

# Chapter 9

## HOUSING

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Access to diverse and affordable housing options is a key factor in creating livable communities. As a community plans for the future, trends in the size and composition of its population should be examined to assure that housing opportunities are available for those who choose to rent, to own their home and those with special needs.

The Housing Chapter provides an assessment of the existing housing stock in terms of the number of housing units, the number of units in a structure, occupancy rates and characteristics, age of structure, housing values and affordability. This information is used to identify problems and opportunities in the local housing market and serves as a basis for the development of housing policies that will guide the community over the planning horizon.

The primary data sources used were the 2000 US Census and the 2006 American Community Survey (ACS). The ACS is a nationwide survey established by the US Census Bureau that provides annual socioeconomic, housing, and demographic estimates for areas with a population of 65,000 or more. Building permit data from the City of Las Cruces Community Development Department was also used to assess development activity within the City of Las Cruces.

### 9.1 Housing Development in Las Cruces

#### **2007 Building Permit Activity**

In the City of Las Cruces, housing development significantly outpaced population growth between 2000 and 2006. The City of Las Cruces Community Development Department estimates that at the end of 2006 there were 40,999 housing units within the City compared to 32,380 units at the year end of 2000. This indicates a 27% increase in the number of housing units while the population grew by 18%. One-unit structures accounted for 65% of the total housing units, mobile homes accounted for 15% and multifamily units for 20%.

According to building permit activity, between 2006 and 2007, the commercial development market in the City of Las Cruces slowed but remained strong while the residential market experienced a more pronounced decline. In 2007, the City issued 125 commercial permits (new buildings and alterations) and 1,159 residential permits (new buildings only), representing a 15% and 32% decrease, respectively, from 2006. As indicated in the table that follows, not only did the number of residential permits issued decrease, but there was also a significant decrease in the number of permits that were issued for multi-unit buildings between 2006 and 2007.

<b>Table 9-1. City of Las Cruces Building Permits 2006-2007</b>			
<b>Year</b>	<b>Commercial Permits</b>	<b>Residential Permits</b>	<b>Residential Units</b>
2006	147	1,712	2,157
2007	125	1,159	1,196

Source: City of Las Cruces Community Development Department

### **2007 Home Sale Activity**

Overall, 2007 was one of the best years on record for the Las Cruces real estate market.<sup>195</sup> However, between 2006 and 2007, the number of homes sold declined slightly. According to Multiple Listing Service (MLS) statistics compiled by a local realtor, in 2006, 2,435 homes were sold at an average price of \$209,048. In 2007, as of mid-December, 1,932 homes were sold at an average price of \$215,013. Homes also stayed on the market longer in 2007 (average of 122 days) than in 2006 (average of 117 days). The increase in the average selling time was the result of a larger number of homes being on the market. Despite the market glut and longer sell time the average sale price increased in 2007.

## **9.2 Housing Characteristics**

### **9.2.1 Tenure and Occupancy**

According to the 2006 American Community Survey (ACS) estimates, the City of Las Cruces had 37,242 housing units in 2006, of which 34,214 were occupied, indicating the number of housing units had increased 18% between 2000 and 2006. During the same time period, the population increased at roughly the same rate (17%), according to ACS data.

In 2006, Doña Ana County was estimated to have 74,661 total housing units and 90% were occupied, according to ACS data. Between 2000 and 2006 the number of housing units in the County grew by 14% and the population grew by about 11%. Statewide, the number of housing units grew by 9% while the population grew by 7%.

<b>Table 9-2. Housing Tenure and Occupancy – 2006</b>				
	<b>City of Las Cruces</b>	<b>Doña Ana County</b>	<b>El Paso MSA</b>	<b>New Mexico</b>
Total housing units	37,242	74,661	249,289	850,153
	<b>Percent of Total Housing Units (%)</b>			
Occupied	91.9	89.9	92.2	85.4
Owner occupied	53.6	57.4	59.2	59.5
Renter occupied	38.3	32.5	33.0	25.9
Vacant	8.1	10.1	7.8	14.6

Source: 2006 American Community Survey (ACS) and peter j. smith & company, inc.

<sup>195</sup> Las Cruces Sun-News, December 28, 2007, page 1A

### 9.2.2 Units in Structure

Between 2000 and 2006, the percentage of one-unit structures and the average household size did not change significantly within the City of Las Cruces, Doña Ana County and the State. In 2006, 60% of the homes in Las Cruces were one-unit structures and the average household size was 2.6 people.

<b>Table 9-3. Average household size - 2006</b>				
	<b>City of Las Cruces</b>	<b>Doña Ana County</b>	<b>El Paso MSA</b>	<b>New Mexico</b>
Average household size	2.6	2.8	3.1	2.6
Source: 2006 American Community Survey (ACS)				

In 2006, one unit structures were also the predominant housing type in the County (59%) and State (68%) but mobile homes accounted for a larger percentage of housing units in the County (24%) than in the City of Las Cruces (12%) or the State (17%). The County's average household size was 2.8 people and statewide it was 2.6 people.

