used to determine the number of individuals who would take advantage of new affordable rental programs.

Incorporating these factors, it can be estimated that there is a need for 340 new affordable rental units specifically for income-eligible individuals with a disability.

Table 48. Determining Housing Needs for Disabled Individuals

People with Disabilities		
Estimated Total Living in Poverty, Ages 18+ (2009)	% Who Would Utilize New Rental Housing	Total Need (New Rental Units for People with Disabilities
1,359	25%	**340**

Source: Sites Southwest, 2010

Precise data detailing the percentage of disabled individuals by income level is not available. However, the federal poverty level for 2009 was $10,830 for one-person households, and $14,570 for two-person households. Therefore, individuals living under the poverty level earn less than 30 percent of the AMI for San Juan County. However, in order to allow for some upward mobility by disabled individuals who seek to work, up to ten percent of units should be allowed for people earning up to 40 or 50 percent of the AMI.

As with senior housing facilities, one-bedroom units make up about 97 percent of the demand by disabled individuals. About three percent are eligible for a live-in caretaker, or otherwise require a two-bedroom unit. The San Juan Center for Independence notes that about 60 percent of individuals with a disability require an ADA-accessible unit, as some have mental, sensory or other disability rather than a physical one. This information informed the table below.

Table 49. Characteristics of Housing for Disabled Individuals

By % AMI	Total Number Rental Units Needed	Percent Total in Each AMI category	
< 30% AMI	306	90%	
30% - 50% AMI	34	10%	
50% - 70% AMI			
70% - 100% AMI			
Total	340	340	
By Number of Bedrooms	Total Units	Percent Requiring ADA-accessibility or universal design*	Total ADA-accessible or universal design
1 BD Units	330	60%	198
2 BD Units	10	60%	6
Total	340		202

Source: Sites Southwest, 2010

*Universal design is the concept of creating attractive design features that increase the usability of a space by all ages and abilities, to allow people to remain independent for as long as possible. It may include features such as a no-step entry, wide interior doorways, easy to use cabinets and sinks, etc. (Kochera, 2002).

B. AFFORDABLE HOME OWNERSHIP NEEDS

Affordable home ownership opportunities are primarily needed for cost-burdened owner households. However, there are also renter households earning less than 100 percent of the AMI that do not have a housing cost burden, and may be ready to move into home ownership (see Figure 7). Only renter households earning $25,000 or more were included, because this income level has proven to be the most feasible for housing assistance, according to ECHO, Inc. Sufficient subsidies cannot be obtained to make home ownership available to households earning less than $25,000 per year.

One challenge with new affordable home ownership programs is that income-eligible households do not always meet credit requirements. According to ECHO, Inc., only about one in 20 families who apply qualify for loans and assistance. For the purposes of this plan, higher estimates will be used, with the expectation that improved financial education will help more families qualify in the long run.

Table 50. Determining Affordable Home Ownership Needs

Cost-Burdened Owner Households					
Income Level	% AMI*	Number Cost-Burdened Owner Households (2009)	% Who Would Utilize New Home Ownership Opportunities	Total Need (2010) (Owners)	Total Estimated Future Need (2030) (Owners)
<$15,000	< 30% AMI	1,376	5%	68	
$15,000 to $24,999	30% - 50% AMI	1,177	5%	58	
$25,000 to $34,999	50% - 70% AMI	1,244	10%	124	
$35,000 to $49,999	70% - 100% AMI	781	20%	156	
Subtotal				406	531
Renter Households Without a Cost Burden					
Income Level	% AMI*	Number Renter Households Without a Cost Burden (2009)	% Who Would Utilize New Home Ownership Opportunities	Total Need (2010) (Renters)	Total Estimated Future Need (2030) (Renters)
<$15,000	< 30% AMI	--			
$15,000 to $24,999	30% - 50% AMI	--			
$25,000 to $34,999	50% - 70% AMI	1,048	10%	105	
$35,000 to $49,999	70% - 100% AMI	1,137	10%	114	
Subtotal				219	286
TOTAL				**625**	**817**

Source: Sites Southwest, 2010

The specific characteristics of new affordable for-sale housing are shown below. The number of units by bedrooms was determined by examining the current size/configuration of homes on the market (see Table 41), and adjusting upward to create more four-bedroom homes. Many of the affordable four-bedroom homes currently available are mobile/manufactured homes, which tend to lose value over time. Although these will realistically continue to provide an important source of affordable housing in the plan area, it is hoped that future housing projects and programs will create more site-built affordable options.

Table 51. Characteristics of New Affordable Homes for Sale Needed

By % AMI	Total Number New Units Needed	Percent Total in Each AMI category (Rounded)
< 30% AMI	68	10%
30% - 50% AMI	58	9%
50% - 70% AMI	229	37%
70% - 100% AMI	270	43%
Total	625	
By Number of Bedrooms	Total Units	Percent Total
1 BD Units		
2 BD Units	62	10%
3 BD Units	313	50%
4 BD Units	250	40%
Total	625	

Source: Sites Southwest, 2010

C. TRANSITIONAL HOUSING NEEDS

Transitional housing with supportive services is needed for several different groups: people recovering from substance abuse, homeless individuals and families, survivors of domestic violence, and youth transitioning out of corrections facilities. The greatest need is for former substance abuse users, as there are currently no permanent programs in operation that address the housing needs of this population. There are already programs that provide transitional housing to the homeless and domestic violence survivors, but there is a remaining additional need to meet current demand.

1. SUBSTANCE ABUSE

According to the San Juan County Assessment Center (part of Presbyterian Medical Services), about 75 people per year in the study area are coming out of substance abuse treatment programs and require temporary transitional housing. Often, they cannot return to their former homes or neighborhoods if they want to avoid relapse, and they may have a challenging time finding well-paid work, especially if they have a criminal record.

Housing facilities for this group may require on-site supervision and possibly medical staff. In addition, clients generally need additional counseling, job training and referral services, which may or may not be offered as part of the housing facility. According to Dan Darnell of the San Juan County Safe Communities Initiative, housing units should primarily be one-bedroom, though two-bedroom units are appropriate for some tenants with roommates. They may not, however, require full kitchen facilities; a kitchenette would suffice.

Table 52. Transitional Housing Needs for People Recovering from Substance Abuse

People Recovering from Substance Abuse			
By Bedroom Size	Total Units	Percent Total	Total Need
1 BD	60	80%	
2 BD	15	20%	
			75

Source: Sites Southwest, 2010

2. HOMELESS

The Farmington CDBG staff estimated that the City's at-risk and homeless population in 2009 was about 1,120 people (2009-2014 Consolidated Plan, 2009). Currently, some of these needs are being met by the PATH shelter and the Drexel House facility. Nevertheless, there is an additional need in the study area. According to PATH, their shelter must be updated to allow wheelchair accessibility and provide additional family rooms.

Table 53. Homeless Housing Needs

Homeless			
2010 Homeless Population	Minus People Served at PATH	Minus People Served at Drexel House*	Total Need (Homeless)
1,120	-711	-11	**398**

Source: Sites Southwest, 2010

*Drexel House has four family units available for homeless households. The number of actual individuals served was determined by multiplying 4 by 2.79, the average household size in the study area. The actual number of individuals served may be slightly higher or lower.

3. DOMESTIC VIOLENCE

Family rooms and individual beds are needed at protected facilities for women, children and men experiencing domestic violence. According to interviews with the Family Crisis Center and the New Beginnings Program of the Navajo United Methodist Center, both overnight and short-term beds are needed, as well as facilities where individuals or families can stay for longer periods—from three to 18 months. Housing facilities serving this population also generally offer supportive services—either on-site or through referrals—such as counseling, job training, parenting classes, etc.

Table 54. Transitional Housing Needs for Survivors of Domestic Violence

Domestic Violence Survivors			
2010 Population of Individuals Dealing with Domestic Violence*	Minus People Served at the Family Crisis Center	Minus People Served at New Beginnings	Total Need (Domestic Violence Survivors)
791	-500	-81	**210**

Source: Sites Southwest, 2010

*The total population of domestic violence survivors was determined by adding up the total number of people served in 2009 at each of the two facilities, plus the average number of people turned away at New Beginnings (between 15 and 20 people per month, or 17.5 average, for a total of 210 per year). The Family Crisis Center does not turn anyone away; if its facilities are full, staff finds clients a safe room at an area hotel or other location.

4. YOUTH

According to Carol Leuenhagen, of the local New Mexico Children, Youth and Families Department, there are approximately 25 young people per year (ages 16 to 20) coming out of foster care and juvenile corrections facilities in the plan area that require housing assistance. There are currently no organizations in San Juan County that provide supportive housing for this population. The need is for either a halfway house, or scattered site apartments offered at reduced rents for a temporary period while youth readjust to community life and are able to support themselves financially. According to Ms. Leuenhagen, some youth could be reasonably expected to share a room.

Table 55. Housing Needs for At-Risk Youth

At-Risk Youth			
By Bedroom Size	Total Units	Percent Total	Current Need (Youth)
1 BD (shared room)	10	80%	20
1 BD (individual room)	5	20%	5
Total			**25 people; 15 units**

Source: Sites Southwest, 2010

D. FINANCIAL EDUCATION NEEDS

Financial education, including budgeting, creating savings and managing credit, is needed across the board, not just for potential homebuyers. This is an important element in helping families move out of poverty as well as have adequate housing during times of region-wide economic instability. The estimated need in the table below is based on the total number of cost-burdened households earning less than 100 percent of the AMI, in addition to the population receiving/in need of transitional housing. It was assumed that approximately 10 percent of this population could be expected to avail itself of financial education opportunities.

Table 56. Financial Education Needs

Financial Education					
Total Cost-Burdened Renter Households Earning less than 100% AMI	Total Cost-Burdened Owner Households Earning less than 100% AMI	Total People Receiving and In Need of Transitional Housing	% Expected to Participate	Minus Current Classes Offered*	Total Need (Financial and Homebuyer Education Classes)
2,164	4,578	2,011	10%	-319	**556**

Source: Sites Southwest, 2010

*In 2009 ECHO, Inc. provided homebuyer education, financial literacy and one-on-one counseling to over 200 households. Fifty-six attended the financial literacy classes. ECHO has the capacity to offer between 6 and 10 financial literacy courses per year, which have an average attendance of 14 people (for a potential attendance of 140 households per year).

E. HOUSING REHABILITATION NEEDS

There is currently no data available regarding the number or location of housing units in substandard, poor, fair and good condition in the study area. The City of Farmington is conducting a housing quality inventory in its Metropolitan Redevelopment Area, but this information in not yet available. As Farmington and the other municipalities begin to monitor housing standards, this information should be incorporated into future housing rehabilitation programs, so that resources can best be funneled into neighborhoods and areas that need them most.

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V. LAND USE AND POLICY REVIEW

This chapter reviews local governmental policies and land use and identifies any constraints or barriers these pose to affordable housing. Non-governmental constraints are also examined.

A. GOVERNMENTAL POLICY

Land use regulations and policies were reviewed for San Juan County, and each of the three municipalities—Farmington, Aztec, and Bloomfield. These include zoning regulations, subdivision regulations, comprehensive plan elements, and other relevant planning documents.

1. COMPREHENSIVE PLANS

Farmington, Bloomfield and Aztec all have comprehensive plans, and San Juan County has a growth management plan, which functions as its comprehensive plan. These policies are meant to guide general development practices and future land use decisions in the municipalities. In general, the plans are very supportive of affordable housing development.

San Juan County

The San Juan County Growth Management Plan (2007) addresses housing in the county. It identifies Crouch Mesa as one of the primary growth areas in the county, and recommends conducting a land use inventory and master plan for that area.

The Plan also recognizes the need for affordable housing in San Juan County. Specific goals related to affordable housing include: participating in affordable housing initiatives as a strategic partner (Goal D.1.c); encouraging new housing developments to provide a mix of market rate housing with affordable housing (Goal D.2.a); considering requiring the inclusion of affordable housing in subdivisions in the future (Goal D.2.b); identifying rehabilitation and weatherization programs for existing housing, particularly for low- and moderate-income residents (Goal D.3.a); considering including affordable housing projects as part of the Infrastructure Capital Improvement Plan (Goal D.4.e); and participating in the development of an affordable housing plan (Goal D.5.a).

San Juan County has shown its dedication to these goals by providing funding and participating in the development of this Affordable Housing Plan.

Farmington

An example of a Downtown building that has commercial uses below and could have residential spaces above

The Farmington Comprehensive Plan (2002) lists the availability and affordability of housing as a priority. It notes that multifamily rental housing is limited, and other diverse housing opportunities are needed, including smaller lot developments, cluster homes, townhomes, and low density apartment units. Another issue identified in Farmington's Comprehensive Plan is the prevalence of manufactured homes. While these do provide an important source of affordable housing, they tend to depreciate in value, thereby removing one of the main benefits of homeownership. Furthermore, manufactured homes are often placed on large lots lacking complete infrastructure and neighborhood amenities, lowering the quality of life and access to services for residents.

The plan notes that future residential growth should be directed toward infill development in areas already served by infrastructure and services, and that higher density options should be considered. Particular areas desirable for residential development include the Downtown and Animas neighborhoods. The Downtown area could be redeveloped with a mix of uses, where ground floors feature services and retail, and upper floors are converted into offices and residential spaces. The Animas neighborhood has more vacant lots, and is called out for mixed use development as well as a range of residential options, including live/work housing, multifamily dwellings, patio homes, and cluster homes. Specific markets for housing in this area include the workforce—particularly employees of the Medical Center, students, young families, and seniors.

There are several challenges to housing development in the Downtown and Animas neighborhoods. The Plan notes that many property owners of existing buildings in Downtown are not interested in redevelopment, or may believe that renovations will lead to much higher taxes. The Animas district contains many industrial storage sites, which create an unattractive environment for housing; furthermore, some sites may have environmental concerns that must be addressed. Infrastructure improvements in both neighborhoods are also needed, including upgrades to the electrical and telecommunications systems, and street, sidewalk and curb and gutter improvements. Finally, existing zoning in these neighborhoods is not always supportive of multifamily development.

Vacant industrial sites in the Animas district may require environmental remediation.

Specific strategies to address these issues include: creating an incentive program to develop vacant infill lots (Comprehensive Plan Action 4.2.2); encouraging the relocation of industrial uses from the Animas neighborhood by facilitating land swaps (Action 4.6.2); revising zoning districts or selectively promoting zone changes to allow for smaller lots, yard and setback requirements (Action 7.1.1); providing reduced fees for affordable housing development in areas where City services are already in place (Action 7.2.5); revising standards for manufactured home parks and subdivisions to require foundations and appropriate infrastructure, consistent with City standards for conventional single family housing (Action 7.5.1); and promoting legislation that downtown area renovations will not be penalized by tax increases (Action 13A.5.3).

After the adoption of the Comprehensive Plan, Farmington passed a new zoning code: the Unified Development Code (UDC). The UDC introduced two new zoning districts: the Mixed Use district (MU) and the Local Neighborhood Commercial District (LNC). Mixed use allows residential dwellings on second floors over commercial establishments.

The Metropolitan Redevelopment Area Plan (2009) was developed as a next step following actions that the City of Farmington had already taken to revitalize, redevelop and preserve neighborhoods in the plan area. This plan further supports the development of housing, including affordable units, in this area. The goal for the Downtown neighborhood includes the adaptive reuse of older buildings with residential (and other) uses, and the goal for the Animas District includes mixed use development with affordable housing. The plan describes five potential public-private redevelopment projects that could serve as catalysts for downtown revitalization. Three of these include housing as an important component.

The Animas Riverfront project is listed as the project with the greatest potential for transforming the MRA district over time. Possible components include waterfront development, restaurants and entertainment venues, and residential development including single family detached homes, condominiums, townhouses and apartments. The feasibility study notes that a mixed income housing development with affordable housing must include a substantial portion of market rate units to be successful. It would likely require significant public sector subsidies in the form of grants, low interest loans, tax incentives and land donation.

The second proposal—the San Juan Regional Medical Center—would feature a variety of projects to support the existing health care facility. Projects could include a pharmacy, medical offices, restaurants and retail, and housing to include workforce housing, market-rate apartments and condominiums, and single family homes, patio homes and townhouses. Although this proposal does not specifically include affordable housing, workforce housing would be affordable to key service workers, including nurses and doctors, as well as maintenance staff. This group may earn in the range of 80 percent AMI and up, overlapping with some of the population needing affordable housing. One of the key benefits to this proposal is that the San Juan Regional Medical Centers owns many parcels in the area, and is interested in becoming a strategic partner in developing catalyst projects, enhancing the feasibility of the projects.

A third opportunity is the area west of the Medical Center. The proposal is for a master planned "urban village" to incorporate housing, commercial uses and open space. Housing types could include a mix of affordable, workforce, market rate apartments/condos and a range of senior living opportunities. One caveat is that this site may have drainage issues, but these could be mitigated with engineering solutions, and could even incorporate greenways and riparian habitat into the community design. This project would require a significant number of market rate residential units to be feasible, but it would ensure that affordable units would be located in a high quality, attractive community.

Overall, Farmington's Comprehensive Plan and MRA Plan support affordable housing development, particularly in the Animas neighborhood, and the area immediately surrounding and to the west of the San Juan Medical Center. As shown in Figure 15 (in the Section C of this chapter), vacant multifamily land is all located within close proximity to the Red Apple Transit line, and hence, many of those parcels would be suitable for affordable housing development.

Bloomfield values its rural character and open spaces.

2. BLOOMFIELD

The City of Bloomfield Comprehensive Plan 2007-2017 (2007) notes that there is not an adequate mix of low-, middle-, and high-income housing in the municipality. The plan highlights that the housing stock should be affordable, as well as aesthetically pleasing and compatible with the area's rural character. The specific housing-related goal is to "encourage housing that is affordable to households with low to moderate income, consistent with the City's housing needs and demographics."

The Plan lists various policies aimed at meeting this goal. These include encouraging the preservation of existing affordable housing units; encouraging the use of tax credits and subsidy programs for affordable housing production; and supporting housing initiatives such as ECHO and the Affordable Housing Alliance. Other policies are to create incentives such as flexible development standards to promote affordable housing development; to maintain a list of vacant sites in Bloomfield suitable for affordable housing development; and to dedicate land with the purpose of developing affordable units and self-help housing. Additionally, the Plan encourages the formation of a nonprofit corporation to develop senior living facilities, such as independent living, assisted living, and skilled care accommodations for seniors; and promotes the development of affordable housing opportunities for all people, including the elderly and those with disabilities.

Land use policies related to housing include working with the private sector to encourage the development of underutilized and vacant parcels; encouraging housing in areas adjacent to existing development with access to services and infrastructure; and supporting the divesting of BLM land within the City's three mile platting and planning jurisdiction.

3. AZTEC

The City of Aztec Comprehensive Plan Update (2002) focuses primarily on the city's planning and platting jurisdiction area (PPJ), rather than the city itself. The PPJ has experienced a lot of residential growth, sometimes including subdivision types prevalent on Crouch Mesa that have large lots with mobile homes and lack infrastructure. The Plan describes three potential growth alternatives: 1) a no change alternative where development continues under existing regulations, 2) a managed rural growth alternative that allows rural growth and protects agriculture in the PPJ, and 3) a compact urban growth alternative that limits growth outside the municipal boundaries. The public did not support any of the three options. Although they want to promote a rural lifestyle and protect open spaces, most people are very opposed to regulations and government interference on private land.

A park on Aztec's Main Street

The plan does note that residents support the development of affordable and multifamily housing. The only housing goal in the plan is to provide affordable housing to meet the needs of the community's low-income residents. Specific strategies include seeking grants and other funding sources to help finance affordable housing development, and providing incentives such as density bonuses and streamlined development approval to encourage affordable housing development.

4. LAND USE CONTROLS: ZONING AND SUBDIVISION REGULATIONS

Zoning regulations allow for a variety of housing densities and types, ranging from single family detached to multifamily housing at several densities. Higher density residential zones typically allow building heights commensurate with the maximum density of the zone.

Farmington has a Unified Development Code that includes both zoning and subdivision standards, while Aztec and Bloomfield have separate zoning and subdivision regulations. San Juan County has a subdivision ordinance but no zoning regulations. The County also recently adopted a trash and junk ordinance to help improve property appearance. Furthermore, a junked car ordinance has been developed and should be in place by the end of 2010 or early 2011.

The following three tables describe the residential zones and requirements for each municipality.

Table 57. City of Farmington Residential Zones

Residential Base Zoning Districts		District Description
RE-2	Residential Estate 2	Single family, 2 acre min lots, 35' ht
RA	Rural Agricultural	Single family, one acre min lots, 35' ht
RE-1	Residential Estate 1	Single family, one acre min lots, 35' ht
RE-20	Residential Estate 20	Single family, 20,000 sf min lots, 35' ht
SF-10	Single family 10	Single family, 10,000 sf min lots, 35' ht
SF-7	Single family 7	Single family, 7,000 sf min lots, 35' ht
SF-5	Single family 5	Single family, 5,000 sf min lots, 26' ht
SF-A	Single family Attached	Single family, 5,000 sf min lots; SF attached, 3,000 sf lots, 26' ht
MF-L	Multifamily Low Density	10,500 sf min lot for multifamily use, 35' ht
MF-M	Multifamily Medium Density	8,000 sf min lot for multifamily use, 45' ht
MF-H	Multifamily High Density	8,000 sf min lot for multifamily use, 50' ht
SF-MH	Single family Mobile Home	6,000 sf min lot, one unit per lot, 26' ht

Table 58. City of Aztec Residential Zones

Residential Zoning Districts		District Description
A-1	Agricultural or Rural	40’ height, 5 acre min lot size, no ADUs (accessory dwelling units) allowed
R-1	Single Family Dwelling District	35’ height, 7,000 sf, 65’ width
R-2	Multiple-Family Dwelling District	35’ height, 5,000 sf, 50’ width
MH	Mobile Home District	20’ height, 5,446 sf individual, 3 ac. Park w/8 mh/ac.
PUD	Planned Unit Development	Height – 1.5 times widest st ROW + 3X setback

Table 59. City of Bloomfield Residential Zones

Residential Zoning Districts		District Description
	Agricultural Zoning District	One unit per lot, 2 addl units allowed for workers on site; 1-ac min lot size + open space required for livestock
R-1	Residential District	Single family detached, one unit per lot; 2-1/2 stories or 35’ ht; 7,000 sf; 70’ width, no ADUs allowed
R-2	Residential District	Single family detached (6,000 sf lot size, 60’ width) and duplexes (8,000 sf lot size, 80’ width); 2-1/2 stories or 35’ ht;
R-3	Residential District	Single family, townhouses, duplexes and apartments up to four-plexes; 10,000 sf lot size per apartment building; 2-1/2 stories ht
RR-1	Rural Residential – 1 District	Large lots; same uses as agricultural zone
	Planned Unit Development District	Flexible per a development plan; minimum 20 acres
R-4	Manufactured Housing District	Mobile homes, one per lot, mobile home parks

Some characteristics of the zoning code within the three municipalities create barriers to affordable housing development.