<b>Table 9-4. Units in Structure – 2006</b>				
<b>Type of Unit</b>	<b>Percent of Total Housing Units (%)</b>			
	<b>City of Las Cruces</b>	<b>Doña Ana County</b>	<b>El Paso MSA</b>	<b>New Mexico</b>
One unit structures	60.2	58.6	69.2	67.6
Two or more units	27.4	17.3	24.1	14.9
Mobile homes and other	12.3	24.1	6.7	17.4
Source: 2006 American Community Survey (ACS) and peter j. smith & company, inc.				

### 9.2.3 Age of Structures

Age of the unit is one indicator of housing condition. In 2006, Doña Ana County had a relatively newer housing stock than all comparison areas. Older homes are often a concern because they tend to have more maintenance issues and are also more likely to contain potentially hazardous materials such as lead paint.

In 2006, roughly 2% of homes in Las Cruces were constructed in 1939 or earlier, a decrease from 2000, when the figure was 4%. In the County and State those figures were 3% and 6%, respectively, in 2006. The decrease in percentage of homes constructed in 1939 or earlier reflects the significant number of homes that were constructed in the city and county between 2000 and 2006.

<b>Table 9-5. Age of Housing – 2006</b>				
<b>Year Built</b>	<b>Percent of Total Housing Units (%)</b>			
	<b>City of Las Cruces</b>	<b>Doña Ana County</b>	<b>El Paso MSA</b>	<b>New Mexico</b>
Built 2005 or later	3.9	2.9	2.7	1.6
Built 2000 to 2004	13.6	11.6	10.3	8.8
Built 1990 to 1999	21.7	25.2	15.7	19.0
Built 1980 to 1989	17.9	19.5	19.0	18.4
Built 1970 to 1979	13.3	16.7	20.3	18.7
Built 1960 to 1969	10.6	8.7	11.2	11.1
Built 1950 to 1959	13.9	9.8	13.5	11.5
Built 1940 to 1949	3.0	2.5	2.6	4.8
Built 1939 or earlier	2.2	3.2	4.7	6.0

Source: 2006 American Community Survey (ACS) and peter j. smith & company, inc.

### 9.2.4 *Housing Value*

Housing value is another indicator of housing condition as newer homes generally have higher values. Housing value is also an indicator of housing demand, the wealth in a community and potential property tax revenues. The median home value is the point where there is an equal number of home values above and below.

In 2006, the median values of owner-occupied single-family homes in Las Cruces, Doña Ana County and the State were \$135,100, \$ 117,100 and \$ 141,200, respectively. Between 2000 and 2006 the median value of a home in the city, the county and the state increased by 27%, 10% and 12%, respectively (2000 home values were adjusted to reflect their 2006 dollar equivalent). Similarly, between 2000 and 2006 the median gross rent increased by 14% in the city and the county and by 5% in the state. Between 2000 and 2006 both home value and gross rent increased at a faster rate within Las Cruces than within the state as a whole.

<b>Table 9-6. Housing Values – 2006</b>				
<b>Value (Dollars)</b>	<b>Percent of Total Housing Units (%)</b>			
	<b>City of Las Cruces</b>	<b>Doña Ana County</b>	<b>El Paso MSA</b>	<b>New Mexico</b>
Less than \$50,000	9.5	17.0	11.9	14.3
\$50,000 to \$99,999	25.4	27.4	49.3	20.0
\$100,000 to \$149,999	22.4	16.4	20.5	18.8
\$150,000 to \$199,999	22.0	16.3	9.4	15.6
\$200,000 to \$299,999	13.4	12.3	6.2	15.7
\$300,000 to \$499,999	7.0	8.5	2.3	10.7
\$500,000 to \$999,999	0.3	1.8	0.4	3.9
\$1,000,000 or more	0.0	0.3	0.0	1.0
Median home value	\$135,100	\$117,100	\$88,000	\$141,200
Median gross rent	\$628	\$592	\$539	\$617

Source: 2006 American Community Survey (ACS) and peter j. smith & company, inc.