For instance, height requirements generally limit buildings to 35 feet, which does not always allow three-story development, although it is feasible at that height. Three stories are often necessary to make affordable multifamily projects—particularly senior housing—financially feasible for the developer. Aztec allows heights of up to 40 feet, but only in the A-1 (Agricultural or Rural) zone, which may be farther from infrastructure. Farmington has two multifamily zones that allow 45 and 50 feet heights, but affordable vacant land in those areas can be scarce. Planned unit developments in the three municipalities may allow more flexibility in height, setback, and density, and could provide opportunities for mixed income developments that provide both market-rate and affordable units, whether multifamily, townhomes, or single family homes.

Another barrier is that lot size requirements in the single family zones are fairly large in the municipalities, so that land costs coupled with lot size limit the ability to provide affordable single family homes in single family districts. In some cases, the building is only allowed to take up half of the lot size, further limiting the ability to develop small lots. Districts that allow attached single family and multifamily units have smaller lot size requirements, but vacant land zoned for these uses is limited.

Maximum allowed density can be restrictive. In Bloomfield, four-plexes are the highest allowable multifamily development.

Some zoning districts do not allow accessory dwelling units. These provide a two-fold source of affordable housing: they create an additional income stream for the homeowner, and can provide an affordable rental for the tenant.

Subdivision regulations do not pose barriers to affordable housing, with the exception of street widths. Minimum road widths in new subdivisions are 50 feet of right of way and 32 to 40 feet of paving. In large lot subdivisions in Farmington, roadway width can be reduced to 24 feet. In residential areas, narrower streets would reduce land costs, helping make developed lots more affordable.

Zoning maps and a discussion of available vacant land by zone is included in Section C of this chapter.

5. ADDITIONAL GOVERNMENTAL BARRIERS

Development Costs. Development processing costs in the communities in the study area are relatively low, and were not identified as a barrier to affordable housing in the study area. The cost of permits was estimated at 1.7 percent of the total development cost for a single family home (see Table 31). Nevertheless, any reduction of fees would help make projects more affordable from a development perspective.

Codes and enforcement. Local housing advocates noted that code enforcement is needed to ensure an acceptable quality of rental housing. During times of peak demand for rental housing, landlords are able to rent housing for high prices regardless of its condition. Lack of code enforcement is a barrier to rental housing in good condition. Another issue is the quality of mobile homes. Some areas require improved enforcement to ensure that these homes are safe and meet standards (Interviews: ECHO, Inc., 2010; San Juan County Housing Authority, 2010; Peterman, 2010).

Fees and exactions. Aztec and Farmington have recreational impact fees, and the other jurisdictions in the study area impose fees for utility hookups. In Aztec, $500 per unit is charged for parks and open space. In a multifamily complex, this could create a significant cost barrier. Farmington has also charged recreation fees in the past: $192.82 per single family dwelling, and $80.60 - $214.52 per multifamily unit, depending on the number of bedrooms in the unit. This fee is currently on hold, as the City is considering raising the fee incrementally over five years. The exact amount of the fee has not been decided, but the current proposal is for a $700 fee per housing unit (whether single family or multifamily). The fee may vary by zone based on existing land use. As with Aztec, this fee for multifamily housing could be cost-prohibitive.

Processing and permit procedures. The major process issue is the length of time that it takes to obtain a zoning change for multifamily housing.

Neighborhood resistance can create a barrier (discussed in a later section), which delays the process even longer, and in some cases, the process is so long that developers are forced to abandon the project. With tax credit projects in particular, there is a very tight deadline for construction and occupancy, and a long development approval process can derail these efforts. Processing for single family houses does not appear to be a barrier; permits are usually processed within two weeks (Interviews: Reed, 2010; Peterman, 2010).

On/off site improvements. Utility extension costs can be high for development at the edges of the cities. For the most part, development is encouraged in areas already served by existing infrastructure and services (see Sections A.1, A.2, and A.3 above).

Reasonable accommodation. ADA accessibility is not required in new housing construction, and hence does not constitute a barrier to affordable housing development. However, there is a shortage of affordable accessible housing units. According to the San Juan Center for Independence, disabled individuals with housing vouchers must sometimes forfeit these when they cannot find suitable housing within the given timeframe. Advocates for people with disabilities noted that a requirement that some percentage of new housing units be accessible would reduce the shortage of accessible housing units in the study area. The cost to build accessible accommodations into new units is significantly less than the cost of retrofits (Kochera, 2002).

Local governmental priorities. Although affordable housing is highlighted as a goal in local comprehensive plans, stakeholders perceive that affordable housing is not a local government funding priority in the study area communities, and feel there is a lack of political will and support for this type of development, particularly when it comes to zone changes that would allow higher density development (Various Interviews (names withheld due to sensitive political nature), 2010). Nevertheless, local municipalities will be able to offer funding, land and other assistance upon adopting affordable housing ordinances, and Farmington can already engage in these types of activities in its Metropolitan Redevelopment Area. Furthermore, according to an article in the Daily Times (Lynn, July 2, 2010), Farmington plans to contribute $344,000 of CDBG grant money for affordable rental housing for low-income households over the next two years. Although the City has not yet identified specific projects, this is a sign of its commitment and willing to move forward with affordable housing.

Administer housing funds/programs. The San Juan County Housing Authority has not been able to administer all of the housing choice vouchers available to it, due to federal funding limitations. (Interview, San Juan County Housing Authority, 2010).

B. NON-GOVERNMENTAL CONSTRAINTS

There are a range of non-governmental barriers to affordable housing in the study area. In some instances, policies can be drafted or actions can be taken to remedy the situation; other challenges, however, are rooted in regional and national economic forces that cannot be addressed as readily. Issues related to land use and availability are discussed separately in the following section.

Price and availability of financing for developers. A lack of financing is a tremendous barrier for developers of affordable housing. Builders have a hard time obtaining low interest construction loans or subsidies. In general, construction financing is very difficult. USDA offers loans through its rural development program, but properties in Farmington are ineligible for this funding, as it is available only for communities with a population of less than 10,000. In addition, local affordable housing developers note that the processing time for single family home applications through USDA is very long, and hinders development (Interview, ECHO, Inc., 2010).

There is a perception among some developers that there is limited state support for affordable housing, as the pool of funds does not meet the demand.

Furthermore, it is difficult to find investors to purchase tax credits for projects in small communities, though Farmington may have a better chance than Aztec or Bloomfield (Interview, Reed, 2010).

Financing and economic issues for residents. There are several types of financial challenges facing residents. For homebuyers, tight credit markets have made borrowing more difficult. Tighter standards and longer loan processing times can negatively affect buyers (Interview, ECHO, Inc., 2010).

In addition, the nature of the local economy as well as attitudes towards spending and saving affect household incomes and credit. Some households spend beyond their means during times of economic prosperity, taking on a level of debt that is later unsustainable. The ready availability of payday loans, high interest rates on cars, furniture rentals with high interest, and similar offers make it easy for families to overspend. This is a problem when the economy contracts, as in the current downturn, which has led to a reduction of hours and layoffs for many workers. Now, families not only face reduction of income, but overwhelming debt with accumulating interest. Some people face eviction, foreclosure and homelessness; others have bad credit that prohibits them from obtaining homeownership (Interviews: Peterman, 2010; ECHO, Inc., 2010; Input at stakeholder meetings, March 2, 2010 and April 21, 2010). Financial education is needed not just for potential homebuyers, but for residents across the board.

A combination of unscrupulous lenders and irresponsible budgeting can leave families with escalating debts.

Price of land. Land prices are perceived to be the number one constraint for affordable housing, particularly as the price of land has not dropped even with the poor economy. A review of current land costs in the three municipalities reveals that Aztec and Bloomfield have significantly lower land costs than Farmington, but that none of the median prices are actually prohibitive of development (see Table 32). However, these prices include both developed and undeveloped lots, as well as land in the vicinity of the municipalities, which could artificially draw down overall prices. As shown in Table 33, developed lots in subdivisions within the municipalities are often much more expensive. Furthermore, a breakdown of land cost from 2007 by service area (see Figure 9) within Farmington shows the great variation of prices, and the higher costs of land in desirable areas. Hence, the median costs shown in Table 32 may mask the issue of high land prices. Newer data regarding land prices by service area in Farmington is not available.

Cost of construction. Construction costs make up a large portion of total development costs, and pose a significant barrier to affordable housing development. Construction costs in the study area range from $95 to $100 per square foot for multifamily housing and are approximately $80 to $85 per square foot for single family homes (Interviews: Reed, 2010; ECHO, Inc., 2010). It is not possible to build a house in the $70,000 to $150,000 price range that is affordable to low and moderate income families. It is also difficult to build new multifamily rental projects and keep rents affordable without significant subsidies to the builder (Interview, ECHO, Inc., 2010).

Local capacity to assist/finance/manage construction. Local nonprofits have been working to build capacity. ECHO in particular has increased its capacity to provide affordable single family housing for homebuyers in the last two or three years. However, there is still limited local capacity to build affordable multifamily projects, which pose the greatest need. As noted previously, the lengthy time required to process loans through USDA is also a barrier to single family affordable housing development (Interview, ECHO, Inc., 2010).

Provide housing support services. There are limited local resources for tenants that have housing issues. This includes housing quality, as well as larger issues of gangs, drugs and other crime that are sometimes prevalent in multifamily complexes. Landlords need to improve services and their management skills to improve the image of affordable properties. Landlord/tenant education, and possibly legal assistance to both landlords and tenants, is needed (Interviews, San Juan County Housing Authority, 2010; Peterman, 2010).

Cost of labor. Labor makes up the highest percentage of development costs (see Table 31). Builders sometimes have to bring in out-of-town labor. During good economic times, when demand for housing is highest, construction competes with oil field wages for labor (Input at stakeholder meeting, March 2, 2010).

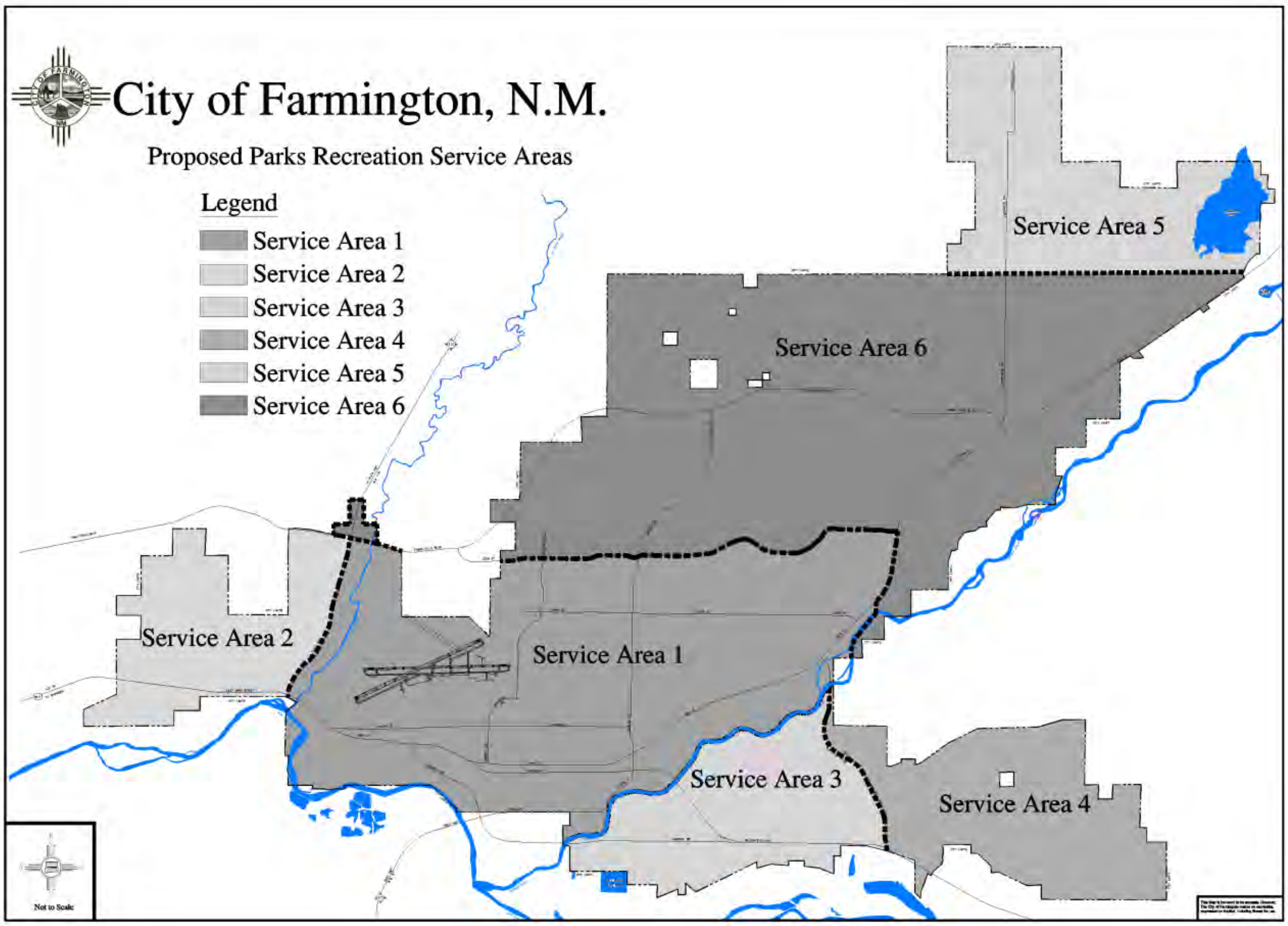
Availability of contractors with development expertise. Local organizations are building capacity, but need expertise with multifamily rentals. There are local homebuilders. Multifamily developers are not local, but experienced affordable housing developers, such as J.L. Gray and Jonathan Reed, Associates, have previously expressed interest in building projects in the study area (Interviews, ECHO, Inc., 2010; Reed, 2010).

Table 60. Land Prices, Farmington

	2007 Price Per Acre of Land
Average of All Residentially Zoned Vacant Lots Sold	$162,193
Median of All Residentially Zoned Vacant Lots Sold	$188,314
Average in Service Area 1	$245,583
Average in Service Area 2	$187,263
Average in Service Area 3	$77,116
Average in Service Area 4	$177,355
Average in Service Area 5	$53,829
Average in Service Area 6	$203,471

Source: MLS City of Farmington Sales, 2007, compiled by the City of Farmington

Figure 9. Farmington Service Areas



Source: City of Farmington, 2010

Local scale of development. Economies of scale do not exist in the Farmington area. Land developers and builders do not build out whole subdivisions as they would in bigger cities. Subdivisions are rarely built on spec, but rather are built as custom homes when a buyer has already purchased a lot and seeks to develop. There is less total return to a developer on smaller projects, especially when projects are one or two units at a time. The scale of development makes the study area less attractive to out-of-town developers and makes development more difficult for local builders (Interview, Peterman, 2010).

Neighborhood resistance. One of the major hurdles to affordable multifamily housing is negative pushback from adjacent neighbors. People believe that low-income complexes are associated with gangs and drugs, as well as increased traffic. Others feel that large apartment complexes do not fit the character of the neighborhood. Local governments, under pressure from neighbors, are reluctant to approve zone changes that would allow these types of developments (Interviews, Reed, 2010; Peterman, 2010; Darnell, 2010; Input at stakeholder meeting, March 2, 2010). According to City of Farmington staff, several affordable housing projects over the last few years have been shut down due to neighborhood protests over zone changes to higher density. One of the most recent was in 2009—a five acre property on South Carlton that would require a zone change from MF-L to MF-M; this request was denied after neighbors protested.

C. LAND USE AND AVAILABILITY

The limited availability of land is one of the greatest perceived challenges to developing affordable housing in San Juan County. Only 6 percent of the entire county is privately-owned. In the study area, about 30 percent is privately-owned. Some of the Federal and State lands within or adjacent to study area communities may be a resource for expanding the supply of land for affordable housing.

About 33 percent of privately-owned land in the study area is vacant. As shown in the following figures, much of this is outside of municipal boundaries, far from existing infrastructure and services. In addition, development constraints such as floodplains and steep slopes limit the supply of potential housing sites, as shown in the following three graphics.

Up-to-date land use maps for the three municipalities were not available for analysis at the time of the plan writing. Zoning maps were available for Farmington and Aztec only.

As shown in Figure 14 and Table 61, zoning for multifamily housing in Farmington is quite limited, making up less than five percent of all residential zones. A total of 670 acres are zoned for multifamily uses, compared to 13,352 acres zoned for single family development. Aztec has even less land available for multifamily development.

Figure 10. Northeast San Juan County Land Ownership

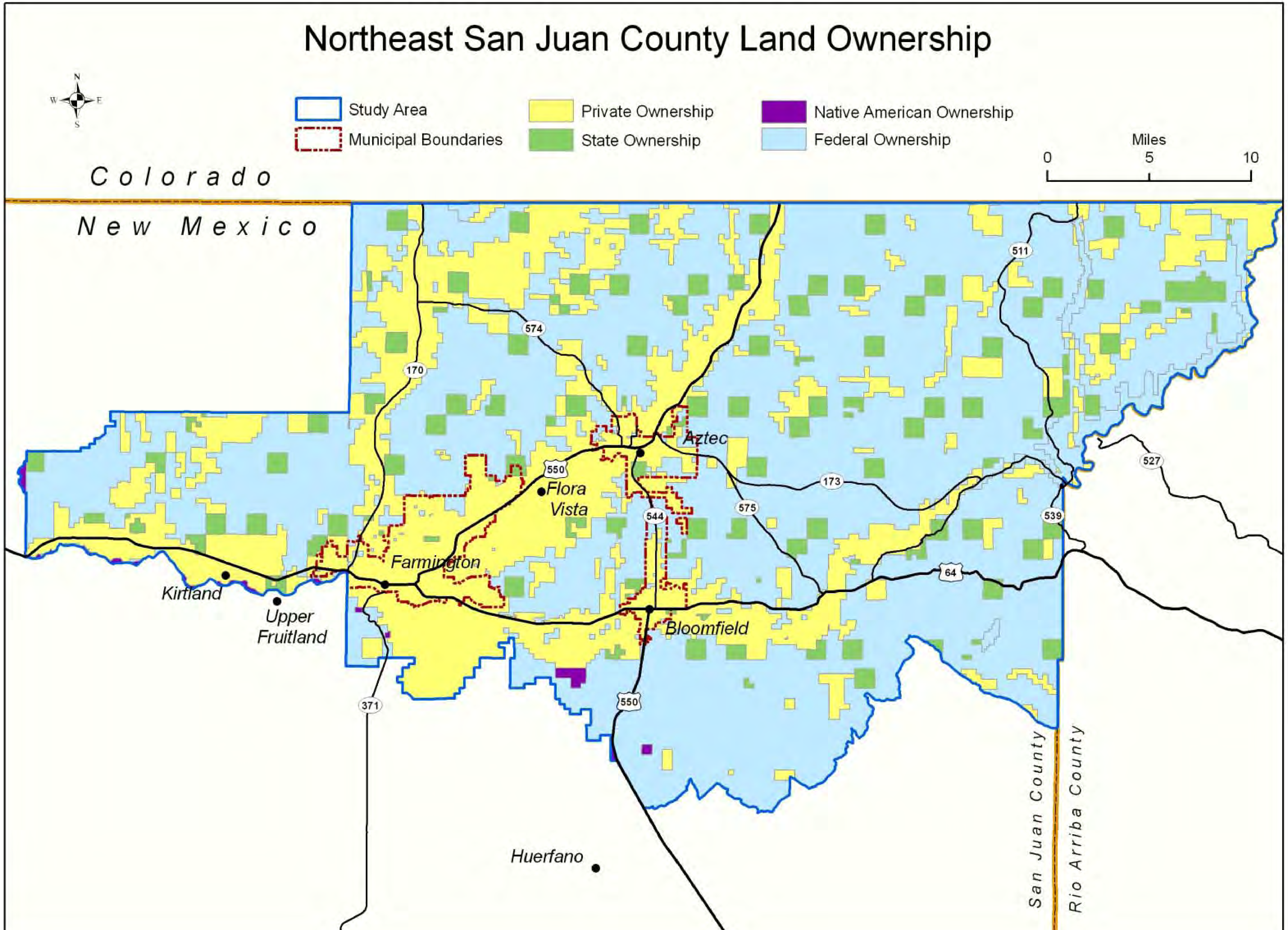


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Figure 11. Environmental Constraints – Farmington Area