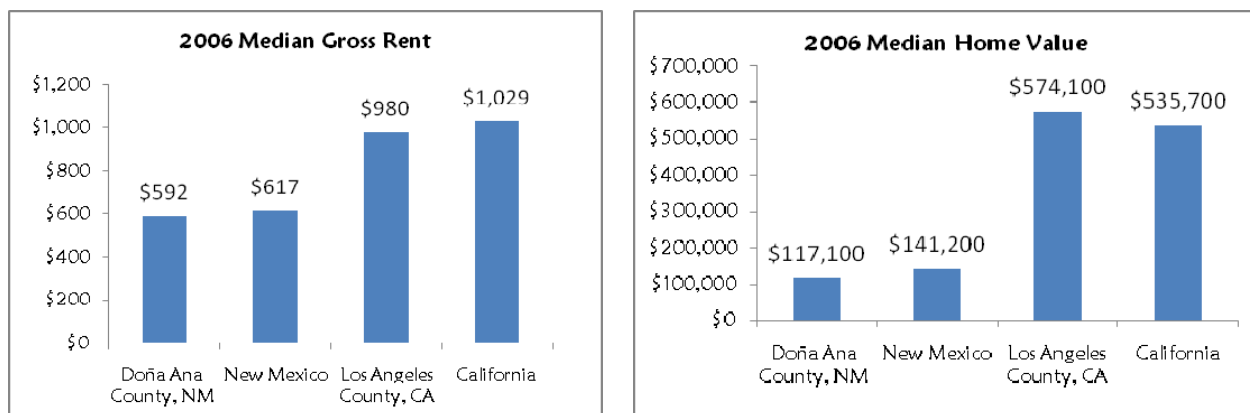


## 9.3 Housing Affordability

Nationally, house prices are still growing but at a slower rate, according to the Office of Federal Housing Enterprise Oversight (OFHEO). The OFHEO House Price Index (HPI), based on data from sales and refinance transactions, is an indicator of housing affordability in geographic areas. Between the third quarter of 2006 and the third quarter of 2007 national home prices increased by 1.8%, the lowest four-quarter increase since 1995. During the same time period, home prices in the state increased by 7.4% (fourth highest in the nation) and within the county by 7.7%.<sup>196</sup>

Individuals coming from outside an area often have a different perception of its affordability than local residents because they compare the cost of housing in their new community to the cost of their old community. A growing number of individuals are moving to Doña Ana County from California, where housing costs are significantly higher.<sup>197</sup> In 2006, the median gross rent in Los Angeles County was \$980 and the median home value was \$574,100 compared to Doña Ana County where the median gross rent was \$592 and the median home value was \$117,100.

**Figure 9-1. Comparative Housing Costs – New Mexico and California**



### 9.3.1 Cost Burdened Residents

Within Doña Ana County, the median sale price of an existing home was \$159,000 and median sale price for a new home was \$228,000 as of the second quarter of 2007.<sup>198</sup> During the same time period, the average monthly rent for an unfurnished two bedroom apartment was \$738.<sup>199</sup>

The U.S. Department of Housing and Urban Development (HUD) annually sets Fair Market Rents (FMR) for geographic areas across the nation. FMRs are gross rent estimates, including the cost of rent and all utilities except telephone service. The 2007 FMR for Doña Ana County was \$521 for a two bedroom apartment and for the State it was \$648.

<sup>196</sup> Office of Federal Housing Enterprise Oversight, [www.ofheo.gov/media/pdf/3q07hpi.pdf](http://www.ofheo.gov/media/pdf/3q07hpi.pdf)

<sup>197</sup> Internal Revenue Service (IRS) Statistics of Income Data

<sup>198</sup> Las Cruces Association of Realtors/MLIS, July 2007

<sup>199</sup> The American Chamber of Commerce Researchers Association's (ACCRA)

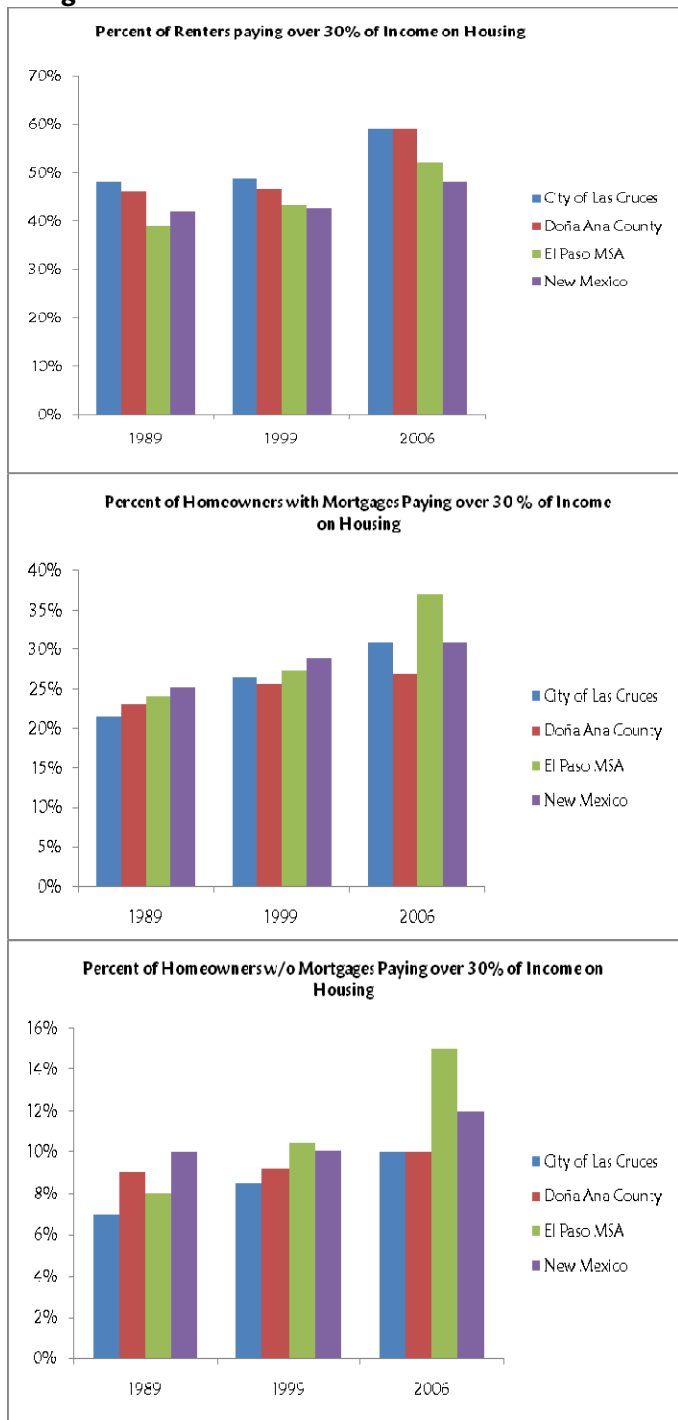
HUD considers housing to be affordable if 30% or less of the household income is needed for rent, mortgage payments and utilities. Households paying more than 30% are considered cost burdened. In 2006, according to ACS data, 59% of renters, 31% of home owners with a mortgage and 10% of home owners without a mortgage in Las Cruces were cost burdened. In Doña Ana County those figures were 59%, 27% and 10%, respectively. Statewide, 48% of renters, 31% of home owners with a mortgage and 12% of home owners without a mortgage were cost burdened.

The increasing home values and rents discussed earlier can cause residents to spend a greater share of their income on housing. As indicated in the figures that follow, between 1989 and 2006 the percentage of residents who were cost burdened increased steadily within all jurisdictions examined. However, the rate of increase differed amongst jurisdictions and between homeowners and renters.

Among all comparison areas, renters were significantly more cost burdened than home owners. The percentage of residents who were cost burdened was consistently higher within the city and the county than the other comparison areas. However, the El Paso, MSA, which had the lowest percentage of residents who were cost burdened in 1989, had a higher level of cost burdened renters in 2006 than New Mexico as a whole. In 2006, the El Paso, MSA also had the highest level of cost burdened homeowners with or without a mortgage. Rising housing costs for both renters and owners within the El Paso, MSA may be one reason why, between 2002 and 2006, more people moved to Doña Ana County from El Paso County than from any other county.



**Figure 9-2. Cost Burdened Residents 1989-2006**



Source: 1990 and 2000 Census; 2006 American Community Survey

### **9.3.2 Colonias**

Colonia is a HUD designation applied to low income, unincorporated subdivisions within 150 miles of the US-Mexican Border. These communities date back to at least the 1950s and conditions vary from community to community, depending on their location and history. Colonias are characterized by substandard housing, inadequate plumbing and sewage disposal systems, and inadequate access to clean water. They often lack the basic necessities most Americans take for granted - running water, electricity, and paved roads.

Doña Ana County has 37 designated colonia communities, more than any other county in New Mexico (which has a total of 141 colonias). It is difficult to obtain specific data about colonia communities because they are often not geographically defined and not isolated in broad data collection efforts such as the U.S. Census.

The FY2006-FY2010 State of New Mexico Consolidated Plan included a study of 23 HUD designated colonias and reservations across the State. Using 2000 Census data, the Study concluded that these areas had high levels of economic and housing needs. While needs varied, the following characteristics are common across colonias and reservations:

- High poverty rates
- Low educational attainment
- Very high levels of overcrowding
- Very high proportions of housing stock in substandard condition
- Higher levels of renter cost burden than other communities in the state

Texas, Arizona, California and New Mexico set aside up to 10 percent of their State CDBG funds for use in colonias. The set-aside funds are used for all CDBG-eligible activities that meet the needs of colonias. Most of the funds are expended on water and sewer and housing assistance.

### **9.3.3 State and Local Funding Plans**

Local communities and states are required to submit a five-year Consolidated Plan to the U.S. Department of Housing and Urban Development (HUD) in order to receive housing and community development funding from the federal government. The Consolidated Plan identifies housing and community development needs, priorities, goals and strategies and indicates how funding from the Community Development Block Grant (CDBG), the HOME Investments Partnership Program (HOME), the Emergency Shelter Grant (ESG) and the Housing Opportunities for People with AIDS (HOPWA) will be used.