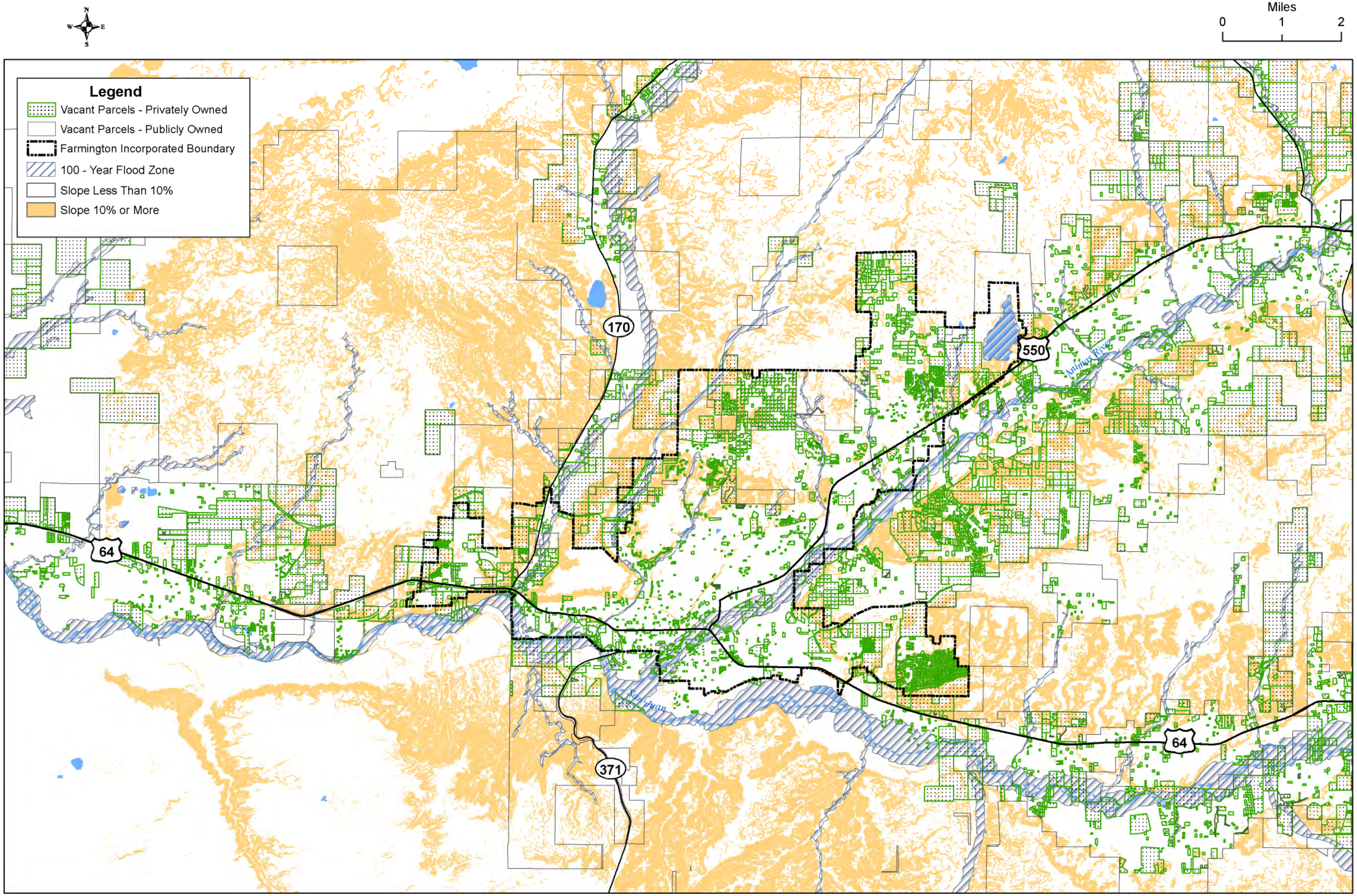

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Figure 12. Environmental Constraints – Aztec Area

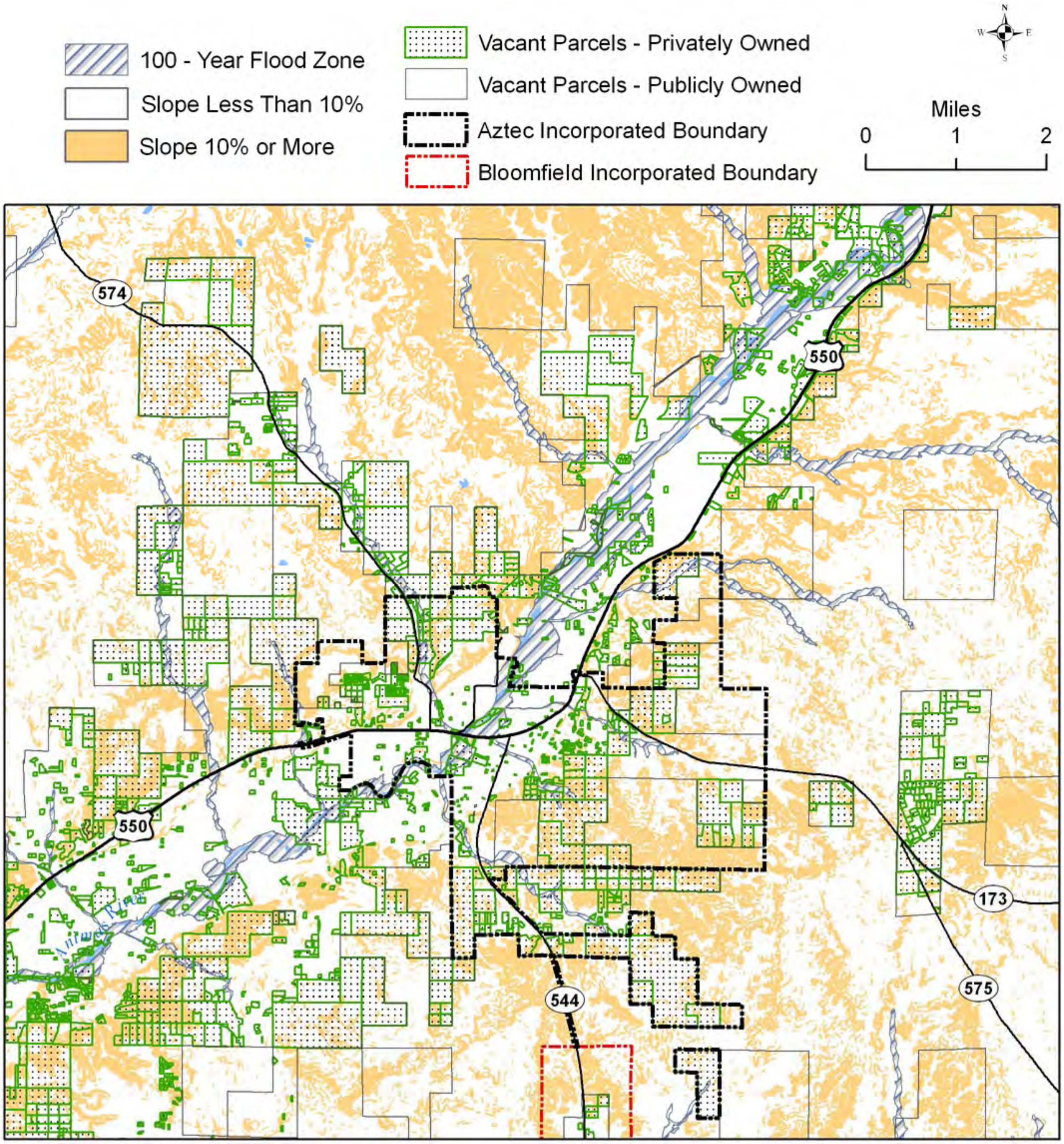


Figure 13. Environmental Constraints – Bloomfield Area

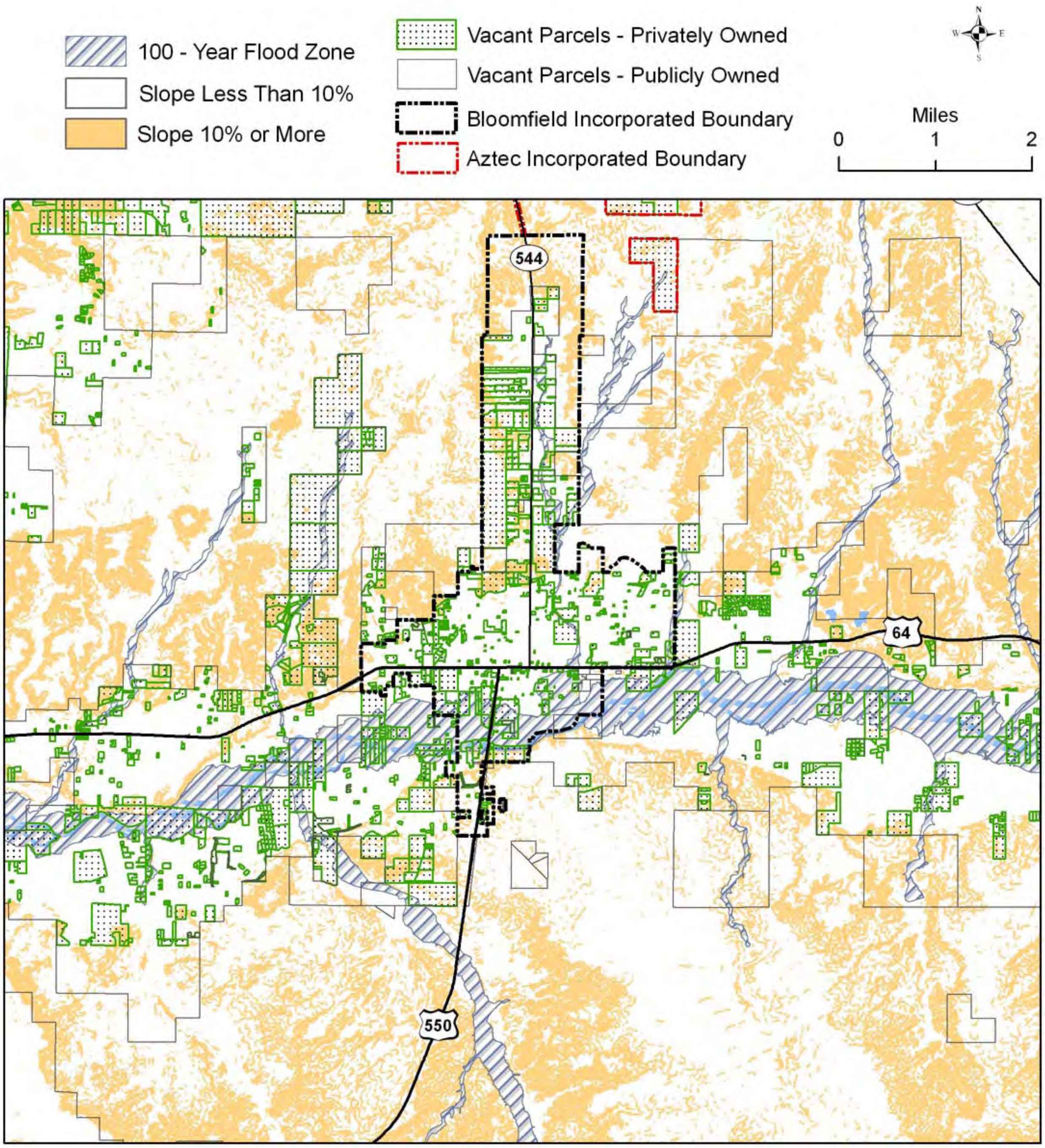
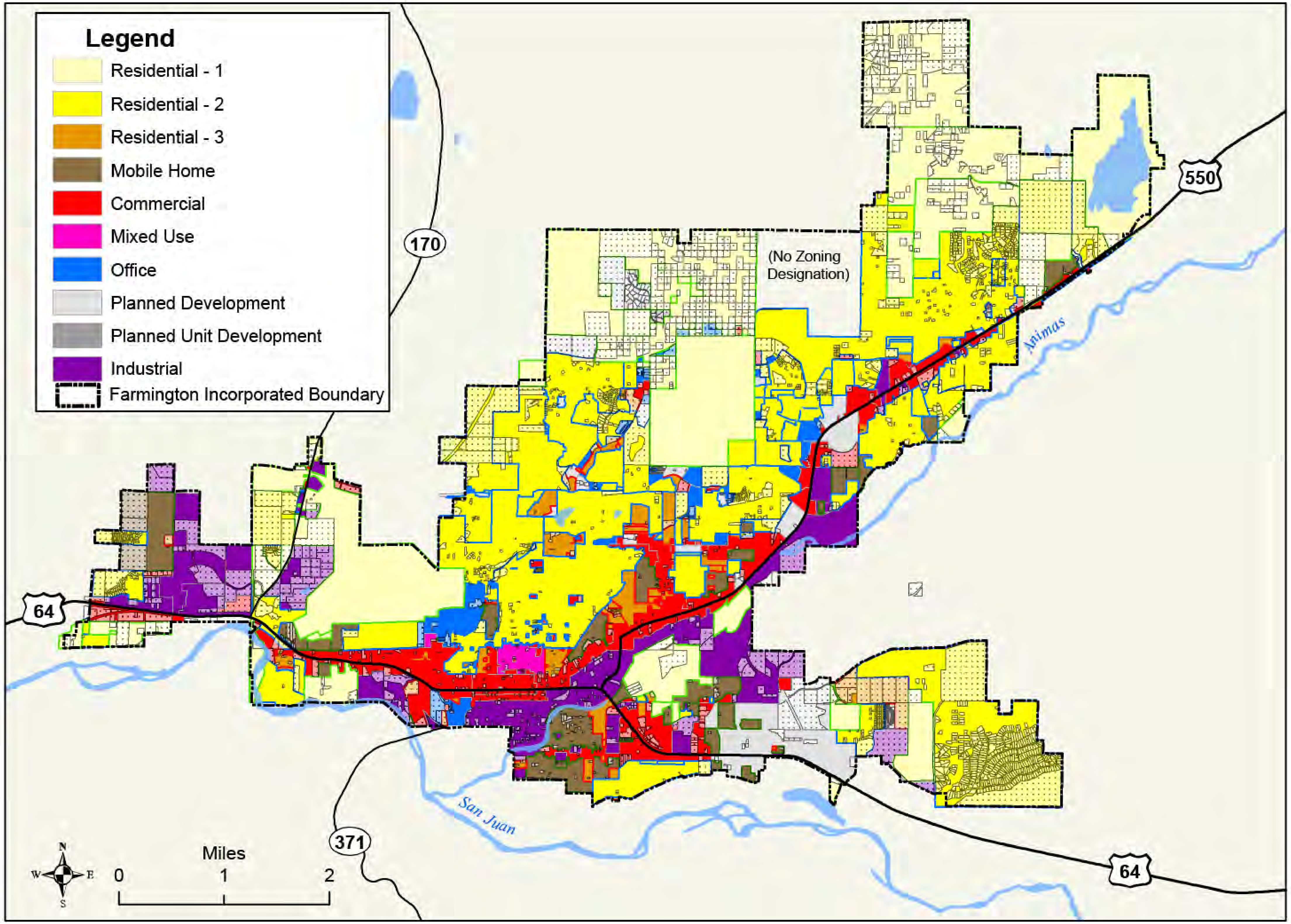


Figure 14. Zoning, City of Farmington



Note: "Residential 1" on this map includes the lowest density zones that require a minimum lot size of 1 acre: RA, RE-1, and RE-2. "Residential 2" zones have minimum lot sizes ranging from 5,000 to 20,000 square feet: RE-20, SF-10, SF-7, SF-5, and SF-A. "Residential 3" includes zones that allow multifamily development: MF-L, MF-M, and MF-H.

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The following table and map show vacant land in Farmington by zone. Less than five percent of vacant land is zoned for multifamily development. There are approximately 17 vacant acres in the Multifamily Low Density zone, 175 vacant acres zoned Multifamily Medium Density and no acres in the Multifamily High Density Zone. There is a large contiguous group of ten parcels zoned MF-M in Farmington's southeastern section that together make up a total of 129 acres, but these all have different owners, which could make housing development challenging. Furthermore, these parcels are in Service Area 4, one of the higher land cost areas (see Figure 9). At the same time, available multifamily land in Farmington is all located within one quarter mile of the Red Apple Transit line, making it more desirable for affordable housing development.

Table 61. Vacant Residential Land in Farmington by Zone

Zone(s)	Total Acreage	Total Acreage (Vacant)	Total Parcels (Vacant)
RA, RE-1 and RE-2 (Residential 1 on map)	6,071	1,443	403
RE-20, SF-10, SF-7, SF-5, and SF-A (Residential 2 on map)	7,281	2,286	1,450
MF-L	222	17	33
MF-M	439	175	51
MF-H	9	0	0

Source: Sites Southwest, 2010

Furthermore, as shown below, the total build-out capacity in Farmington's multifamily zones is 4,053 units. This is adequate to meet the community's rental needs (see Table 68 in Chapter 7). At the same time, density increases on individual properties may make affordable housing projects more feasible for developers, and should be examined on a case-by-case basis.

In sum, availability of land is not as great of a barrier as is perceived by the local building community. However, there is no land available for the highest density apartments.

Table 62. Development Capacity of Multifamily Zones, Farmington

Zone	Total Acreage (Vacant)	Maximum Density Allowed (dwelling units per acre)	Build-out Capacity at Current Density (total units)
MF-L	17	12.5	210
MF-M	175	22	3,843
MF-H	0	29	0
Total Build-out at Current Density Allowances			4,053

Source: Sites Southwest, 2010

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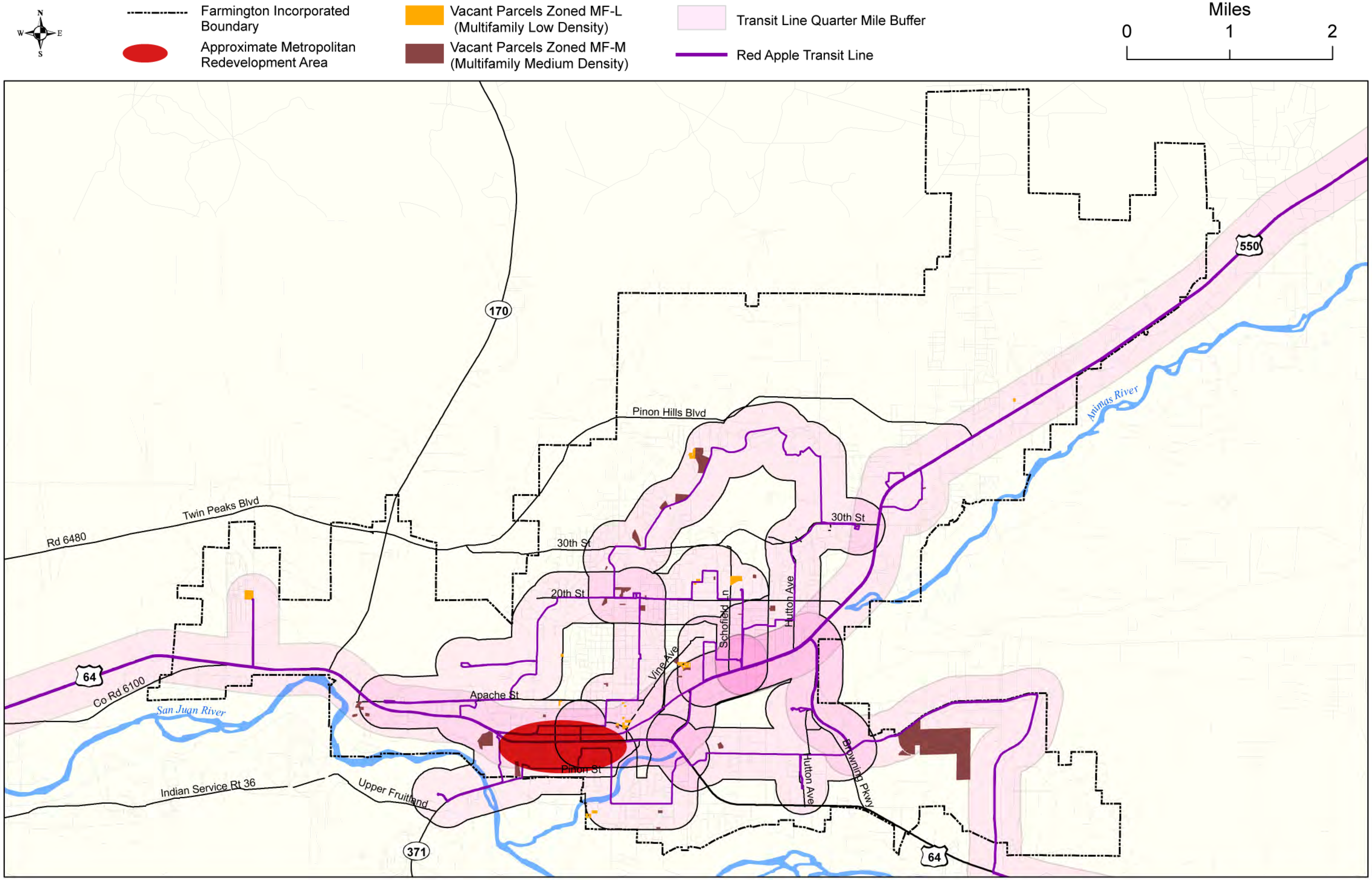
Figure 15. Vacant Land in Multifamily Zones, Farmington



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Zoning for the City of Aztec is shown below. Like Farmington, less than five percent of land zoned for residential use is for multifamily development. About three percent of vacant land is in a multifamily zone, for a total of 79 available acres. Vacant land by zone is shown in the chart below and in Figure 17. With the exception of the vacant parcel in the northern portion of Aztec, the other vacant parcels zoned for multifamily housing are located in already developed areas, making them preferable for development. Vacant agricultural and commercial land within one quarter mile of the Red Apple transit line is also shown on the map, as this could potentially be converted into multifamily land if desired.