In addition to a five-year Consolidated Plan, recipients of HUD funds are also required to prepare an Action Plan for Housing and Community Development and a Consolidated Annual Performance and Evaluation Report (CAPER) for each program year. The Action Plan is an annual addendum to the Consolidated Plan that is completed prior to the beginning of the program year and describes anticipated actions. The CAPER is designed to summarize and communicate accomplishments during the program year that met the goals and strategies set out in the Consolidated Plan.

Both the City of Las Cruces and the State of New Mexico have to prepare the HUD mandated Consolidated Plan, Action Plan and CAPER. The City of Las Cruces' Plans are excerpted below and represent information limited to the corporate limits of the City. The State of New Mexico's Plans are presented as they cover those areas outside the City of Las Cruces, including Sunland Park, Mesilla, Hatch and the unincorporated areas of Doña Ana County.

## **State of New Mexico Consolidated Plan**

The FY2006-FY2010 State of New Mexico Consolidated Plan identifies New Mexico's greatest housing and community development needs from 2006 to 2010. The Consolidated Plan includes the State's strategic plan which specifies how the State will allocate HUD funding to address those needs and it assists local areas in understanding their housing and community development needs.

The New Mexico Mortgage Finance Authority (MFA) is the State's housing financing agency and it administers the State's HOME, ESG and HOPWA grants. The Department of Finance and Administration (DFA), Local Government Division administers the State's CDBG grants. Municipalities that are entitlement communities and receive HUD funds directly are not eligible for the State's HUD funds. Funds are allocated geographically based on three considerations: requirements of the funding source; relative priority need for various types of housing activities and their associated costs and local support. The MFA and DFA use the housing and community development goals/priorities identified in the Consolidated Plan as a guide when distributing HUD funds.

The State of New Mexico Consolidated Plan indicates that while Doña Ana County has experienced significant population growth in the last 25 years, much of that new population has moved into substandard or illegal subdivisions called "colonias". Doña Ana County was one of 15 counties within the state that were classified as "high-needs" counties and was thereby eligible for scoring preference on funding applications. This designation was primarily due to the presence of the colonias.

The following housing related improvements were identified for the south central region of the State, which includes Doña Ana County:

- Rehabilitation or reconstruction of single family homes
- Construction of larger (3-4 bedroom) units
- Comprehensive housing counseling and special needs housing
- Needed improvements relative to the special needs population (homeless families, the mentally ill, and people with substance abuse issues) included:
  - Transitional housing
  - Emergency shelter and services
  - Supportive housing for the elderly in Las Cruces

## **City of Las Cruces Consolidated Plan**

The City of Las Cruces Consolidated Plan, PY2006-PY2010 and Analysis of Impediments to Fair Housing Choice, outlines the City's five-year Strategic Plan and its one-year Action Plan for 2006.

Based on socio-economic data and an assessment of subsidized housing, the affordable housing market and income levels within the city, the City of Las Cruces Consolidated Plan, identified a need for up to 6,000 units of affordable housing in the City. The 2006 Action Plan anticipated that 210 affordable housing units would be produced in the city in 2006 but 36 units were actually produced.

The Consolidated Plan included the following findings in regards to housing market conditions and special needs populations:

### **Housing Markets**

- Based on a market analysis and other data sources, between 2002 and 2005 Las Cruces experienced strong growth in development of housing, particularly single-family housing. The number of single-family units permitted in 2005 exceeded 1,400 – a 75% increase over prior years.
- New housing growth means that the city’s housing is in better condition overall. However, the city has pockets of areas where housing is in severely substandard condition, where households are living in overcrowded conditions and where households are likely living in units with lead-based paint. The home repairs needed by the city’s lowest income households and households with disabilities are usually critical: electrical systems, flooring, heating and roofing.
- The city’s rental market has been fairly stable since 2000—particularly compared to the for-sale market. The average rent is around \$547; the median rent is \$475. Still, only about half of the city’s renters make enough to afford a market rate studio apartment.
- Home prices—particularly for new homes—have been on a sustained increase since 2001. In 2004, only 12 percent of the housing units for sale in the city were affordable to low- to moderate-income households. Existing renters have a very difficult time finding homes to buy: an estimated 90 percent cannot afford to buy the average priced resale; 95 percent cannot afford the average priced new home.
- There are an estimated 3,600 renter households earning less than \$15,000 who need housing that is affordable for their income levels. The need for affordable rental housing is greatest for households earning less than \$5,000 per year—the city has a shortage of 2,100 units to serve this income group. The city’s very poorest households cannot even afford monthly rental payments with their income levels, much less utility payments.
- The gaps analysis for owner-occupied housing estimates a shortage of 3,700 units for homeowners earning less than \$30,000 per year. There is adequate stock for homeowners earning more than \$50,000 per year. Many households in Las Cruces appear to have purchased their homes with large down payments or have built equity in their homes over time.