Table 63. Vacant Residential Land in Aztec by Zone

Zone	Total Acreage	Total Acreage (Vacant)	Total Parcels (Vacant)
R-1	3,181	2,433	272
R-2	160	79	107

Source: Sites Southwest, 2010

As shown below, Aztec has sufficient vacant land in multifamily zones to meet the community's rental needs. As with Farmington, however, developers may benefit from higher density allowances to make projects more profitable.

Table 64. Development Capacity of Multifamily Zones, Aztec

Zone	Total Acreage (Vacant)	Maximum Density Allowed (dwelling units per acre)	Build-out Capacity at Current Density (total units)
R-2	79	25	1,975
Total Build-out at Current Density Allowances			**1,975**

It should be noted that zoning information was not available for Bloomfield; hence these calculations were not performed for that city.

Figure 16. Zoning, City of Aztec

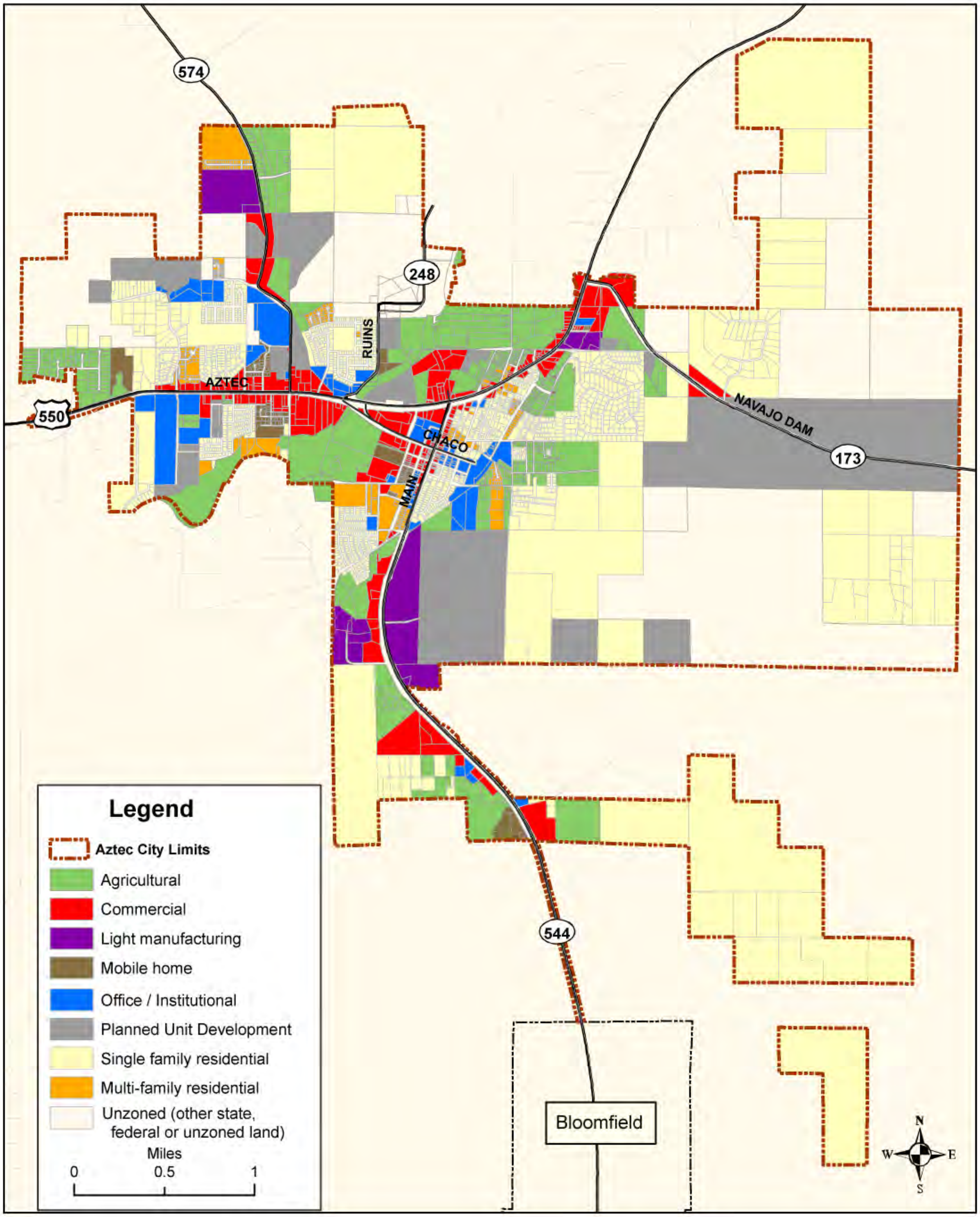
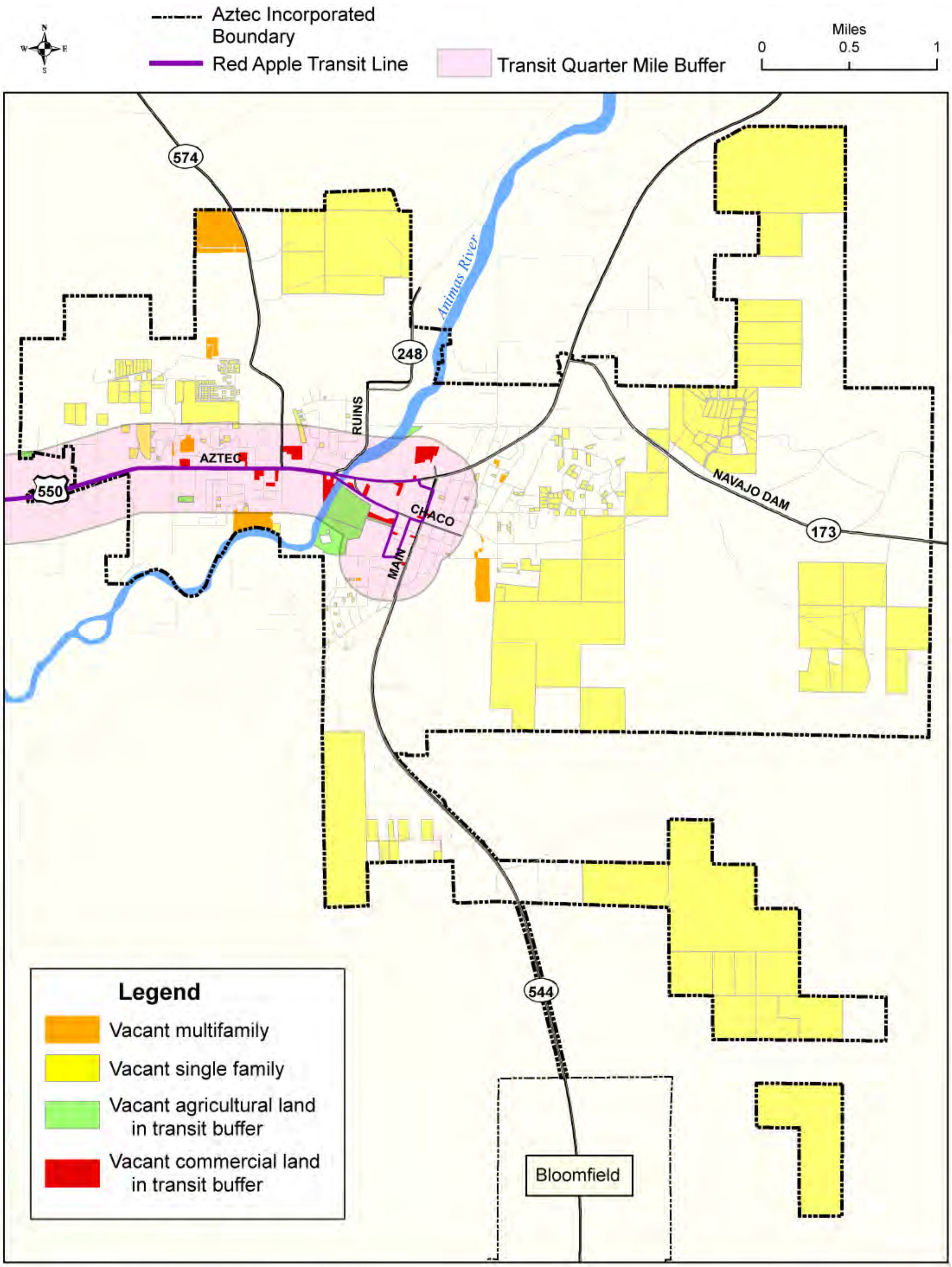


Figure 17. Vacant Land in Residential Zones and of Various Zones Within Transit Buffer, Aztec



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VI. POTENTIAL PROJECTS AND STRATEGIES

A. POTENTIAL PROJECTS

1. AFFORDABLE RENTAL HOUSING

As noted previously, affordable rental housing is the greatest need in the planning area. This housing option is preferable for many low-income households, individuals moving out of transitional housing, seniors, disabled individuals, students, people new to the area, temporary workers, and some current homeowners that carry a high housing cost burden.

Affordable rentals are needed in all of the municipalities, but particularly in Farmington.

In Farmington, the Animas and Downtown Districts have been identified as prime areas for residential development, including affordable housing projects. One location that has been identified for possible development is the area west of the San Juan Regional Medical Center, located in the Animas District. As noted in the previous chapter, the proposal includes a mix of retail, medical offices, and a range of workforce housing options, both single family and multifamily. The Center should be approached to discuss the inclusion of affordable housing as well. This could be blended with market rate housing to create an attractive neighborhood. Including market rate units has several advantages: it helps make the project more economically viable for the developer, can help ease neighborhood concerns, and limits the concentration of low-income housing all in one area. Affordable housing for seniors and disabled individuals is also a natural fit for this location, due to the proximity to medical facilities. The La Terraza 72-unit affordable housing project recently began construction in this area.

Habitat for Humanity uses donated materials, and the future homeowners help participate in the construction.

Tax-credit redevelopment projects are also desirable, particularly in Farmington's Downtown District, where many vacant, but visually-pleasing and even historically significant structures are located. These could be converted into mixed use buildings, with ground level retail and office space and residential units above. Again, the residential units would best function as a combination of market rate and affordable units, in order to make projects financially feasible for the developer.

According to developers, multifamily housing is most affordable at 40 units or more per acre. Achieving this density requires at least three stories, if not four.

Other ways to increase density are to lower parking requirements, particularly for senior housing facilities, where residents are less likely to drive (Interview, Reed, 2010). Zone changes and height increases have been met with significant resistance in Farmington, however. It may be desirable to pursue senior housing before other types of affordable housing complexes, as these generally carry less of a stigma overall than other forms of affordable housing. If neighbors saw a well-developed attractive three or four-story senior housing complex, they may be more accepting of future attempts at developing higher density complexes for the general low-income population.

At the same time, increasing density alone will not make an affordable project feasible, as discussed in Section B.1 of this chapter. Additional subsidies will be required, regardless.

Farmington has expressed interest in spending $344,000 for affordable rental housing, which could be used for land costs, infrastructure, and additional assistance to make multifamily projects feasible.

In Aztec, there are several vacant areas zoned for multifamily development that could be appropriate for affordable housing. Land costs in Aztec are lower than in Farmington, but developers may still require subsidies or other assistance to make projects financially feasible.

There is currently no data available for Bloomfield regarding vacant land and zoning. However, four-plexes are the maximum density allowed under current regulations, so affordable multifamily development is less likely here, though still needed.

Finally, the Animas Valley Land & Water Company has land holdings in unincorporated areas as well as the municipalities, and is exploring options for affordable multifamily developments.

2. AFFORDABLE HOUSING FOR SENIORS

There are other strategies for achieving affordable senior housing in addition to creating new rental units, discussed above. These include making existing single family housing affordable and accessible to the elderly, allowing them to "age in place." This is desirable for individuals and couples who want to stay in their own homes for as long as possible. Strategies include making funds available for low-income seniors to retrofit their homes for accessibility, including a percentage of accessible units in new buildings, and promoting the construction of accessory dwelling units as both an income source for seniors and an affordable housing option for other renters. These strategies are discussed in greater detail in Section B.

3. AFFORDABLE HOME OWNERSHIP OPPORTUNITIES

Affordable home ownership projects include those already underway by ECHO and Tres Rios Habitat for Humanity. These programs should continue and increase as organizational capacity allows. Municipalities should also work to identify potential infill properties in residential areas and make those available to the organizations or other developers interested in creating affordable housing. Incentives such as reduced fees for areas already served by infrastructure should be advertised to developers and interested homebuyers.

Large subdivisions built on spec are not common in the area; rather, custom built homes are developed individually once there is a committed buyer. Due to the national recession, this situation is not likely to reverse itself soon. However, if and when there is an interest in developing new subdivisions, developers should be allowed to increase density by creating clustered developments or using smaller lot sizes if a portion of homes are set aside as affordable units. The planned unit development zones are ideal for this type of project.

The main growth areas for affordable for-sale housing include Aztec and Bloomfield, as well as unincorporated parts of the county such as Crouch Mesa. Crouch Mesa has proven to be an important growth area for the region, and there has been discussion of master planning this area. If the County chooses to develop a master plan for Crouch Mesa, affordable housing should be a component.

4. TRANSITIONAL HOUSING PROJECTS

There are a number of existing organizations that are addressing the transitional housing needs of various groups, including the homeless, survivors of domestic violence and people recovering from substance abuse. These each have their own funding sources and planned projects.

- The Masada House is working to develop a halfway house for approximately 20 women coming out of substance abuse treatment programs. In the future, if that program is successful, the board would like to establish a halfway house for men as well.
- The San Juan County Safe Communities Initiative is working to develop 35 to 40 apartments that would serve as temporary housing for people coming out of substance abuse treatment.
- The PATH homeless shelter plans to develop a wheelchair-accessible facility with family rooms that will have a total of 24 new beds.
- The Family Crisis Center completed Marge's Place—a new shelter with capacity for 16 new beds—in August 2010, bringing its total capacity to 63 people. If deemed necessary,

they will build Phase Two of the project, which will add room for 8 more families (up to 22 people).

There are currently no organizations addressing the housing needs of at-risk youth. The local municipalities can support future efforts by nonprofit groups through supportive zoning and assistance in locating an appropriate location for a facility.

B. POTENTIAL POLICY STRATEGIES

There are a number of strategies local municipalities can take to improve the stock of affordable housing in the plan area, and encourage its production.

1. EXPLORING DENSITY AS A COST REDUCTION STRATEGY

This section evaluates increasing density as a way to reduce costs of single family and multifamily homes.

The following table shows the estimated cost to build at different densities in the municipalities. Raw land costs from Table 32 were combined with land development costs ranging from $1.25 to $2.50 per square foot based on density and location to determine the total estimated developed lost cost. Complete spreadsheets showing the detailed assumptions, including construction costs, soft costs, financing options, etc. can be found in Appendix C.

Densities were calculated for the existing minimum lot sizes in the multiple single family zones in each municipality, as well as for smaller lot sizes not currently allowed in existing single family zoning that would create densities of up to 12 and 15 dwelling units per acre. Due to smaller lot sizes, these densities would require attached houses such as townhomes. The inclusion of a fire wall for these units drives construction costs from $80 to $85 per square foot. At the same time, while homes at lower densities were calculated at 1,400 square feet, attached homes were calculated at 1,100 square feet due to the smaller lot sizes.

As demonstrated below, new single family homes under current density allowances are affordable only to families earning 100 percent or more of the AMI. If higher density building is allowed in the municipalities, new single family homes become affordable to families earning 70 percent of the AMI or more. However, the cost savings comes not only from the decreased land costs and increased density, but also as the result of reduced construction costs based on the smaller home size. It is not possible to increase density of single family homes to a point that they become affordable to families earning less than 70 percent of the AMI without other significant subsidies or alternative financing structures.

Table 65. Affordability of Single Family Homes at Different Densities

Single Family Zone	Maximum Density (dwelling units per acre)*	Lot Size (sq ft)	Total Developed Land Cost per Unit	Cost per New Single Family Unit	Affordable to: 30% AMI	50% AMI	70% AMI	100 AMI%
Farmington								
RE-20	1	20,000	$112,820	$268,061				
SF-10	3	10,000	$44,867	$195,690				x
SF-7	5	7,000	$29,098	$178,897				x
SF-5, SF-A	8	5,000	$20,909	$170,175				x
	12**	3,630***	$13,939	$138,321			x	x
	15**	2,904***	$11,151	$135,352			x	x
Aztec								
R-1	5	7,000	$25,875	$175,464				x
R-2	8	5,000	$18,894	$168,029				x
	12**	3,630***	$12,596	$136,891			x	x
	15**	2,904***	$10,077	$134,208			x	x
Bloomfield								
R-1	5	7,000	$29,447	$179,268				x
R-2	6	6,000	$24,539	$174,041				x
	8	5,000***	$21,127	$170,407				x
	12**	4,000***	$14,084	$138,476			x	x
	15**	3,000***	$11,268	$135,476			x	x

Source: Sites Southwest, 2010

*Assumes 10% of total acreage will be used for roadways or other infrastructure/community areas

**Densities of 12 or 15 units per would require attached units, and due to smaller lot sizes, were calculated at home sizes of 1,100 square feet. The other homes were calculated at 1,400 square feet.

***Not allowed under current zoning regulations

An estimated market rate price for rental units of new multifamily developments built at different densities is shown below. Unit sizes were calculated at 850 square feet. Construction costs were increased from $95 to $98 per square foot for urban density developments because of increased construction costs for buildings over four stories. As shown, new apartment units are not affordable to families below 100 percent of the AMI. Subsidies would be required to make units available to lower income families. The estimated cost gap is shown Appendix C.

Table 66. Affordability of Multifamily Developments at Different Densities

			Affordable to:			
Multifamily Residential Zone or Type	Maximum density (dwelling units per acre)	Market Rental Price per Unit*	30% AMI	50% AMI	70% AMI	100 AMI%
Farmington						
MF-L	12.5	$1,151				x
MF-M	22	$1,097				x
MF-H	29	$1,079				x
Urban density**	35	$1,083				x
Aztec						
Low density apartments	12.5	$1,147				x
Garden apartments	22	$1,096				x
Max achievable in R-2 Zone	25	$1,088				x
Urban density**	35	$1,072				x
Bloomfield						
Low density apartments	12.5	$1,134				x
Garden apartments	22	$1,089				x
Max achievable in R-3 Zone	25	$1,081				x
Urban density**	35	$1,076				x

*This is the monthly rental rate required to make the development profitable for a developer.
**Not currently allowed under existing multifamily zones.

Multifamily development at a density above 29 units per acre in Farmington and 25 units per acre in Aztec and Bloomfield is not allowed by zoning, and maximum height limits affect density in all communities. Increased construction costs and inability to meet parking requirements with surface parking begin to affect overall project costs at densities above 35 units per acre, but allowing building heights of up to four stories would help bridge the affordability gap.

In conclusion, density alone is not sufficient to make housing affordable in the study area, although projects from 22 to 29 units per acre reduce the affordability gap. Additional strategies and subsidies would still be required to close the gap completely. As an example, the La Terraza project in Farmington is approximately 12.5 units per acre. The $2 million in TCAP funds that made this project work exceeds the savings that could have been realized by an increase in density alone.

2. RECOMMENDED POLICY STRATEGIES TO PURSUE

Affordable Housing Ordinance. The first policy priority for each of the three municipalities, as well as San Juan County, after adoption of the Affordable Housing Plan, should be to adopt an Affordable Housing Ordinance pursuant to state statute 6-27-1 NMSA 1978. Once in place, the Affordable Housing Ordinance allows local governments to donate or pay a portion of costs related to affordable housing including: land; construction of affordable housing; costs of conversion or renovation of existing buildings into affordable housing; costs of financing or infrastructure needed to support affordable housing projects; and costs of acquisition, operating or owning affordable housing.

After adopting an Affordable Housing Ordinance, municipalities should then determine how to best use the powers granted by this ordinance to support affordable housing development in their individual communities. The following two strategies can be implemented once the ordinance is in place.

Land Provision. Municipalities can identify publicly-owned land and offer these to developers for free or at a reduced cost for the development of affordable housing. Larger parcels could be used for multifamily development, while smaller ones could be used for single family infill in existing neighborhoods. If municipalities do not own suitable land, they could work to purchase appropriate parcels, or use condemned properties for this purpose.

In addition, municipalities should work with the BLM and the State of New Mexico Land Office to secure land that could be used for affordable housing development.

Reduction in Infrastructure Costs and Impact Fees. Another strategy is to reduce infrastructure costs and other fees for affordable housing projects. Carlsbad, for instance, has an Infrastructure Reimbursement Program that offers a ten percent reimbursement of the total on-site and off-site public infrastructure costs, including water and sewer lines; curb, gutter, and sidewalks; and street, bike and trail facilities. This type of program could be modeled in Farmington, Bloomfield, and Aztec when projects are located in existing neighborhoods, already served by infrastructure. Aztec is currently the only one of the three municipalities that charges impact fees. Aztec charges $500 per housing unit for parks, open space, and trails. For a 60-unit apartment complex, this would total $30,000. Aztec should consider reducing or eliminating impact fees for affordable housing projects. If and when Farmington implements new recreation fees, it should also consider waiving these for affordable housing projects. The fees could be offset by a housing trust fund or other funding source.

Reduce Construction Costs. Local municipalities annually negotiate prices with local providers on building materials such as asphalt, concrete, dirt, etc. Due to the large volume used, they are often able to get much lower prices than the average market rate. It is possible for municipalities to create a cooperative agreement with developers so that they can also receive discounted prices on these materials, provided that they are being used exclusively for affordable housing projects. Although not all building materials would be obtainable in this way, there are still potential cost savings for developers.