### **Special Needs Populations**

- Las Cruces is home to approximately 11,500 seniors. Most elderly residents own their homes and live somewhat independently. However, national estimates suggest that approximately 700 elderly residents in the city may live in housing that is in substandard condition. Over one-quarter of the elderly in the city are estimated to have a mobility disability.
- A point-in-time count of persons experiencing homelessness in the city in December 2005 found 185 persons who were occupying emergency shelters, sleeping on the streets or sleeping in the county jail; 58 women, children and youth staying in transitional housing and 143 persons known to be occupying motels. Therefore, on December 8, 2005, the population of homeless persons in Las Cruces was estimated at between 185 (street and shelter) to 386 (street, shelter, transitional housing and motels).
- An updated count conducted in March 2006 found 257 persons who were occupying emergency shelters, sleeping on the streets or sleeping in the county jail; 37 women, children and youth staying in transitional housing and an estimated 150 and 200 people occupying motel rooms. Therefore, on March 22, 2006, the population of homeless persons in Las Cruces was estimated at between 257 (street and shelter) to 444 (street, shelter, transitional housing, jail and motels). There was also an estimated 2,000 to 3,000 persons who were at-risk of homelessness as of February 2006.
- Surveys of persons experiencing homelessness between November and December 2005 found that a disproportionate percentage of persons who were homeless were not fluent in English. Children who were homeless were mostly part of single, female-headed households. Most persons who were homeless sleep in shelters or somewhere “outside.” One-fourth had regular employment. The primary reasons they became homeless were lack of affordable housing, lack of employment and due to a disability.

- Using national incidence rates, there were an estimated 1,100 individuals with severe developmental disabilities in Las Cruces. The trend in serving these individuals is to move away from institutionalized care towards smaller group homes and integrated community settings. Supportive services primarily provide case management and counseling services, as well as job placement for those who are able to participate in the employment sector. Service providers noted a need for affordable housing that provides people with developmental disabilities with a supportive environment where they can live with several, unrelated individuals.
- According to the most recent data on HIV/AIDS populations, an estimated 100 people living with HIV/AIDS in Las Cruces need housing, but there are currently only nine subsidized units in the city targeted to such individuals. Additionally, there are 38 supportive service slots to assist people living with HIV/AIDS who remain in their homes.
- The citizen telephone survey conducted for this study found that 20 percent of the city's households have one or more people with a disability. Although these individuals have access to various state and federal income and housing subsidy programs to support their housing needs, these programs may not be adequate, depending on the individual's needs. There are less than 35 deeply subsidized rental units in the city that have accessibility features.
- There are approximately 5,400 individuals with mental illnesses and 4,500 persons with substance abuse problems in Las Cruces. Southwest Counseling Center is a major service provider to persons with mental illnesses and substance abuse problems. Key person interviews and attendees of the public forums identified a need for a detoxification center and expanded mental health services in the Las Cruces area.
- It is difficult to determine the exact number of migrant farm workers in Las Cruces, but service providers estimate as many as 800 may live within city limits. A recent survey of farm workers found that more than half of farm workers are housing cost-burdened and most workers are renters living in apartments or mobile homes. The survey also found that many workers live in overcrowded conditions and are in houses with problems, most commonly poor and inadequate plumbing and heating/cooling systems.

## **2008 State of New Mexico Action Plan**

According to the 2008 State of New Mexico Action Plan, the State of New Mexico anticipates receiving roughly \$350 million in 2008 from federal and non-federal funding sources to address housing and community development needs. The following goals/priorities identified in the 2006-2010 State of New Mexico Consolidated Plan will guide the distribution of these funds:

### **Housing**

- Increase opportunities for homeownership.
- Preserve the state's existing affordable housing stock.
- Expand the supply of housing and services to assist the homeless.
- Expand housing opportunities and access for special needs populations.
- Expand the supply of decent affordable rental housing.

### **Community Development**

- Improve water/wastewater systems.
- Encourage more infrastructure improvements in the colonias.
- Encourage more housing related activities.
- Encourage asset management plan for community water/wastewater systems.
- Encourage asset management plan for operation/maintenance of community public facilities.
- Encourage more economic development projects.