Facilitate Multifamily Zone Changes. In Bloomfield, four-plexes are the maximum allowed density. In both Aztec and Bloomfield, for residential districts, 35 feet is the maximum height. Although this can accommodate some three-story buildings, architects may need flexibility to build slightly higher for some three-story projects. According to developers, three stories are needed for financial feasibility of multifamily projects. Farmington has two residential zones with height limits of 45 and 50 feet, but there is limited or no vacant land in these areas. Cities should work with affordable housing developers early in the planning process to determine if their locations are compatible with zone changes that would allow higher density building and increased height allowances. If determined to be appropriate for the neighborhood and surrounding land uses, City officials should commit to supporting the requested zone changes, and work with surrounding neighborhoods to overcome concerns.

Other Zone Code Changes. In addition, municipalities should allow increased densities for affordable housing complexes. In single family developments, this should include a provision for narrower street allowances. Proponents of “skinny streets” suggest a paving width of 28 feet, which can accommodate two-way traffic and parking on both sides of the roadway. Furthermore, in urban areas, maximum setbacks should be reduced, and flexibility should be allowed in the building size relative to the lot size. For instance, for affordable housing projects in Aztec, buildings should be allowed to occupy more than half of the lot size. Finally, variances should be allowed for minimum lot sizes if smaller infill lots exist in established residential areas and are otherwise undevelopable. As shown in Table 65, allowing up to 12 or 15 units may make affordable single family developments financially feasible.

Overcome Neighborhood Concerns. A key barrier to developers seeking zone changes that would allow higher density development is neighborhood concerns. Understandably, many residents in single family neighborhoods do not wish to see apartment complexes developed, which they fear will add traffic problems, be a visual disturbance, or lead to crime and vagrancy. These fears are often exacerbated when affordable housing complexes are at stake. City officials are then reluctant to approve zone changes for multifamily developments for fear of political backlash.

To overcome these issues, municipalities must work closely with developers. First, they should commit to making the needed zone changes, allowing developers more confidence to spend time and money developing detailed site plans, etc. that can then be discussed at a community meeting with the neighborhood. Efforts must be made to appease neighborhood concerns about building design, appearance and traffic while also ensuring that developers can create an economically viable project. Developers should be able to present examples of past projects and details about how the project will be managed to concerned neighbors.

Showing neighbors examples of attractive affordable multifamily projects may help ease their concerns. This is the Sahara Luna, a 53-unit affordable housing townhome complex in Phoenix, AZ.

Studies show that crime can often be effectively prevented through tenant screening, attentive and responsive management and property design. Elements of design that help prevent crime include the following: dispersing multifamily developments throughout a community rather than concentrating in one place; incorporating semi-public outdoor places like playgrounds, courtyards and picnic areas rather than vast open space areas; including windows, balconies, and porches overlooking parking areas and common areas to keep “eyes on the street”; and including public gathering spaces in the design to give neighbors an opportunity to know one another. Developers should be encouraged to include these elements in the building design.

When feasible, developers should also incorporate community components that are beneficial to the entire neighborhood, such as playgrounds and small-scale commercial opportunities. Farmington, in particular, has identified the Downtown and Animas Districts as areas that would benefit from mixed use developments. Tax credit projects that include market rate housing as well as housing for low-income households may also be more acceptable to neighbors.

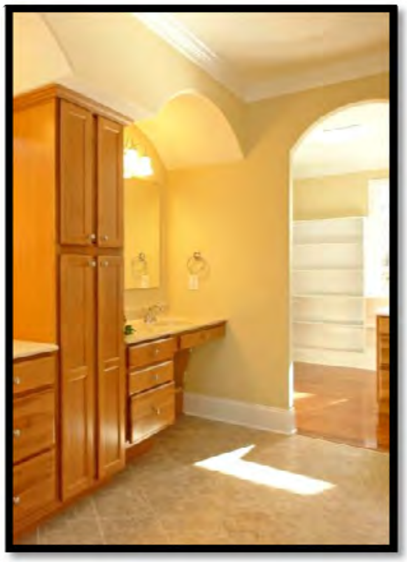
Finally, if neighbors cannot be appeased, local governments must rely on the backing of their existing planning documents, which highlight the need and desire to develop affordable housing in their communities.

Promote the Use of Accessory Dwelling Units. Accessory dwelling units (ADUs), sometimes known as mother-in-law quarters, are small units often attached to a single family dwelling or as a stand-alone unit in the same parcel as a single family home. ADUs can have a two-fold impact on affordable housing. For current homeowners, they provide an additional stream of income. They can especially be useful to the elderly or disabled individuals on a fixed income. Because ADUs themselves are generally small, they tend to be less expensive, and can create an affordable option for renters. Creative arrangements can be made where a reduced rent is offered in exchange for home repair assistance or other services.

All three municipalities allow accessory dwelling units in some zones. Areas where ADUs are prohibited include the A-1 zone in Aztec, and the R-1 zone in

Bloomfield. These cities may want to consider allowing ADUs as a conditional use. Promotion of ADUs may also be useful so that homeowners are aware of their options.

Public Investment in Key Projects. Stakeholders in Farmington noted that the development of a community center in one area led to infill development of four lots in the area, and overall improved maintenance and pride in that neighborhood. Municipalities should identify key projects, such as streetscape and recreational improvements, sidewalk development, etc., that can lead to increased investment by the private sector.



This ground floor bathroom has lower fixtures and a wide doorway to accommodate a person in a wheelchair.

Accessibility. There are several strategies that can be employed to foster the growth of ADA-accessible units, which will be even more in demand as the population ages. Some cities around the country require that a certain percentage of homes in a new subdivision must be built with universal design elements (such as a first floor with zero-step entrance, wide doors, first floor full bath, grab bars, etc). This strategy is not likely to work in the study area, however, as most homes are custom built rather than built on spec, and there is not much development of entire subdivisions at a time. An alternative would be to provide incentives like reduced fees or higher density allowances for developers who agree to provide a certain percentage of accessible homes.

Another option is to develop a brochure listing accessible features and the costs to implement these, and require that developers offer these as an option on custom built homes, leaving the choice up to the homebuyer to include individual elements or not. Universal design elements allow anyone to use a building, whether or not they have a disability, and could actually increase the value of a home to future prospective homebuyers.

Finally, municipalities could provide tax breaks, rebates, and information about financial assistance to low-income homeowners wishing to retrofit their homes with accessible features.

Address Rental Quality Issues. Local stakeholders report that many rentals in detached houses are very low quality. Currently, there are limited resources for tenants to address these. Local municipalities should support the development of landlord/tenant guidelines that could be enforced at the county level. They should also encourage the San Juan County Bar Association to provide legal assistance for low-income tenants. Easily attainable information about landlord rights might help landlords better manage their properties.

Other possibilities include pursuing programs that offer low-interest loans to landlords for making improvements to rental properties.

Housing Trust Fund. The County and the municipalities could also work to establish a local housing trust fund. Monies raised could be used for a variety of affordable housing projects, including the purchase of land to be donated for affordable housing development; impact fee waivers; loans and grants for low-income households making home repairs or retrofitting for accessibility; and grants made to local organizations developing affordable housing, providing homebuyer and financial education, or offering short-term emergency housing assistance.

Financing for the fund could come from a percentage of existing taxes garnered from the oil and gas industry, though this may not be politically feasible or desirable, particularly in the current economic environment. An alternative would be for the municipalities to contribute monies from their general funds. If they felt the general funds were not sufficient to support this effort, individual municipalities and the County could try to increase the Gross Receipts Tax (GRT). As of July, 2010, Aztec and Bloomfield had an additional quarter-cent of Municipal GRT available to them to adopt; while Farmington had two additional two quarter-cent options. San Juan County had an additional one-sixteenth cent option under the County GRT (New Mexico Department of Taxation and Revenue, 2010). Gross receipts tax increases would have to be approved by voters in an election.

Finally, municipalities could contribute to the fund from income earned when other properties or assets are disposed of.

Transitional Housing Funding. As noted above, a Housing Fund could be developed to help finance affordable housing projects, including transitional housing programs. However, the Farmington CDBG funding process currently allocates funds for a variety of community development efforts, including transitional housing. Farmington-based nonprofits focusing on affordable housing should be encouraged to seek financial support through the annual CDBG funding process, which begins in May. Additional education of the nonprofits may be needed to inform them of the CDBG process so that they can seek funding through appropriate channels.

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VII. QUANTIFIABLE OBJECTIVES, GOALS AND ACTION STEPS

A. QUANTIFIABLE OBJECTIVES

The following chart depicts the estimated need with the targeted objective for each type of housing, based on the housing market and institutional capacity of existing organizations. Data by individual community is shown in Table 68.

Table 67. Quantifiable Objectives – Rental Units and New Homes for Sale

Type	Target Market	Estimated Current Need (2010)	Objective	Year Current Housing Need Met	Location	Responsible Party
Affordable Rentals 1 BR –28% 2BR – 32% 3BR – 28% 4BR – 12%	> 30% AMI: 36% 30-50% AMI: 28% 50-70% AMI: 28% 70-100% AMI: 8%	3,094 (2,224 not including housing for seniors and disabled)	100 units per year	2030	Farmington Aztec	Affordable housing developers; Nonprofit organizations; Local municipalities
Affordable Rentals for Seniors 1 BR – 97% 2 BR – 3%	> 30% AMI: 60% 30-50% AMI: 35% 50-70% AMI: 5% 70-100% AMI: 0%	530	40 units per year	2024	Farmington Aztec	Affordable housing developers; Nonprofit organizations; Local municipalities
Affordable Rentals for People with Disabilities 1 BR – 97% 2 BR – 3% 60% should be ADA-accessible or adhere to universal design standards	> 30% AMI: 90% 30-50% AMI: 10%	340	20 units per year	2028	Farmington Aztec	Affordable housing developers; Nonprofit organizations; Local municipalities
Affordable Homes for Sale 2 BR –10% 3 BR –50% 4 BR –40%	> 30% AMI: 10% 30-50% AMI: 9% 50-70% AMI: 37% 70-100% AMI: 43%	625	25 units per year	2036	Aztec Bloomfield	ECHO, Inc.; Tres Rios Habitat for Humanity

The total estimated current need is for 3,094 additional affordable rental units, and 625 new affordable for-sale units. By 2030, these figures are roughly estimated to be 4,047 and 817, respectively.

As shown in Table 68, the majority of affordable rental housing is needed in the Farmington area. Calculations were determined based on the distribution of the population. However, although over 40 percent of the population lives in unincorporated areas, these were not considered for multifamily housing. This is because multifamily housing, particularly of the affordable nature, is best located in close proximity to employment, service, and commercial centers rather than in rural areas. A major challenge for multifamily development in the region is that there are currently no local developers or organizations who engage in affordable multifamily development. The recommendation (under Goal 3 in the following chapter) is for cities to develop databases of available properties and actively pursue developers interested in affordable multifamily development, whether local or from other parts of the state.

The development of affordable homes for sale is concentrated in the unincorporated areas, such as Crouch Mesa, and the cities of Aztec and Bloomfield. Although more people live in the unincorporated areas rather than the two smaller municipalities, recommendations were for more single family homes in Aztec and Bloomfield than in the unincorporated areas. This is because general principles of planning support development in areas better served by infrastructure such as water lines, schools, roads, etc., which are more cost-effective and resource-efficient within cities. Farmington is recommended to receive only a small portion of single family for-sale homes. This is because ECHO, Inc. is the primary developer of affordable for-sale housing in the region, and USDA rural development funding makes up a significant portion of their subsidy package. These funds are only available to rural communities of under 10,000; Farmington does not qualify. Nevertheless, 50 homes were allocated to Farmington; these could potentially be developed at a slower pace of 2 homes per year by Tres Rios Habitat for Humanity. In the future, if a developer is interested in building a subdivision with an affordable housing element in Farmington, this objective could be expanded.

Table 68. Quantifiable Objectives by Community

Type*	Total Estimated Current Need (2010)	Total Objective: Farmington	Total Objective: Aztec	Total Objective: Bloomfield	Total Objective: Unincorporated Areas of San Juan County	Responsible Party
Affordable Rentals (not including rentals for senior and people with disabilities	2,224	1,685	261	278	0	No specific group currently identified. May include affordable housing developers and non-profit organizations, facilitated by local municipalities
Affordable Rentals for Seniors	530	402	62	66	0	Same as above
Affordable Rentals for People with Disabilities	340	258	40	42	0	Same as above
Affordable Homes for Sale	625	50	200	225	150	ECHO, Inc.; Tres Rios Habitat for Humanity

*Please refer to Table 67 for the specific breakdown of units by number of bedrooms, as well as by percent AMI and other details.

Objectives for transitional housing needs are shown below. The population requiring transitional housing is constantly in flux, particularly the homeless population. According to the transitional housing service providers interviewed, housing needs for their target populations would be met with their individual planned expansions (with the exception of housing for at-risk youth). Hence, rather than identify additional objectives, the strategy is to continue to better monitor and track the population in need of transitional housing, and support local organizations as needed when they expand programming and housing facilities.

Table 69. Planned Projects/Objectives for Transitional Housing Needs

Type	Target Market	Estimated Current Need	Planned Projects Underway	Remaining Need	Location	Responsible Party
Transitional Housing: Substance Abuse 1 BR – 80% 2 BR – 20%	Individuals coming out of substance abuse treatment facilities	75 per year	Halfway house for 20 people 35-40 apartments for temporary housing	15 - 20	Farmington	Masada House San Juan County Safe Communities Initiative
Transitional Housing: Homeless	For homeless individuals and families	398	Wheelchair-accessible facility with family rooms (total of 24 new beds)	374	Farmington	PATH
Transitional Housing: Domestic Violence	For men, women, and children survivors of domestic violence	210	Potential for Phase Two with room for 8 more families (22 people) if needed	172	Farmington	Family Crisis Center
Transitional Housing: Youth	For young people coming out of foster care and juvenile corrections facilities	25	25 supportive housing vouchers per year; or converted houses to serve as supervised transitional housing – 25 beds total	25	Farmington, Aztec and/or Bloomfield	No organization currently identified

Source: Sites Southwest, 2010

ECHO, Inc. has already expanded its capacity and class offerings to meet the need for financial education in San Juan County. By continuing to offer homebuyer training and financial education services to the population, and increase or decrease the number of classes based on demand, ECHO, Inc. should be able to effectively meet the need.

Table 70. Quantifiable Objections – Financial Education

Type	Target Market	Estimated Current Need (2010)	Objective	Year Education Need Met	Location	Responsible Party
Financial and Homebuyer Education	For cost-burdened households as well as people living in transitional housing facilities	556	Continue to provide classes for 300 per year	2013	San Juan County	ECHO, Inc.

Source: Sites Southwest, 2010

B. GOALS AND ACTION STEPS

The following goals are meant to help achieve the objectives listed above. Action steps are listed for San Juan County, Farmington, Bloomfield, Aztec and the various nonprofit organizations.

GOAL #1. BUILDING ON THE EMPHASIS SET FORTH IN THE COMPREHENSIVE PLANS, MAKE AFFORDABLE HOUSING A PRIORITY AT THE MUNICIPAL AND COUNTY LEVEL.

Action 1.1 Adopt this plan—the Affordable Strategic Housing Plan for Northeast San Juan County—or another that conforms to the New Mexico Affordable Housing Act.

> ***Responsible party: San Juan County, City of Farmington, City of Bloomfield, City of Aztec***

Action 1.2 Update the Affordable Housing Plan every five to ten years to address changing conditions and new development.

> ***Responsible party: San Juan County, City of Farmington, City of Bloomfield, City of Aztec***

Action 1.3 Once the Affordable Housing Plan is adopted, adopt Affordable Housing Ordinances to allow municipalities and the County to donate land and provide other assistance to affordable housing developments.

> ***Responsible party: San Juan County, City of Farmington, City of Bloomfield, City of Aztec***

Action 1.4 If the County decides to create a Master Plan for the Crouch Mesa area, include an affordable housing component to that plan.

> ***Responsible party: San Juan County***

GOAL #2. REMOVE INSTITUTIONAL BARRIERS TO AFFORDABLE HOUSING.

Action 2.1. Consider making the following policy changes to the zoning and subdivision codes to facilitate the development of affordable multifamily housing:

Action Item	Type of Change	Type of Use	Which Zone(s)	Where
2.1.1	Increased height allowances up to 3or 4 stories	Conditional, for affordable housing units only	MF-L R-2 R-3	Farmington Bloomfield Aztec
2.1.2	Increase allowed building footprint to 75% of lot	Conditional, for affordable housing units only	R-2	Aztec
2.1.3	Reduce minimum setbacks to zero in appropriate downtown neighborhoods	Conditional, for affordable housing units only		Farmington
2.1.4	Reduce minimum street width to 28 feet, where feasible and desirable	Conditional, for affordable housing units only; or in planned unit developments		Farmington Bloomfield Aztec
2.1.5	Reduce minimum lot sizes for vacant parcels currently undevelopable in established neighborhoods	Conditional Use		Farmington Bloomfield Aztec
2.1.6	Allow accessory dwelling units (ADUs) as a conditional use	Conditional use	A-1 R-1	Aztec Bloomfield
2.1.7	Allow the development of smaller lots sizes for affordable single family homes to create densities of up to 12 or 15 units per acre	Conditional, for affordable housing units only; or in planned unit developments	All residential	Aztec Bloomfield

Responsible party: City of Farmington, City of Bloomfield, City of Aztec

GOAL #3. ENSURE THAT THERE IS SUFFICIENT LAND AVAILABLE FOR MULTIFAMILY RENTAL AND SENIOR HOUSING.

Action 3.1 In Farmington, approve zone change proposals initiated by property owners from industrial to residential (including multifamily) and mixed use in appropriate areas such as portions of the Animas District, as recommended in the Metropolitan Redevelopment Area Plan.

Responsible party: City of Farmington

Action 3.2 Consider rezoning agricultural land with 5 acre minimum lot size to allow for denser single family and multifamily development in appropriate areas close to existing development and utilities.

Responsible party: City of Aztec

Action 3.3 In Bloomfield, develop a zoning designation for higher density than four-plexes in appropriate areas.

Responsible party: City of Bloomfield

Action 3.4 In each municipality, identify areas amenable to affordable multifamily development. If no publicly-owned land exists, municipalities should attempt to purchase land, or discuss with landowners the potential to sell to interested developers.

Responsible party: City of Farmington, City of Bloomfield, City of Aztec

Action 3.5 Create a database of existing, appropriately-zoned land available for multifamily affordable development, and make this information available to the public and interested developers. Actively recruit affordable housing developers to pursue development options.

Responsible party: Local municipalities, local chambers of commerce and/or the San Juan Economic Development Service

Action 3.6 Work with the BLM and State Land Office to purchase or swap land that can then be made available for affordable housing development.

Responsible party: San Juan County, City of Farmington, City of Bloomfield, City of Aztec

GOAL #4. REDUCE COSTS OF AFFORDABLE HOUSING DEVELOPMENTS.

Action 4.1 Donate land or provide land at a discounted cost for affordable housing development.

> ***Responsible party: San Juan County, City of Farmington, City of Bloomfield, City of Aztec***

Action 4.2 Develop an Infrastructure Reimbursement Program to reduce the costs of infrastructure associated with affordable housing developments.

> ***Responsible party: San Juan County, City of Farmington, City of Bloomfield, City of Aztec***

Action 4.3 Develop a policy to allow reduction or elimination of impact fees for affordable housing development.

> ***Responsible party: City of Aztec, City of Farmington***

Action 4.4 Create cooperative agreements with affordable housing developers to allow them to receive the same discounted pricing as the municipalities on select construction materials, provided that the materials will only be used for affordable housing development.

> ***Responsible party: San Juan County, City of Farmington, City of Bloomfield, City of Aztec***

Action 4.5 Develop an incentive program for affordable housing development that might include density bonuses, expedited processing, etc. Make information readily available to the public and developers through posting on City websites.

> ***Responsible party: City of Farmington, City of Bloomfield, City of Aztec***

Action 4.6 Encourage the use of Planned Unit Developments to develop quality neighborhoods with smaller lot sizes, higher densities and an affordable housing component.

> ***Responsible party: City of Bloomfield, City of Aztec***

GOAL #5. ADDRESS NEIGHBORHOOD CONCERNS REGARDING THE DEVELOPMENT OF AFFORDABLE MULTIFAMILY HOUSING.

Actions 5.1 Facilitate neighborhood meetings to address any community concerns regarding the development of affordable multifamily housing.

> ***Responsible party: City of Farmington, City of Bloomfield, City of Aztec, in conjunction with developers***

Action 5.2 Work with developers to identify areas that may be appropriate for zone changes to higher density, to allow developers more confidence in investing time and effort in site plans, images, examples of past projects, and evidence of good project management.

> ***Responsible party: City of Farmington, City of Bloomfield, City of Aztec, in conjunction with developers***

GOAL #6. DEVELOP AFFORDABLE RENTAL PROJECTS AND SENIOR HOUSING OPTIONS.

Action 6.1 Work with municipalities to identify suitable land and achieve zone changes if needed. Potentially use tax credit funding to develop projects.

> ***Responsible party: Developers of affordable housing, Animas Valley Land & Water Company, potentially ECHO, Inc.***

GOAL #7. IMPROVE THE CAPACITY OF THE SAN JUAN COUNTY HOUSING AUTHORITY TO ENSURE THAT LOCAL COMMUNITIES ARE BENEFITTING AS MUCH AS POSSIBLE.

Action 7.1 Work with the Northern Regional Housing Authority to find opportunities to partner on programs and projects in the plan area that would create more affordable housing opportunities.

> ***Responsible party: San Juan County Housing Authority, Northern Regional Housing Authority***

GOAL #8. DEVELOP AFFORDABLE SINGLE FAMILY HOME OWNERSHIP OPPORTUNITIES.

Action 8.1 Continue to develop site-built homes for qualifying low-income households.

> ***Responsible party: ECHO, Inc., Tres Rios Habitat for Humanity***

Action 8.2 Continue to provide housing lots at affordable rates.

> ***Responsible party: Animas Valley Land & Water Company***

GOAL #9. IMPROVE THE QUALITY OF EXISTING HOMES AND NEIGHBORHOODS.

Action 9.1 Make public investments such as parks, community centers, streetscape improvements, etc. in key established neighborhoods to spur private development of infill lots and improved maintenance of existing homes.

> ***Responsible party: City of Farmington, City of Bloomfield, City of Aztec***

Action 9.2 Continue to engage in code enforcement, and step up efforts where needed.

> ***Responsible party: San Juan County, City of Farmington, City of Bloomfield, City of Aztec***

Action 9.3 Develop landlord/tenant guidelines and local tenant resources for addressing the poor quality of rental homes.

> ***Responsible party: San Juan County, City of Farmington, City of Bloomfield, City of Aztec, San Juan County Bar Association***

Action 9.4 Develop low-interest loans or other funds for landlords wishing to improve their rental properties, provided that these are reserved for low-income tenants.

> ***Responsible party: Local municipalities in conjunction with local banks***

GOAL #10. ADDRESS THE NEEDS OF DISABLED INDIVIDUALS.

Action 10.1 Require or encourage developers to create a list of universal design/housing accessibility features and their associated costs to offer as an option for homebuyers of custom built houses.

> ***Responsible party: San Juan County, City of Farmington, City of Bloomfield, City of Aztec, in conjunction with developers***

Action 10.2 Develop incentives such as increased density allowances and reduced infrastructure fees for single family and multifamily housing developments that include at least 10 percent of all units that are accessible.

> ***Responsible party: City of Farmington, City of Bloomfield, City of Aztec***

Action 10.3 Provide incentives such as low-interest loans, grants, or tax breaks for low-income households or landlords of low-income housing seeking to retrofit their properties for handicap accessibility.

> ***Responsible party: City of Farmington, City of Bloomfield, City of Aztec, in conjunction with local banks, nonprofits***

Action 10.4 If deemed necessary, set a preference for disabled individuals to ensure that there are sufficient housing choice vouchers going to this group.

Responsible party: San Juan County Housing Authority

GOAL #11. ADDRESS TRANSITIONAL HOUSING NEEDS OF THE HOMELESS.

Action 11.1 Make planned expansions to the PATH shelter.

Responsible party: PATH

Action 11.2 Conduct an annual 24-hour count of homeless individuals to get a better understanding of the size of this population.

Responsible party: City of Farmington

Action 11.3 Keep track of all individuals served as well as those turned away by homeless organizations to get a better understanding of the size of the population.

Responsible party: PATH, Drexel House (San Juan Catholic Charities)

GOAL #12. ADDRESS TRANSITIONAL HOUSING NEEDS OF SURVIVORS OF DOMESTIC VIOLENCE.

Action 12.1 Make Phase Two planned expansions to the Family Crisis Center if deemed necessary.

Responsible party: Family Crisis Center

Action 12.2 Keep track of all individuals served as well as those turned away by domestic violence organizations to get a better understanding of the size of the population.

Responsible party: Family Crisis Center, New Beginnings (Navajo United Methodist Center)

GOAL #13. ADDRESS TRANSITIONAL HOUSING NEEDS OF PEOPLE COMING OUT OF SUBSTANCE ABUSE TREATMENT.

Action 13.1 Develop apartment-style temporary housing with supportive services.

Responsible party: San Juan County Safe Communities Initiative

Action 13.2 Develop halfway house facilities for men and women.

Responsible party: Masada House

Action 13.3 Ensure adequate zoning for the above projects, and facilitate neighborhood meetings, if needed.

Responsible party: City of Farmington

GOAL #14. ADDRESS THE TRANSITIONAL HOUSING NEEDS OF YOUTH COMING OUT OF CORRECTIONAL FACILITIES OR OTHER INSTITUTIONS.

Action 14.1 Support organizations interested in providing transitional youth housing through adequate zoning and other measures.

Responsible party: City of Farmington, City of Bloomfield, City of Aztec

GOAL #15. SECURE FINANCIAL RESOURCES TO CARRY OUT THE AFFORDABLE HOUSING GOALS IN THIS PLAN.

Action 15.1 Develop a housing trust fund to help fund local housing initiatives.

Responsible party: San Juan County, City of Farmington, City of Bloomfield, City of Aztec

Action 15.2 Work together to lobby at the state level for affordable housing funding opportunities and projects.

Responsible party: San Juan County, City of Farmington, City of Bloomfield, City of Aztec, local housing organizations

Action 15.3 Ensure that local transitional housing providers are informed of the annual CDBG funding schedule and process, in order to take advantage of this resource.

Responsible party: City of Farmington

GOAL #16. INCREASE FINANCIAL STABILITY OF LOCAL RESIDENTS THROUGH HOMEBUYEER AND FINANCIAL EDUCATION.

Action 16.1 Continue to offer homebuyer education and financial literacy programs in English and Spanish (as needed) to local communities.

Responsible party: ECHO, Inc.

GOAL #17. ADDRESS HOUSING REHABILITATION NEEDS IN THE PLAN AREA.

Action 17.1 Initiate or continue programs to identify blighted housing properties and others in poor or fair condition that could benefit from rehabilitation.

> ***Responsible party: City of Farmington, City of Bloomfield, City of Aztec***

Action 17.2 Use CDBG funding to target specific neighborhoods with an abundance of poor quality housing.

> ***Responsible party: City of Farmington***

Action 17.3 Create public-private partnerships to initiate programs that will administer housing rehabilitation and weatherization funds available from the MFA.

> ***Responsible party: Municipalities in conjunction with interested nonprofits, potentially working with the Los Amigos Educational Resource Center in Santa Fe***

C. PRIORITIZED LIST OF PROJECTS

Based on the tables in Section A, and input from the City of Farmington, the following are identified as priority projects and policy steps.

Table 71. Priority Projects

Project	Location	Responsible Party	Short Term (within 2 years)	Medium Term(2 to 6 years)	Long Term (6 -10 years)
A. 60 unit affordable rental complex for seniors and disabled individuals	Farmington: Downtown or Animas District (possibly at SJ Regional Medical Center	Interested developers, City of Farmington	x		
Steps: 1. Identify appropriate location and purchase using money allotted for affordable housing. (Or use money for infrastructure improvements or other development subsidies). 2. Obtain zone changes if necessary. 3. Put out bid to affordable housing developers.					
B. 60 unit affordable rental housing complex	Farmington: Downtown or Animas District (possibly at SJ Regional Medical Center	Interested developers, City of Farmington	x		
Steps: 1. Identify appropriate location and purchase using money allotted for affordable housing. (Or use money for infrastructure improvements or other development subsidies). 2. Obtain zone changes if necessary. 3. Put out bid to affordable housing developers.	City of Farmington				
C. Develop rehabilitation and weatherization programs through the MFA.	Farmington (and other municipalities and unincorporated areas based on municipal interest and capacity)	City of Farmington, interested nonprofit organizations	x		
Steps: 1.Continue to identify properties and areas in need of rehabilitation. 2. Form partnerships with nonprofits such as ECHO and the Los Amigos Educational Resource Center to develop programming that can administer funding to eligible households.					
D. 40 unit affordable rental housing complex	Aztec	Interested developers, City of Aztec	x		
Steps: 1. Work with property owners to identify suitable land. 2. Make zone code changes to allow higher density development. 3. Put out bid to affordable housing developers.					

The following table shows the priority of action steps for municipalities from Section B of this chapter. Action steps that involved ongoing measures were not included.

Table 72. Recommended Priority Policies and Programs

Goal	Policy/program	Responsible Party*	Short Term (within 2 years)	Medium Term (2 to 6 years)	Long Term (6 -10 years)
1	1.1, 1.3 Adopt the Affordable Housing Plan and Ordinances	COF, COA, COB, SJC	x		
2	2.1 Zone and subdivision code changes**	COF, COA, COB	x	x	x
3	3.1 Rezoning from industrial to multifamily in Animas District	COF	x		
3	3.2 Rezoning agricultural land for higher density development in appropriate locations	COA		x	
3	3.3 Develop higher density zone	COB		x	
3	3.4 Identify areas amenable to affordable multifamily development	COF, COA, COB	x		
3	3.5 Create database of land identified in 3.4	COF, COA, COB		x	
3	3.6 Work with BLM to purchase or trade land	COF, COA, COB		x	
4	4.2 Develop Infrastructure Reimbursement Program	COF, COA, COB		x	
4	4.3 Develop policy reducing or eliminating impact fees for affordable housing	COF, COA		x	
4	4.5 Develop incentive program such as increasing density allowances for affordable housing	COF, COA, COB		x	
10	10.1 Require/encourage developers to offer accessibility features in new site-built homes	COF, COA, COB		x	
10	10.2 Develop incentives for developments that include at least 10% accessible units	COF, COA, COB		x	
10	10.3 Provide tax breaks and other incentives for individuals to retrofit homes for accessibility	COF, COA, COB			x
17	17.1 Identify housing in need of rehabilitation	COF, COA, COB	x		
17	17.2 Use CDBG funding to target specific neighborhoods for housing rehabilitation	COF	x		
17	17.3 Develop partnerships with nonprofits to administer housing rehabilitation and weatherization funds from the MFA	COF, potentially with ECHO, Inc and Los Amigos Educational Resource Center	x		

Source: Sites Southwest, 2010

*Abbreviations for places: COF = City of Farmington; COA = City of Aztec; COB = City of Bloomfield; SJC = San Juan County

**Cities may review their existing development codes and adopt the changes proposed here, or may implement small changes over time as variances in specific areas as needed to support particular affordable housing projects.

The City of Farmington has been the most involved in the development of the Affordable Housing Plan and identifying viable goals and strategies. The following chart shows the specific department within the City of Farmington responsible for the action items listed in Table 72 above.

If and when Aztec and Bloomfield adopt the Affordable Housing Plan, they may identify the responsible parties within their municipalities to carry out the recommended policies and programs of this plan.

Table 73. City of Farmington Departments Responsible for Select Action Steps

Action Item	Responsible Party
1.1	COF City Council
1.3	COF City Council
2.1	COF Community Development Department
3.1	COF Community Development Department
3.4	COF Community Development Department
3.5	COF Community Development Department
3.6	COF Community Development Department, COF Administration
4.2	COF Community Development Department
4.3	COF Community Development Department, COF Administration
4.5	COF Community Development Department
10.1	COF Community Development Department
10.2	COF Community Development Department, COF Administration and COF City Council
10.3	COF Community Development Department, COF Administration
17.1	COF CDBG
17.2	COF CDBG
17.3	COF CDBG, potentially with ECHO, Inc. and/or the Los Amigos Educational Resource Center

Source: City of Farmington Community Development Department, 2010

The City of Farmington has also requested a method of determining how to divide funds or other resources among housing providers, organizations, etc. when faced with multiple requests for limited funds. The following criteria can help determine how the City can prioritize projects and programs. The other municipalities and County can use these criteria as well.

For-Sale Housing Projects

Projects which include the following elements or characteristics should be given preference:

- Mixed income development – subdivisions that include a combination of affordable and market rate housing; or the development of scattered

site affordable housing to avoid concentrating affordable housing all in one area or neighborhood
- Well-designed, attractive, high quality housing
- Developments that are in areas already served by existing infrastructure or are in close proximity to existing infrastructure
- Close to transit lines and employment centers

Rental Housing Projects

Projects which include the following elements or characteristics should be given preference:

- Mixed income projects that include a combination of market rate and affordable units
- Well-designed, attractive, high quality projects
- Developments that are in areas already served by existing infrastructure or are in close proximity to existing infrastructure
- Projects that can demonstrate strong on-site management with tenant screening processes
- Developments that adhere to design principles that can help discourage crime
- Close to transit lines and employment centers

Transitional Housing Projects and Programs

It should be noted that many of the transitional housing organizations in Farmington can receive funding through the CDBG process, and should be encouraged to pursue those funds through this channel rather than seeking municipal support. The City will likely best be able to support organizations by facilitating zone changes (when necessary and appropriate). If a Housing Trust fund is established and there is a need to transitional housing prioritize projects, preference can be given to programs/projects with the following characteristics:

- Programs that can show a demonstrated community need or are listed as a priority in the CDBG Consolidated Plan, the San Juan County Needs Assessment, and/or other current needs assessments
- Programs that are not duplicating other established programs and community efforts, unless a need for multiple projects/programs can be demonstrated
- Programs that have matching funding from other sources, or only require a small amount of funding to fill a gap in their programming budget
- Programs that are working collaboratively with other community groups
- Programs that can demonstrate strong leadership and organizational capacity
- Programs that are not requesting more than 20 percent of funds to be used for administrative or operational costs

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APPENDICES

APPENDIX A. BIBLIOGRAPHY

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APPENDIX B. INTERVIEWS CONDUCTED

Faye Anderson. Executive Director, San Juan County Housing Authority. April 19, 2010 and October 22, 2010.

Debe Betts, Director, Drexel House, San Juan Catholic Charities. April 12, 2010.

Dan Darnell. San Juan County Safe Communities Initiative; City of Farmington. April 19, 2010.

Ryan Downey. Director of Development and Marketing, ECHO, Inc. April 14, 2010.

Pamela Drake. Director, San Juan County Partnership. May 21, 2010.

Rosalyn Fry. Director, ECHO, Inc. April 16, 2010.

Su Hodgman. Board Member, Masada House. April 20, 2010.

Susan Kimbler. Executive Director, New Beginnings, Navajo United Methodist Center. April 20, 2010.

Carol Leuenhagen. Transition Services Coordinator, Youth and Family Services, CYFD. June 10, 2010.

Alma Lorenz. Development Manager, Family Crisis Center. April 19, 2010.

Roshana Moojen. Planner, City of Aztec. June 1, 2010.

Jay Peterman. Planner, City of Farmington, CDBG. April 19, 2010.

Jonathan Reed. Affordable Housing Developer, Jonathan Reed and Associates. May 27, 2010.

Herman Sedano. Financial Counselor, ECHO, Inc. May 24, 2010.

Jonna Sharpe. Executive Director, People Assisting the Homeless (PATH). April 20, 2010.

Ron Witherspoon, Principal. Dekker Perish Sabatini Ltd. August 13, 2010.

Kara Wood, REALTOR®, Kirtland Realty. April 1, 2010.

Patricia Ziegler, Director, San Juan Center for Independence. May 20, 2010.

APPENDIX C. SELECT DATA TABLES

Table 74. Past and Projected Population (corresponding to Figure 2)

	San Juan County	Farmington	Bloomfield	Aztec
1910	8,504	785	n/a	509
1920	8,333	728	n/a	489
1930	14,701	1,350	n/a	740
1940	17,115	2,161	n/a	756
1950	18,292	3,637	n/a	885
1960	53,306	23,786	1,292	4,137
1970	52,517	21,979	1,574	3,354
1980	81,433	32,677	4,881	5,512
1990	91,605	34,588	5,367	5,239
2000	113,801	37,844	6,417	6,378
2010	133,170	n/a	n/a	n/a
2020	146,815	n/a	n/a	n/a
2030	155,593	n/a	n/a	n/a

Source: US Census Bureau, 2000 and the Bureau of Business and Economic Research (BBER) at the University of New Mexico, 2010

Table 75. Density Calculations, Single Family Homes, Farmington

Farmington MSA 209 AMI % of AMI	Income Limit	Annual Housing Pmt PITI 28%
120	$60,960	$17,069
100	$50,800	$14,224
80	$40,640	$11,379
70	$35,560	$9,957
60	$30,480	$8,534
50	$25,400	$7,112
40	$20,320	$5,690
30	$15,240	$4,267

Zones	RE-20	SF-10	SF-7	SF-5, SF-A	Scenario 1	Scenario 2
Inputs						
OJECT OUTLINE						
Unit Type	*SF Detached*	*SF Detached*	*SF Detached*	*SF Detached*	*SF Attached*	*SF Attached*
Parcel Size (acres)	*2*	*2*	*2*	*2*	*2*	*2*
Density (units per acre)	*1*	*3*	*5*	*8*	*12*	*15*
Parking Spaces per Unit	2	2	2	2	2	2
Average Unit Size	*1,400*	*1,400*	*1,400*	*1,400*	*1,100*	*1,100*
EVELOPMENT COST STRUCTURE						
Raw Land Cost/SQFT*	*$1.34*	*$1.34*	*$1.34*	*$1.34*	*$1.34*	*$1.34*
Land Development Cost/SQFT	*$1.25*	*$1.75*	*$2.00*	*$2.50*	*$2.50*	*$2.50*
Construction Cost/SQFT	*$80.00*	*$80.00*	*$80.00*	*$80.00*	*$85.00*	*$85.00*
Soft Costs as % of Construction Costs	*24%*	*24%*	*24%*	*24%*	*24%*	*24%*
EVELOPMENT SUMMARY						
Land Cost						
Lot Size	*37,026*	*12,342*	*7,405*	*4,628*	*3,086*	*2,468*
Total Units	*2*	*6*	*10*	*16*	*24*	*30*
Land Cost per unit	*$58,370.40*	*$19,456.80*	*$11,674.08*	*$7,296.30*	*$4,864.20*	*$3,891.36*
Land Development Cost per unit	*$54,450.00*	*$25,410.00*	*$17,424.00*	*$13,612.50*	*$9,075.00*	*$7,260.00*
Total Land Cost	*$112,820.40*	*$44,866.80*	*$29,098.08*	*$20,908.80*	*$13,939.20*	*$11,151.36*
Construction Cost per unit	*$112,000.00*	*$112,000.00*	*$112,000.00*	*$112,000.00*	*$93,500.00*	*$93,500.00*
Soft Costs per unit	*$26,880.00*	*$26,880.00*	*$26,880.00*	*$26,880.00*	*$22,440.00*	*$22,440.00*
Total Cost	*$251,700.40*	*$183,746.80*	*$167,978.08*	*$159,788.80*	*$129,879.20*	*$127,091.36*
Developer Profit	*$16,360.53*	*$11,943.54*	*$10,918.58*	*$10,386.27*	*$8,442.15*	*$8,260.94*
Housing Price	*$268,060.93*	*$195,690.34*	*$178,896.66*	*$170,175.07*	*$138,321.35*	*$135,352.30*
NANCING STRUCTURE						
Interest Rate (%)	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*
Term (years)	*30*	*30*	*30*	*30*	*30*	*30*
nual Mortgage Payment (PITI)						
Market	*$18,926*	*$13,817*	*$12,631*	*$12,015*	*$9,766*	*$9,556*
Affordable						
120% AMI	*$17,069*	*$17,069*	*$17,069*	*$17,069*	*$17,069*	*$17,069*
100% AMI	*$14,224*	*$14,224*	*$14,224*	*$14,224*	*$14,224*	*$14,224*
80% AMI	*$11,379*	*$11,379*	*$11,379*	*$11,379*	*$11,379*	*$11,379*
70% AMI	*$9,957*	*$9,957*	*$9,957*	*$9,957*	*$9,957*	*$9,957*
60% AMI	*$8,534*	*$8,534*	*$8,534*	*$8,534*	*$8,534*	*$8,534*
50% AMI	*$7,112*	*$7,112*	*$7,112*	*$7,112*	*$7,112*	*$7,112*
40% AMI	*$5,690*	*$5,690*	*$5,690*	*$5,690*	*$5,690*	*$5,690*
Gap**						
120% AMI	$1,857	($3,252)	($4,438)	($5,054)	($7,303)	($7,512)
100% AMI	$4,702	($407)	($1,593)	($2,209)	($4,458)	($4,668)
80% AMI	$7,547	$2,437	$1,252	$636	($1,613)	($1,823)
70% AMI	$8,969	$3,860	$2,674	$2,058	($191)	($401)
60% AMI	$10,392	$5,282	$4,096	$3,481	$1,232	$1,022
50% AMI	$11,814	$6,705	$5,519	$4,903	$2,654	$2,444
40% AMI	$13,237	$8,127	$6,941	$6,325	$4,076	$3,866
nual Housing Costs						
% Down	10%	10%	10%	10%	10%	*10%*
Downpayment	$26,806	$19,569	$17,890	$17,018	$13,832	*$13,535*
Loan Amount	$241,255	$176,121	$161,007	$153,158	$124,489	*$121,817*
Annual Debt Service	$15,541	$11,345	$10,372	$9,866	$8,019	*$7,847*
Insurance	$1,340.30	$978.45	$894.48	$850.88	$691.61	$676.76
Property Tax	$2,044.59	$1,492.60	$1,364.50	$1,297.98	$1,055.02	$1,032.38
Total PITI	$18,926.19	$13,816.53	$12,630.83	$12,015.05	$9,766.05	$9,556.42

* Note: The raw land cost for Farmington used here is $1.34, rather than $2.34 (shown in Table 32), because much of the land included in that calculation was already developed, driving up the price.

* Shaded areas show where affordability gap exists.