To maximize the impact of limited resources, the MFA annually prioritizes needs by type of activity and geographic area. Each county is assigned a relative priority need of High, Medium or Low based on a number of indicators for each type of housing activity. High priority counties receive scoring preferences on their funding applications. Doña Ana County was considered a priority county in regards to the 2007 Low Income Housing Tax Credit and received the following priority ratings:

- High Priority– 2008 New Single Family Development
- Medium Priority– Rental Acquisition
- Low Priority– Single Family Rehabilitation

### **City of Las Cruces Consolidated Annual Performance and Evaluation Report (CAPER) PY 2006**

For Program Year (PY) 2006 the City received roughly \$1,000,000 in CDBG funds and \$500,000 in HOME entitlement funds, according to the City of Las Cruces Consolidated Annual Performance and Evaluation Report (CAPER). When added to Program Income and unspent allocations from the previous year, the City had approximately \$2 million. These funds were used to address the following six goals that were identified in the 2006-2010 Consolidated Plan:

- Increase the supply of affordable housing units for low- to moderate-income buyers.
- Increase affordability of rental housing for the city's lowest income renters.
- Preserve existing affordable housing stock.
- Assist special needs populations with social services and housing needs, including needed improvements to public facilities.
- Improve public infrastructure, economic and housing conditions in low-income, economically challenged and deteriorating neighborhoods.
- Strengthen the City's ability to address fair housing issues.

#### **9.3.4 Housing Authority of the City of Las Cruces (HACLCL)**

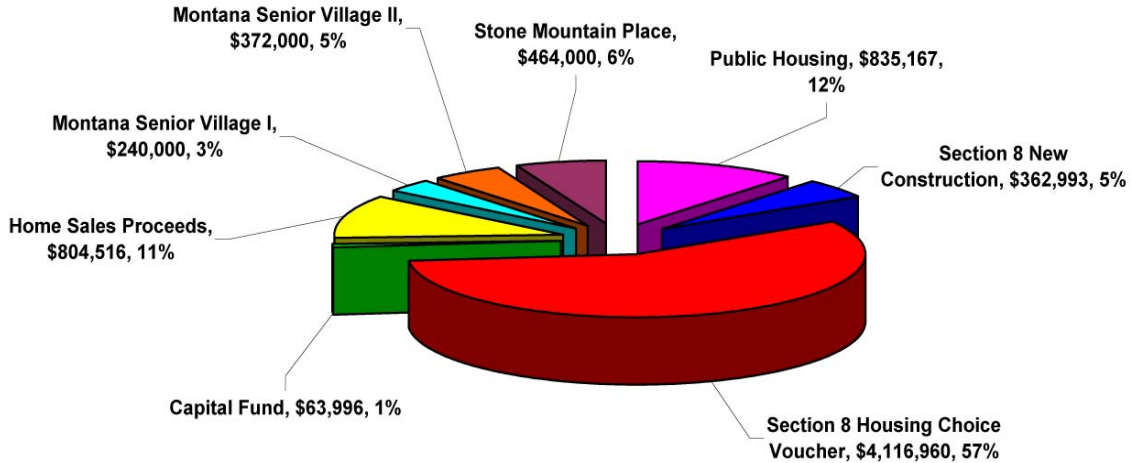
The Housing Authority of the City of Las Cruces (HACLCL) is the primary provider of affordable housing in the City of Las Cruces. Established in 1961, the HACLCL administers:

- The Section 8 Housing Choice Voucher Program
- The Conventional Housing and Section 8 New Construction Program
- The HOME Choice Homeownership Programs
- The Section 8 Homeownership Program

Through a contractual agreement with the Doña Ana County, the HACLCL also manages Doña Ana County Housing Authority's (DACHA) Section 8 Housing Choice Voucher and Conventional Housing Programs.

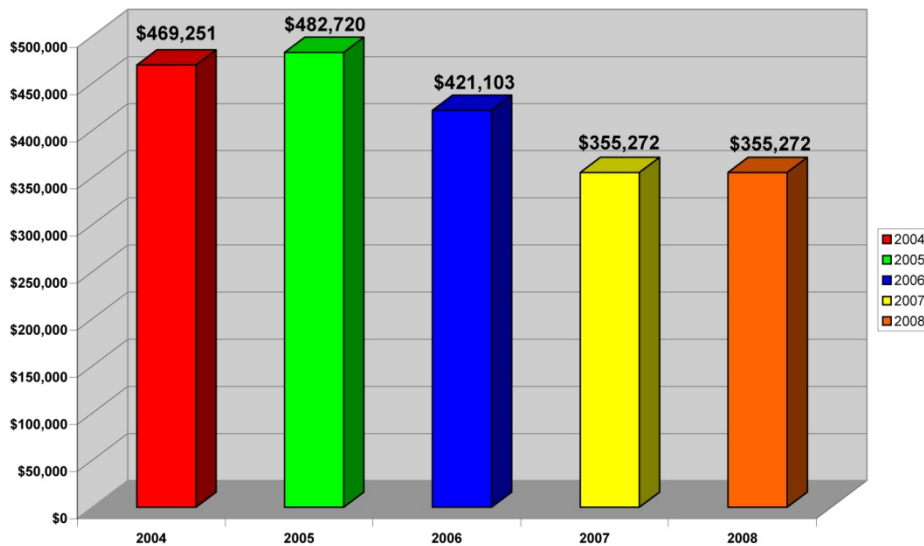
The HACLCL manages 1,541 units (including 917 Section 8 Vouchers) with an annual operating budget of roughly \$7.2 million. This represents a significant increase from 1962 when the HACLCL managed 64 units. Assets owned by the HACLCL are valued at roughly \$33.8 million with a net worth of \$11.5 million. Roughly 57% of the HACLCL budget represents Section 8 Vouchers funds and through that program the HACLCL contributes approximately \$600,000 to the local economy on a monthly basis. The table that follows itemized the HACLCL's various funding sources.