Table 76. Density Calculations, Single Family Homes, Aztec

Farmington MSA 209 AMI		Annual Housing Pmt PITI
% of AMI	Income Limit	28%
120	$60,960	$17,069
100	$50,800	$14,224
80	$40,640	$11,379
70	$35,560	$9,957
60	$30,480	$8,534
50	$25,400	$7,112
40	$20,320	$5,690
30	$15,240	$4,267

		R-1	R-2	Scenario 1	Scenario 2
Inputs					
PROJECT OUTLINE					
Unit Type	*SF Detached*	*SF Detached*	*SF Detached*	*SF Attached*	*SF Attached*
Parcel Size (acres)	*2*	*2*	*2*	*2*	*2*
Density (units per acre)	*3*	*5*	*8*	*12*	*15*
Parking Spaces per Unit	2	2	2	2	2
Average Unit Size	*1,400*	*1,400*	*1,400*	*1,100*	*1,100*
DEVELOPMENT COST STRUCTURE					
Raw Land Cost/SQFT	*$0.97*	*$0.97*	*$0.97*	*$0.97*	*$0.97*
Land Development Cost/SQFT	*$1.75*	*$2.00*	*$2.50*	*$2.50*	*$2.50*
Construction Cost/SQFT	*$80.00*	*$80.00*	*$80.00*	*$85.00*	*$85.00*
Soft Costs as % of Construction Costs	*24%*	*24%*	*24%*	*24%*	*24%*
DEVELOPMENT SUMMARY					
Land Cost					
Lot Size	*12,342*	*7,405*	*4,628*	*3,086*	*2,468*
Total Units	*6*	*10*	*16*	*24*	*30*
Land Cost per unit	*$14,084.40*	*$8,450.64*	*$5,281.65*	*$3,521.10*	*$2,816.88*
Land Development Cost per unit	*$25,410.00*	*$17,424.00*	*$13,612.50*	*$9,075.00*	*$7,260.00*
Total Land Cost	*$39,494.40*	*$25,874.64*	*$18,894.15*	*$12,596.10*	*$10,076.88*
Construction Cost per unit	*$112,000.00*	*$112,000.00*	*$112,000.00*	*$93,500.00*	*$93,500.00*
Soft Costs per unit	*$26,880.00*	*$26,880.00*	*$26,880.00*	*$22,440.00*	*$22,440.00*
Total Cost	*$178,374.40*	*$164,754.64*	*$157,774.15*	*$128,536.10*	*$126,016.88*
Developer Profit	*$11,594.34*	*$10,709.05*	*$10,255.32*	*$8,354.85*	*$8,191.10*
Housing Price	*$189,968.74*	*$175,463.69*	*$168,029.47*	*$136,890.95*	*$134,207.98*
FINANCING STRUCTURE					
Interest Rate (%)	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*
Term (years)	*30*	*30*	*30*	*30*	*30*
Annual Mortgage Payment (PITI)					
Market	*$13,346*	*$12,327*	*$11,805*	*$9,617*	*$9,429*
Affordable					
120% AMI	*$17,069*	*$17,069*	*$17,069*	*$17,069*	*$17,069*
100% AMI	*$14,224*	*$14,224*	*$14,224*	*$14,224*	*$14,224*
80% AMI	*$11,379*	*$11,379*	*$11,379*	*$11,379*	*$11,379*
70% AMI	*$9,957*	*$9,957*	*$9,957*	*$9,957*	*$9,957*
60% AMI	*$8,534*	*$8,534*	*$8,534*	*$8,534*	*$8,534*
50% AMI	*$7,112*	*$7,112*	*$7,112*	*$7,112*	*$7,112*
40% AMI	*$5,690*	*$5,690*	*$5,690*	*$5,690*	*$5,690*
Gap*					
120% AMI	($3,722)	($4,741)	($5,264)	($7,451)	($7,640)
100% AMI	($878)	($1,897)	($2,419)	($4,607)	($4,795)
80% AMI	$1,967	$948	$426	($1,762)	($1,950)
70% AMI	$3,389	$2,371	$1,848	($340)	($528)
60% AMI	$4,812	$3,793	$3,271	$1,083	$894
50% AMI	$6,234	$5,215	$4,693	$2,505	$2,317
40% AMI	$7,656	$6,638	$6,115	$3,927	$3,739
Annual Housing Costs					
% Down	10%	10%	10%	10%	10%
Downpayment	$18,997	$17,546	$16,803	$13,689	$13,421
Loan Amount	$170,972	$157,917	$151,227	$123,202	$120,787
Annual Debt Service	$11,014	$10,173	$9,742	$7,936	$7,781
Insurance	$949.84	$877.32	$840.15	$684.45	$671.04
Property Tax	$1,382.78	$1,277.20	$1,223.09	$996.43	$976.90
Total PITI	$13,346.39	$12,327.33	$11,805.03	$9,617.37	$9,428.88

* Shaded areas show where affordability gap exists.

Table 77. Density Calculations, Single Family Homes, Bloomfield

Farmington MSA 209 AMI		Annual Housing Pmt PITI
% of AMI	Income Limit	28%
120	$60,960	$17,069
100	$50,800	$14,224
80	$40,640	$11,379
70	$35,560	$9,957
60	$30,480	$8,534
50	$25,400	$7,112
40	$20,320	$5,690
30	$15,240	$4,267

	R-1	R-2	Scenario 1	Scenario 2	Scenario 3
Inputs					
PROJECT OUTLINE					
Unit Type	*SF Detached*	*SF Detached*	*SF Detached*	*SF Attached*	*SF Attached*
Parcel Size (acres)	*2*	*2*	*2*	*2*	*2*
Density (units per acre)	*5*	*6*	*8*	*12*	*15*
Parking Spaces per Unit	2	2	2	2	2
Average Unit Size	*1,400*	*1,400*	*1,400*	*1,100*	*1,100*
DEVELOPMENT COST STRUCTURE					
Raw Land Cost/SQFT	*$1.38*	*$1.38*	*$1.38*	*$1.38*	*$1.38*
Land Development Cost/SQFT	*$2.00*	*$2.00*	*$2.50*	*$2.50*	*$2.50*
Construction Cost/SQFT	*$80.00*	*$80.00*	*$80.00*	*$85.00*	*$85.00*
Soft Costs as % of Construction Costs	*24%*	*24%*	*24%*	*24%*	*24%*
DEVELOPMENT SUMMARY					
Land Cost					
Lot Size	*7,405*	*6,171*	*4,628*	*3,086*	*2,468*
Total Units	*10*	*12*	*16*	*24*	*30*
Land Cost per unit	*$12,022.56*	*$10,018.80*	*$7,514.10*	*$5,009.40*	*$4,007.52*
Land Development Cost per unit	*$17,424.00*	*$14,520.00*	*$13,612.50*	*$9,075.00*	*$7,260.00*
Total Land Cost	*$29,446.56*	*$24,538.80*	*$21,126.60*	*$14,084.40*	*$11,267.52*
Construction Cost per unit	*$112,000.00*	*$112,000.00*	*$112,000.00*	*$93,500.00*	*$93,500.00*
Soft Costs per unit	*$26,880.00*	*$26,880.00*	*$26,880.00*	*$22,440.00*	*$22,440.00*
Total Cost	*$168,326.56*	*$163,418.80*	*$160,006.60*	*$130,024.40*	*$127,207.52*
Developer Profit	*$10,941.23*	*$10,622.22*	*$10,400.43*	*$8,451.59*	*$8,268.49*
Housing Price	*$179,267.79*	*$174,041.02*	*$170,407.03*	*$138,475.99*	*$135,476.01*
FINANCING STRUCTURE					
Interest Rate (%)	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*
Term (years)	*30*	*30*	*30*	*30*	*30*
Annual Mortgage Payment (PITI)					
Market	*$12,888*	*$12,513*	*$12,251*	*$9,956*	*$9,740*
Affordable					
120% AMI	*$17,069*	*$17,069*	*$17,069*	*$17,069*	*$17,069*
100% AMI	*$14,224*	*$14,224*	*$14,224*	*$14,224*	*$14,224*
80% AMI	*$11,379*	*$11,379*	*$11,379*	*$11,379*	*$11,379*
70% AMI	*$9,957*	*$9,957*	*$9,957*	*$9,957*	*$9,957*
60% AMI	*$8,534*	*$8,534*	*$8,534*	*$8,534*	*$8,534*
50% AMI	*$7,112*	*$7,112*	*$7,112*	*$7,112*	*$7,112*
40% AMI	*$5,690*	*$5,690*	*$5,690*	*$5,690*	*$5,690*
Gap*					
120% AMI	($4,181)	($4,556)	($4,818)	($7,113)	($7,329)
100% AMI	($1,336)	($1,711)	($1,973)	($4,268)	($4,484)
80% AMI	$1,509	$1,133	$872	($1,424)	($1,639)
70% AMI	$2,931	$2,556	$2,294	($1)	($217)
60% AMI	$4,354	$3,978	$3,717	$1,421	$1,206
50% AMI	$5,776	$5,401	$5,139	$2,844	$2,628
40% AMI	$7,199	$6,823	$6,561	$4,266	$4,050
Annual Housing Costs					
% Down	10%	10%	10%	10%	10%
Downpayment	$17,927	$17,404	$17,041	$13,848	$13,548
Loan Amount	$161,341	$156,637	$153,366	$124,628	$121,928
Annual Debt Service	$10,393	$10,090	$9,880	$8,028	$7,854
Insurance	$896.34	$870.21	$852.04	$692.38	$677.38
Property Tax	$1,598.59	$1,551.98	$1,519.58	$1,234.84	$1,208.08
Total PITI	$12,888.29	$12,512.52	$12,251.25	$9,955.60	$9,739.92

* Shaded areas show where affordability gap exists.

Table 78. Density Calculations, Multifamily Housing, Farmington

	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Inputs				
PROJECT OUTLINE				
Unit Type	*MF-L*	*MF-M*	*MF-H*	*Urban Density*
Parcel Size (acres)	*2*	*2*	*2*	*2*
Density (units per acre)	*12.5*	*22*	*29*	*35*
No. Stories	*1*	*2*	*2-3*	*4*
Parking Spaces per Unit	1.75	1.75	1.75	1.25
Average Unit Size	*850*	*850*	*850*	*850*
Common Area (SF)	*2,500*	*2,500*	*2,500*	*2,500*
DEVELOPMENT COST STRUCTURE				
Land Cost/SQFT	*$2.34*	*$2.34*	*$2.34*	*$2.34*
Construction Cost/SQFT (2)	*$95.00*	*$95.00*	*$95.00*	*$98.00*
Parking Cost/Space	*$2,000*	*$2,000*	*$2,000*	*$2,000*
Soft Costs as % of Construction Costs	*25%*	*25%*	*25%*	*25%*
FINANCING STRUCTURE (1)				
Required Debt-Coverage Ratio	*1.20*	*1.20*	*1.20*	*1.20*
Interest Rate (%)	*6.1%*	*6.1%*	*6.1%*	*6.1%*
Term (years)	*30*	*30*	*30*	*30*
Cap Rate	*6.25%*	*6.25%*	*6.25%*	*6.25%*
OPERATING COST STRUCTURE				
Avg. Vacancy Rate	*7.0%*	*7.0%*	*7.0%*	*7.0%*
Annual Operating Expense per Unit	*$4,000*	*$4,000*	*$4,000*	*$4,000*
RENTS (month/unit)				
Market	*$1,151*	*$1,097*	*$1,079*	*$1,083*
Affordable				
120% AMI	*$1,524*	*$1,524*	*$1,524*	*$1,524*
100% AMI	*$1,270*	*$1,270*	*$1,270*	*$1,270*
80% AMI	*$1,016*	*$1,016*	*$1,016*	*$1,016*
70% AMI	*$889*	*$889*	*$889*	*$889*
60% AMI	*$762*	*$762*	*$762*	*$762*
50% AMI	*$635*	*$635*	*$635*	*$635*
40% AMI	*$508*	*$508*	*$508*	*$508*
30% AMI	*$381*	*$381*	*$381*	*$381*
Gap				
120% AMI	*($373)*	*($427)*	*($445)*	*($441)*
100% AMI	*($119)*	*($173)*	*($191)*	*($187)*
80% AMI	*$135*	*$81*	*$63*	*$67*
70% AMI	*$262*	*$208*	*$190*	*$194*
60% AMI	*$389*	*$335*	*$317*	*$321*
50% AMI	*$516*	*$462*	*$444*	*$448*
40% AMI	*$643*	*$589*	*$571*	*$575*
30% AMI	*$770*	*$716*	*$698*	*$702*
DEVELOPMENT SUMMARY				
Land Cost	*$203,580*	*$203,580*	*$203,580*	*$203,580*
Residential Units	25	44	58	70
Unit Square Footage	21,250	37,400	49,300	59,500
Common Area Square Footage	2,500	2,500	2,500	2,500
Total Square Footage	*23,750*	*39,900*	*51,800*	*62,000*
Construction Cost	*$2,256,250*	*$3,790,500*	*$4,921,000*	*$6,076,000*
Parking Spaces	44	77	102	88
Parking Construction Cost	*$88,000*	*$154,000*	*$204,000*	*$176,000*
Soft Costs	*$586,063*	*$986,125*	*$1,281,250*	*$1,563,000*
Total Development Cost	*$3,133,893*	*$5,134,205*	*$6,609,830*	*$8,018,580*
Project Value	*$3,133,893*	*$5,134,205*	*$6,609,830*	*$8,018,580*
Annual Debt Service				
Equity	$626,779	$1,026,841	$1,321,966	$1,603,716
Loan Amount	$2,507,114	$4,107,364	$5,287,864	$6,414,864
Annual Debt Service	($182,316)	($298,685)	($384,530)	($466,485)
OPERATING SUMMARY (FULL OCCUPANCY)				
Gross Scheduled Rent	$345,429	$578,999	$751,233	$909,788
-Vacancies	($24,180)	($40,530)	($52,586)	($63,685)
-Expected Operating Expenses	($100,000)	($176,000)	($232,000)	($280,000)
Net Operating Income	$221,249	$362,469	$466,647	$566,103
Desired Net Income	$38,934	$63,784	$82,116	$99,618
Net Income	$38,934	$63,784	$82,116	$99,618
DEBT-EQUITY POSITION	*Bottom Lines*	*Bottom Lines*	*Bottom Lines*	*Bottom Lines*
Project Cost (from above)	$3,133,893	$5,134,205	$6,609,830	$8,018,580
Supportable Mortgage	$2,510,956	$4,113,659	$5,295,968	$6,424,695
Required Initial Cash (Gap)	$622,936	$1,020,546	$1,313,862	$1,593,885
Effective Loan to Value (1)	80.12%	80.12%	80.12%	80.12%
Project Value from Cap Rate	$3,539,988	$5,799,505	$7,466,345	$9,057,643

* Shaded areas show where affordability gap exists.

(1) CommercialBanc.com - http://www.commercialbanc.com/apartment-loan-small-overview.htm
(2)Reed Construction/RS Means, Apartment Construction costs for Farmington area

Table 79. Density Calculations, Multifamily Housing, Aztec

Inputs	Scenario 1	Scenario 2	Scenario 3	Scenario 4
PROJECT OUTLINE				
Unit Type	*Low Density Apt*	*Garden Apartment*	*Maximum Density*	*Urban Density*
Parcel Size (acres)	*2*	*2*	*2*	*2*
Density (units per acre)	*12.5*	*22*	*25*	*35*
No. Stories	*1*	*2*	*2*	*4*
Parking Spaces per Unit	2	2	2	1.25
Average Unit Size	*850*	*850*	*850*	*850*
Common Area (SF)	*2,500*	*2,500*	*2,500*	*2,500*
DEVELOPMENT COST STRUCTURE				
Land Cost/SQFT	*$1.97*	*$1.97*	*$1.97*	*$1.97*
Construction Cost/SQFT (2)	*$95.00*	*$95.00*	*$95.00*	*$98.00*
Parking Cost/Space	*$2,000*	*$2,000*	*$2,000*	*$2,000*
Soft Costs as % of Construction Costs	*25%*	*25%*	*25%*	*25%*
FINANCING STRUCTURE (1)				
Required Debt-Coverage Ratio	*1.20*	*1.20*	*1.20*	*1.20*
Interest Rate (%)	*6.1%*	*6.1%*	*6.1%*	*6.1%*
Term (years)	*30*	*30*	*30*	*30*
Cap Rate	*6.25%*	*6.25%*	*6.25%*	*6.25%*
OPERATING COST STRUCTURE				
Avg. Vacancy Rate	*7.0%*	*7.0%*	*7.0%*	*7.0%*
Annual Operating Expense per Unit	*$4,000*	*$4,000*	*$4,000*	*$4,000*
RENTS (month/unit)				
Market	*$1,147*	*$1,096*	*$1,088*	*$1,080*
Affordable				
120% AMI	*$1,524*	*$1,524*	*$1,524*	*$1,524*
100% AMI	*$1,270*	*$1,270*	*$1,270*	*$1,270*
80% AMI	*$1,016*	*$1,016*	*$1,016*	*$1,016*
70% AMI	*$889*	*$889*	*$889*	*$889*
60% AMI	*$762*	*$762*	*$762*	*$762*
50% AMI	*$635*	*$635*	*$635*	*$635*
40% AMI	*$508*	*$508*	*$508*	*$508*
30% AMI	*$381*	*$381*	*$381*	*$381*
Gap				
120% AMI	*($377)*	*($428)*	*($436)*	*($444)*
100% AMI	*($123)*	*($174)*	*($182)*	*($190)*
80% AMI	*$131*	*$80*	*$72*	*$64*
70% AMI	*$258*	*$207*	*$199*	*$191*
60% AMI	*$385*	*$334*	*$326*	*$318*
50% AMI	*$512*	*$461*	*$453*	*$445*
40% AMI	*$639*	*$588*	*$580*	*$572*
30% AMI	*$766*	*$715*	*$707*	*$699*
DEVELOPMENT SUMMARY				
Land Cost	*$171,390*	*$171,390*	*$171,390*	*$171,390*
Residential Units	25	44	50	70
Unit Square Footage	21,250	37,400	42,500	59,500
Common Area Square Footage	2,500	2,500	2,500	2,500
Total Square Footage	*23,750*	*39,900*	*45,000*	*62,000*
Construction Cost	*$2,256,250*	*$3,790,500*	*$4,275,000*	*$6,076,000*
Parking Spaces	50	88	100	88
Parking Construction Cost	*$100,000*	*$176,000*	*$200,000*	*$176,000*
Soft Costs	*$589,063*	*$991,625*	*$1,118,750*	*$1,563,000*
Total Development Cost	*$3,116,703*	*$5,129,515*	*$5,765,140*	*$7,986,390*
Project Value	*$3,116,703*	*$5,129,515*	*$5,765,140*	*$7,986,390*
Annual Debt Service				
Equity	$623,341	$1,025,903	$1,153,028	$1,597,278
Loan Amount	$2,493,362	$4,103,612	$4,612,112	$6,389,112
Annual Debt Service	($181,316)	($298,412)	($335,390)	($464,612)
OPERATING SUMMARY (FULL OCCUPANCY)				
Gross Scheduled Rent	$344,124	$578,643	$652,701	$907,344
-Vacancies	($24,089)	($40,505)	($45,689)	($63,514)
-Expected Operating Expenses	($100,000)	($176,000)	($200,000)	($280,000)
Net Operating Income	$220,036	$362,138	$407,012	$563,830
Desired Net Income	$38,720	$63,726	$71,622	$99,218
Net Income	$38,720	$63,726	$71,622	$99,218
DEBT-EQUITY POSITION	*Bottom Lines*	*Bottom Lines*	*Bottom Lines*	*Bottom Lines*
Project Cost (from above)	$3,116,703	$5,129,515	$5,765,140	$7,986,390
Supportable Mortgage	$2,497,183	$4,109,901	$4,619,180	$6,398,903
Required Initial Cash (Gap)	$619,519	$1,019,614	$1,145,960	$1,587,487
Effective Loan to Value (1)	80.12%	80.12%	80.12%	80.12%
Project Value from Cap Rate	$3,520,571	$5,794,208	$6,512,198	$9,021,282

* Shaded areas show where affordability gap exists.

(1) CommercialBanc.com - http://www.commercialbanc.com/apartment-loan-small-overview.htm
(2)Reed Construction/RS Means, Apartment Construction costs for Farmington area

Table 80. Density Calculations, Multifamily Housing, Bloomfield

	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Inputs				
PROJECT OUTLINE				
Unit Type (allowed in R3 Res District)	*Low Density Apt*	*Garden Apartment*	*Maximum Density*	*Urban Density*
Parcel Size (acres)	*2*	*2*	*2*	*2*
Density (units per acre)	*12.5*	*22*	*25*	*35*
No. Stories	*1*	*2*	*2*	*4*
Parking Spaces per Unit	2	2	2	1.25
Average Unit Size	*850*	*850*	*850*	*850*
Common Area (SF)	*2,500*	*2,500*	*2,500*	*2,500*
DEVELOPMENT COST STRUCTURE				
Land Cost/SQFT	*$1.38*	*$1.38*	*$1.38*	*$1.38*
Construction Cost/SQFT (2)	*$95.00*	*$95.00*	*$95.00*	*$98.00*
Parking Cost/Space	*$2,000*	*$2,000*	*$2,000*	*$2,000*
Soft Costs as % of Construction Costs	*25%*	*25%*	*25%*	*25%*
FINANCING STRUCTURE (1)				
Required Debt-Coverage Ratio	*1.20*	*1.20*	*1.20*	*1.20*
Interest Rate (%)	*6.1%*	*6.1%*	*6.1%*	*6.1%*
Term (years)	*30*	*30*	*30*	*30*
Cap Rate	*6.25%*	*6.25%*	*6.25%*	*6.25%*
OPERATING COST STRUCTURE				
Avg. Vacancy Rate	*7.0%*	*7.0%*	*7.0%*	*7.0%*
Annual Operating Expense per Unit	*$4,000*	*$4,000*	*$4,000*	*$4,000*
RENTS (month/unit)				
Market	*$1,134*	*$1,089*	*$1,081*	*$1,076*
Affordable				
120% AMI	*$1,524*	*$1,524*	*$1,524*	*$1,524*
100% AMI	*$1,270*	*$1,270*	*$1,270*	*$1,270*
80% AMI	*$1,016*	*$1,016*	*$1,016*	*$1,016*
70% AMI	*$889*	*$889*	*$889*	*$889*
60% AMI	*$762*	*$762*	*$762*	*$762*
50% AMI	*$635*	*$635*	*$635*	*$635*
40% AMI	*$508*	*$508*	*$508*	*$508*
30% AMI	*$381*	*$381*	*$381*	*$381*
Gap				
120% AMI	*($390)*	*($435)*	*($443)*	*($448)*
100% AMI	*($136)*	*($181)*	*($189)*	*($194)*
80% AMI	*$118*	*$73*	*$65*	*$60*
70% AMI	*$245*	*$200*	*$192*	*$187*
60% AMI	*$372*	*$327*	*$319*	*$314*
50% AMI	*$499*	*$454*	*$446*	*$441*
40% AMI	*$626*	*$581*	*$573*	*$568*
30% AMI	*$753*	*$708*	*$700*	*$695*
DEVELOPMENT SUMMARY				
Land Cost	*$120,060*	*$120,060*	*$120,060*	*$120,060*
Residential Units	25	44	50	70
Unit Square Footage	21,250	37,400	42,500	59,500
Common Area Square Footage	2,500	2,500	2,500	2,500
Total Square Footage	*23,750*	*39,900*	*45,000*	*62,000*
Construction Cost	*$2,256,250*	*$3,790,500*	*$4,275,000*	*$6,076,000*
Parking Spaces	50	88	100	88
Parking Construction Cost	*$100,000*	*$176,000*	*$200,000*	*$176,000*
Soft Costs	*$589,063*	*$991,625*	*$1,118,750*	*$1,563,000*
Total Development Cost	*$3,065,373*	*$5,078,185*	*$5,713,810*	*$7,935,060*
Project Value	*$3,065,373*	*$5,078,185*	*$5,713,810*	*$7,935,060*
Annual Debt Service				
Equity	$613,075	$1,015,637	$1,142,762	$1,587,012
Loan Amount	$2,452,298	$4,062,548	$4,571,048	$6,348,048
Annual Debt Service	($178,330)	($295,426)	($332,404)	($461,626)
OPERATING SUMMARY (FULL OCCUPANCY)				
Gross Scheduled Rent	$340,228	$574,746	$648,805	$903,448
-Vacancies	($23,816)	($40,232)	($45,416)	($63,241)
-Expected Operating Expenses	($100,000)	($176,000)	($200,000)	($280,000)
Net Operating Income	$216,412	$358,514	$403,389	$560,206
Desired Net Income	$38,082	$63,088	$70,985	$98,580
Net Income	$38,082	$63,088	$70,985	$98,580
DEBT-EQUITY POSITION	*Bottom Lines*	*Bottom Lines*	*Bottom Lines*	*Bottom Lines*
Project Cost (from above)	$3,065,373	$5,078,185	$5,713,810	$7,935,060
Supportable Mortgage	$2,456,056	$4,068,774	$4,578,053	$6,357,777
Required Initial Cash (Gap)	$609,316	$1,009,411	$1,135,757	$1,577,283
Effective Loan to Value (1)	80.12%	80.12%	80.12%	80.12%
Project Value from Cap Rate	$3,462,590	$5,736,226	$6,454,217	$8,963,301

* Shaded areas show where affordability gap exists.

(1) CommercialBanc.com - http://www.commercialbanc.com/apartment-loan-small-overview.htm
(2)Reed Construction/RS Means, Apartment Construction costs for Farmington area

APPENDIX D. RESOURCE GUIDE

The following is an annotated resource list of financial resources and agencies responsible for meeting identified housing needs, helping families build capacity to acquire housing on their own, and providing assistance for needy families. The various programs are listed under the agencies that administer them, such as the New Mexico Mortgage Finance Authority, the USDA Housing and Community Facilities Programs, HUD's Region VI housing authority, and the State of New Mexico.

Each of these housing programs can help meet the needs identified in the Housing Needs Assessment.

1. NEW MEXICO MORTGAGE FINANCE AUTHORITY

The MFA, though not a state agency, was created by state law with a mandate to provide affordable housing in New Mexico. The MFA is given authority to issue tax-exempt mortgage revenue bonds. Proceeds from bond sales are used to fund below-market interest rate loan programs for single family homebuyers and for developers of affordable multifamily dwellings. In this way MFA fulfilled its mission, using private dollars only (no state or federal funds), from its 1975 inception to the present.

The state made the MFA responsible for state and federally funded housing programs as well. Besides constituting recognition for a job well done by MFA with its revenue-bond programs, New Mexico made the MFA a "one-stop shop" for housing finance, a model already adopted by most states. The MFA purview now encompasses the tax credits program, emergency shelter grants, homeless initiatives, and Housing and Urban Development's HOME program.

By operating efficiently, the not-for-profit MFA generates surplus revenue, used to create even more programs to make affordable housing a reality in New Mexico. These include programs for down payment assistance and to support other (nonprofit) providers of housing and related services.

344 4th Street SW
Albuquerque, NM 87102
(505) 843-6880
(800) 444-6880 (Toll free in New Mexico)
Fax: (505) 243-3289

TTY: (800) 659-8331
TTY/Voice: (800) 659-1779

Following is a list and brief descriptions of programs offered.

MFA Homebuyer Programs

The MFA Homeownership programs provide a range of financial assistance to low-to moderate-income first-time home buyers including below-market interest rates, closing cost assistance and down payment assistance programs. These programs are also available to individuals who have not owned a home or a manufactured house in the last three years.

MFA's Mortgage$aver Program

This program offers below-market interest rates and/or closing cost assistance to first-time homebuyers. The program is also available to individuals who have not owned a home (including a manufactured home on a permanent foundation) in the last three years. A borrower may qualify for a Mortgage$aver, Mortgage$aver Zero or Mortgage$aver Plus funds based upon household income and family size as well as the sales price of the home.

Mortgage loans available under the Mortgage$aver program include FHA, VA, and a variety of conventional loans, including the MyCommunity and Community Solutions Programs.

Rural Housing Service (RHS) guaranteed, leveraged, or direct loans are also available as are loans on Native American trust lands. Mortgage$aver loans are 30-year fixed-rate loans available at rates below the 30-year fixed "market" rate. Mortgage$aver Zero is just about even with the 30-year fixed "market" rate, but has no origination fee or discount fee. The Mortgage$aver Plus interest rate is slightly higher than the 30-year fixed "market" rate, but has no origination fee or discount fee and features a 3.0% (of the principal loan amount) down payment assistance grant "built-in" to the loan. The grant can be used towards down payment, closing costs, and "prepaid" expenses. It can also fund an interest-rate reduction or reduce the principal loan balance. These programs are available through a statewide and on Indian Reservations network of participating lenders. Residences financed can include single family detached homes, town homes, condominiums, homes in planned unit developments, and permanently attached mobile homes. Income and price limits apply.

MFA's Mortgage Booster program

This is a second mortgage product that provides down payment and closing cost assistance to borrowers who qualify for MFA's Mortgage$aver loan.

Mortgage Booster is a loan designed to serve low- to moderate-income first-time homebuyers who don't have adequate resources for a down payment and/or closing costs. Participating lenders are used to process the loan. Lender will help applicants determine the maximum amount, based on their need. They may qualify for up to 8% of the amount of the sales price of their home. Mortgage Booster allows borrowers to spread out their repayment over 30 years, which is a longer period of time than MFA's other down payment assistance programs allow. Borrowers must be able to qualify for MFA's Mortgage$aver program to take advantage of Mortgage Booster.

The MFA Payment$aver program

This program is available to first-time homebuyers, including individuals or families who have not owned and occupied a primary residence for the past three years. Many loan types are available under the Payment$aver program. These loan types include FHA and VA, including loans to buyers of homes located on Native American trust lands. The program works well with a variety of conventional loans, such as CHBP products, GRH guaranteed or leveraged loans. With Payment$aver, purchasers get a below-market-interest-rate loan to purchase a house, plus a second loan at zero-percent interest to cover up-front costs (the downpayment and other costs related to the purchase). Depending on the type of loan, Payment$aver may also be used to fund temporary interest-rate reduction. Income and home sales price limits apply depending on family size and location. The zero-percent-interest Payment$aver loan (the second loan) may not exceed 8% (depending on area) of sales price of the home or not to exceed $8,000. The loan need not be paid back until the property is sold, refinanced, or transferred. A lender can determine whether an applicant is eligible for Payment$aver and explain the various loan types that are available. Please see the NMMFA website for the "Participating Lenders Page" for a list of institutions who are partnering with the MFA on this program. To use Payment$aver, borrowers must receive pre-purchase counseling, which is available through MFA-certified agencies throughout New Mexico. If there is not an approved agency nearby, MFA will help in the process. Lenders will gladly help the borrower get in contact with an approved agency.

HERO program

The HERO program was designed to serve households in which at least one member is a police officer, nurse, teacher, firefighter, or active member of the armed forces. The HERO program is a first- and a second-mortgage product that provides below-market interest rates, downpayment, and closing cost assistance for the purchase of a home. Lenders will help determine the maximum amount, based on need. Loans are made through participating lenders. Borrowers may qualify for up to 8% of the amount of the sales price of the home. This loan is repaid over 30 years at a fixed interest rate. Applicants must be able to qualify for a typical mortgage loan in order to take advantage of HERO. Homes financed can include single family detached homes, townhomes, condominiums, homes in planned unit developments, and permanently attached manufactured homes. Income limits apply—please see MFA's website. The total mortgage amount is determined by the program guidelines of the first mortgage loan. Lenders will advise applicants of the maximum amount for which you qualify. Residences financed can include single family detached homes, townhomes, condominiums, homes in planned unit developments, and permanently attached manufactured homes. Income limits apply.

Helping Hand program

This is a statewide program designed to assist first-time homebuyers with disabilities in the purchase of a home. It is a second mortgage loan program, similar to the HELP program (see below), in which all or part of the down payment and closing costs can be borrowed. Additional funds may be borrowed for pre-paids, cash reserves or to rehabilitate the home for accessibility. It is a zero-percent-interest-rate, non-amortizing loan, which will be due on sale, refinance or transfer. The program is funded from available HOME monies and may be used only in conjunction with Mortgage$aver under the FNMA Home Choice or FHA loan programs. The program is targeted for families at or below 70% or 80% of area median income limits (depending on where the borrower wishes to purchase) in which at least one family member has a disability as defined by the Americans with Disabilities Act (ADA). Borrowers must be counseled and certified by HOME New Mexico prior to application with the eligible lender. Helping Hand is a soft second mortgage, due upon a full repayment of the mortgage, cash-out refinance, sale or transfer of the property, or change of owner-occupied status. The maximum loan amount under the Helping Hand program is $8,000. No interest will be charged in conjunction with the Helping Hand program.

Homeowner Rehabilitation Program

This program provides assistance to low-income homeowners who lack the resources to make necessary repairs to their homes. Assistance can be used for reimbursement of costs for rehabilitation, which includes the following: applicable codes, standards or ordinances, rehabilitation standards, essential improvements, energy-related improvements, lead-based paint hazard reduction, accessibility for disabled persons, repair or replacement of major housing systems, incipient repairs and general property improvements of a non-luxury nature, site improvements and utility connections. MFA relies on nonprofits, housing authorities, and local governments to administer the homeowner rehabilitation program. Funds are awarded through an RFP/application process and proposals are reviewed and evaluated by several committees, and approved by the MFA Board.

Reservation Rehabilitation Program

This program provides loans to homeowners on a house-by-house, first-come, first-served basis. Sub-recipients of homeowner rehab funds, design programs to fit the needs of their individual jurisdictions. The role of sub-recipients is to administer the rehabilitation program from initial marketing activities to completion of the rehabilitation and securing loans. Agencies are responsible for publicizing and taking applications, qualifying applicants, determining income eligibility, determining ownership, guaranteeing that work is properly inspected and completed, insuring that properties meet all code, construction standards and HQS regulations, and adherence to all HOME funding and Lead Based Paint Requirements. Agencies are also responsible for securing due on sale, refinance or transfer or amortizing, low interest loans for participants.

2. MFA HOUSING DEVELOPMENT PROGRAMS

The MFA administers programs for affordable rental and single family development. The multifamily programs provide funding throughout New Mexico for the acquisition, rehabilitation, new construction and, in some cases, refinance of rental housing. These multifamily programs are usually sponsored by private for-profit, not-for-profit, and public housing authority developers. Programs are also available for developers for the acquisition, rehabilitation and new construction of single family units.

New Mexico Housing Trust Fund

The New Mexico Housing Trust Fund provides flexible funding for a wide range of housing initiatives—including infrastructure costs— to produce significant additional housing investment in the state. Funds are awarded on a competitive basis. The HTF may be used to finance part of all of an entire project that will provide affordable ownership, rental or special needs housing primarily for persons or households of low or moderate income. Eligible applicants range from nonprofit and governmental housing agencies to for-profit firms and joint ventures. Housing must remain affordable on a long-term or permanent basis. Loans range from one to 30 years with interest rates of from 1 to 5 percent. Applications are reviewed on a quarterly basis.

New Mexico Affordable Housing Tax Credit Program

This program provides tax credits to individuals, businesses, and local governments that provide donations to a trust fund administered by the NMMFA. The state offers credits on income taxes, gross receipts taxes and compensating taxes (excluding local option gross receipts tax imposed by a municipality or county, or the state government gross receipts tax) to any eligible individual, business, and local or tribal government that donates land, building, cash or services for an affordable housing project approved by MRA or for a trust fund administered by MFA. The credit is equal to up to 50 percent of the value of the donation (minimum $200; maximum $1 million). Qualified affordable housing activities are defined as land acquisition, building acquisition, construction, remodeling, improvement, rehabilitation, conversion or weatherization for residential housing that is approved by the MFA. Eligible projects include single family housing or multifamily housing located in a county with a population of less than 100,000. Single family projects must remain affordable for a minimum of five years; multifamily for 10 years

Low-Income Housing Tax Credit

The LIHTC program offers a 10-year credit on federal income tax for owners of newly constructed or renovated rental housing and sets aside a percentage of the units for low-income individuals for a minimum of 15 years. The amount of the credit varies for new construction and renovation. The project must receive allocation of New Mexico State's annual credit ceiling or use multifamily housing tax-exempt bonds that receive allocation of New Mexico State's bond volume cap. Allocations are made on the basis of the New Mexico State Qualified Allocation Plan.

HOME/Rental Development

Federal HOME Investment Partnership funds are used to provide gap financing for development of affordable rental or special needs housing, through either new construction or acquisition and rehabilitation of existing properties. As gap financing, HOME funds are typically the last dollars committed to a project and are used in combination with other housing resources such as MFA's Tax Credit and 542(c) loan programs. These allocations are available to nonprofit, for-profit, tribal, and public agency developers who apply during the Tax Credit application period (typically on or about February 1 of each year). HOME/Rental Incentive funds may be awarded to projects using 4% Tax Credits that have received an allocation of private activity bond volume cap from the State Board of Finance, or to projects with first mortgage financing derived from either 501(c)(3) bonds or other sources approved by MFA. Funding for these projects is available on a first-come, first-served basis throughout the year until allocations are exhausted. Native American trust land projects are eligible.

542(c) Risk Sharing/ACCESS

FHA-Insured Construction/Perm or permanent mortgages are for acquisition/rehab or new construction of affordable rental properties. Eligible borrowers include single-asset mortgagors, including nonprofit organizations, for-profit corporations, joint ventures, limited liability companies, and partnerships. For more information, please view www.nmmfa.org. The Access Loan Program provides up to $2 million in FHA-insured construction and permanent financing for small-scale affordable housing projects throughout New Mexico. It is designed to minimize transaction and due diligence costs, and expedite processing for small projects. Loans are for new construction, substantial rehabilitation, refinancing or acquisition of projects having no less than five units per site. Detached, semi-detached, row houses or nonprofit organizations, for-profit corporations, joint ventures, limited liability companies, and partnerships are eligible.

Bond Financing (Tax-Exempt Mortgage Revenue Bond Financing, Taxable Mortgage Revenue Bond Financing, 501(c)(3) Bond Financing)
MFA will provide bond financing for multifamily housing developments through the following mechanisms:

- Using Private Activity Bond Volume Cap (PABVC) multifamily project allocations from the State Board of Finance ("SBOF") for new tax-exempt bond issues
- Refunding outstanding bond issues
- Issuing new 501(c)(3) bonds: 501(c)(3) bonds are a desirable source of financing for multifamily housing, because the bonds themselves require no allocation of private activity bond volume cap or other scarce resources. The projects benefit from bond interest rates equal to or better than other tax exempt bond rates, but in lower-rent markets additional subsidies or gap financing may be needed to achieve economic viability. The interest income is tax exempt to the bond owner, and is "non- AMT" income. The lower return on the bond investment benefits the project through a lower loan rate. Other advantages of 501(c)(3) financing, compared with private activity bonds, include avoidance of the continuous rental requirements, the land and existing property limitations, and the prohibition on advance refundings. By definition, the owner must be a nonprofit or government entity; this financing is not compatible with Tax Credits.

MFA may issue the bonds with or without providing the credit enhancement. As a "conduit" issuer, MFA issues the bonds that fund the developer's loans, but does not provide loans or take the credit risk. Consequently the interim and permanent financing, along with the credit enhancement for the bonds, must be provided through other sources proposed by the developer of the project. Alternatively MFA can provide the credit enhancement with the use of its 542(c) FHA Mortgage Insurance Program. Processing and approvals are different in each case, with credit enhancement requiring considerably more due diligence on MFA's part. Please see the program summary on the website; it is intended as a general guide to developers, to assist in the determination as to whether tax-exempt bond financing is an appropriate vehicle for a proposed project—visit www.nmmfa.org.

Primero Loan Program is a flexible, short-term, low-cost loan program created in 1993 to finance the development of affordable rental or special needs residential facilities in New Mexico that would be considered "high risk" by traditional lenders. Its goal is to leverage other public and private funds, and to expand the housing development capacity of New Mexico's nonprofit, tribal, and public agency housing providers.

Built It! Loan Guaranty program was created to encourage other lenders to provide interim financing when they might not otherwise do so—for "high-risk" or unconventional projects, to unfamiliar types of borrowers or in unfamiliar geographic markets. The program offers MFA guarantees of up to 50% of the risk of loss in the underlying loan. MFA has successfully guaranteed the loans of both conventional lending institutions and community lenders in the past. Loans may be made to public or tribal agencies and nonprofit developers can be guaranteed under this program. BUILD IT! Loan guarantees can be used for owner-occupied or rental developments or special needs facilities. Sites must be responsive to demonstrated community needs, and zoning must be pending or completed. Commitments for matching contributions from other public sector entities, equal to 10% of the total development costs, must be in place. Finally, at least 40% of the units in the development must be affordable to households earning no more than 80% of adjusted area median income.

3. OTHER NM MFA PROGRAMS AND ACTIVITIES

Homeless Assistance

State Homeless Assistance funding may be used for acquisition, renovation, repair, rehabilitation, conversion, essential or supportive services, operating expenses, prevention activities associated with providing shelter or services to homeless individuals.

Weatherization

The Weatherization Assistance Program (WAP) provides limited assistance to low-income homeowners to improve the energy efficiency of their homes, thus reducing their utility costs.

Emergency Shelter Grants

The Emergency Shelter Grant Program (ESG) provides assistance to units of local government or nonprofit organizations to improve the quality of existing emergency shelters. The NMMFA has a Directory of Housing Services that contains a listing of all of MFA's partners and affiliated housing service providers. It can be requested from NMMFA on-line from the NMMFA website.

Elderly/Assisted Living

The variety of MFA programs that can be used to develop assisted living facilities, with different requirements, are described in the Assisted Living Program Matrix at www.nmmfa.org.

Facilities can be created through new construction, acquisition/rehabilitation of existing properties, and conversions of non-residential buildings. MFA programs fund housing, not services, which need to be funded through other sources such as insurance programs.

4. NEW MEXICO STATE GOVERNMENT

HUD CDBG Grants

The Small Cities Community Development Block Grant (CDBG) program, one of the nation's largest Federal grant programs, is administered by the Department of Housing and Urban Development through the Local Governments Division of the NM Department of Finance and Administration to promote the revitalization of neighborhoods and the expansion of affordable housing and economic opportunities. This includes activities that support the redevelopment of properties in distressed areas if such activity supports the mission of the program. CDBG is a "bricks and mortar" program, with the rehabilitation of affordable housing traditionally being the largest single use of CDBG funds. Up to $50,000 per home can be used on home rehabilitation/repair activities. Grant applicants may be counties, incorporated municipalities and the NM Mortgage Finance Authority, except for Albuquerque, Farmington, Las Cruces and Santa Fe, and Rio Rancho, which receive HUD funding directly.

Contact: Local Government Division
402 Don Gaspar, Santa Fe, NM 87501
Ph. 505-827-4948

http://local.nmdfa.state.nm.us

HUD Section 108 loan guarantees

Under Section 108, state and local governments can receive federally guaranteed loans, often at lower interest rates, to cover the cost of multi-year development projects too large for single-year financing with CDBG funding. City or state applicants can pledge up to five times their annual CDBG grants as collateral. States can also pledge their own CDBG allocation on behalf of their small cities.

Historic Rehabilitation Tax Credits

Investors can receive a credit against their total income taken for the year in which a rehabilitated building is put into service. Rehabilitation of certified historic structures qualifies for a credit equal to 20 percent of the cost of the work; rehabilitation work on non-historic structures built before 1936 qualifies for ten percent.

5. UNITED STATES DEPARTMENT OF AGRICULTURE (USDA)/ RURAL DEVELOPMENT/ HOUSING AND COMMUNITY FACILITIES PROGRAMS (HCFP)

The Housing and Community Facilities Programs, Rural Development, is an agency of the USDA that was restructured from the former Farmers Home Administration in 1995. It operates a broad range of programs to provide homeownership options, housing rehabilitation and preservation funds, rental assistance to HCFP-funded multifamily housing complexes, farm labor housing, and help to developers of multifamily housing projects, such as assisted housing for the elderly and disabled or apartment buildings and community facilities. Located in Washington, D.C., the HCFP National Office is located in Washington, D., and is responsible for setting policy, developing regulations, and performing oversight. Its field operations are carried out through the USDA's state and local Rural Development offices and service centers. San Juan County is served by the Aztec Service Center. HCFP programs are available to eligible applicants in rural areas, typically defined as open country or rural towns with no more than 20,000 population. This would apply to communities outside the Farmington City limits.

USDA Rural Development
Aztec Service Center
1427 West Aztec Boulevard, Ste 1
Aztec, NM 87410-1814

(505) 334-3090