**Figure 9-3 HACLC Funding Sources**



Source: Housing Authority of the City of Las Cruces

As indicated in the table that follows, between 2004 and 2008 capital federal funds has decreased by 24%. Despite funding reductions the HACLC continues to fulfill its mission of providing safe, affordable housing and associated services to eligible persons through economizing strategies that include staff reductions.



Source: Housing Authority of the City of Las Cruces

### 9.3.5 *City of Las Cruces Community Partners*

The City of Las Cruces partners with several local and regional entities to address housing and other community needs. Between 2000 and 2007, 580 affordable housing units (489 rental units and 91 single family homes) were developed in Las Cruces. Private development provided 22% (126 units) of the total affordable housing units and the remainder resulted from public development projects. Almost 60% (341 units) of the affordable housing units were developed through the City's community partners. The following is a summary of key partnership programs or projects:

- Home Rehabilitation Program- Between 2000 and 2007, the City's Home Rehabilitation Program completed 60 home renovation projects. As of February 2008, 25 families were on the program's waiting list for services, which represents approximately two years of work.
- Homebuyer Education Project- The City of Las Cruces used HUD EDI Special Projects grant for the Homebuyer Education Project. The Homebuyer Education Project enabled families to become potential homeowners by improving their credit history and money management skills. Services were provided through two non-profit agencies with established homebuyer education resource centers, Tierra del Sol and the YWCA El Paso del Norte. Day and evening classes, in both English and Spanish, and one-on-one counseling sessions were provided. The Homebuyer Education Project was implemented in 2005 and funded through June 30, 2007. During that time, over 4,500 individuals attended the homebuyer education classes. Using funds from other sources, Tierra del Sol and the YWCA El Paso del Norte continue to provide homebuyer education classes and counseling.
- Shelter Plus Care Program (Community Housing Connection)- The Shelter Plus Care (S+C) Program is a grant from HUD that is not part of the CDBG or HOME Programs. The S+C Program provides housing vouchers for disabled homeless people that are used to rent housing on the rental market. The S+C Program requires a match of services that is equal in value to the value of the housing vouchers. Locally, this program represents a joint effort between: the City of Las Cruces, the Housing Authority of the City of Las Cruces (HACLCL), Mesilla Valley Community of Hope (MVCH) and Southwest Counseling Center. The City serves as the fiscal agent of the grant and ensures compliance. HACLCL administers the tenant based rental assistance and MVCH and Southwest Counseling Center are the primary supportive service providers.

The following is a summary of the major community organizations and programs through which the City addresses housing related issues.

#### **Tierra del Sol Housing Corporation (TdS)**

Tierra del Sol Housing Corporation (TdS) is a nonprofit organization that has been in existence since 1974. TdS works with individuals, groups and public officials to provide services in housing development, advocacy, community organizing, technical assistance and training.

#### **Mesilla Valley Habitat for Humanity**

The Mesilla Valley Habitat for Humanity (MVHFH) has been building homes in Las Cruces since 1987. MVHFH is a local volunteer charitable organization that builds homes for members of the community who are in need. Houses are built using as much volunteer labor and donated material as possible. These houses are then sold to qualifying families at no profit and no interest. The MVHFH office is located at 720 N Santa Fe Street. MVHFH has developed over 60 homes in Las Cruces since its inception. All projects are supported from funds raised locally.

#### **Mesilla Valley Community of Hope**

Mesilla Valley Community of Hope (MVCH) is an alliance of agencies that addresses homelessness in Las Cruces. MVCH serves as an umbrella organization for resources distributed through St. Luke's Health Care Clinic, Jardín de los Niños, El Caldito Soup Kitchen and Casa de Peregrinos. Housing related services include emergency housing assistance, transitional housing, homeless shelters and veterans housing. All services are available to persons experiencing homelessness or are near homelessness, and some services are provided to those who qualify as low-income.

### **Community Action Agency of Southern New Mexico (CAA-SNM)**

The Community Action Agency of Southern New Mexico (CAA-SNM) was established as the Community Action Agencies of Doña Ana County in 1965. In 1991, its name and service area was changed to encompass all of southern New Mexico. CAA-SNM provides a comprehensive range of programs that include the Child & Adult Care Food Program, Tres Manos Program (Three Hands), Covering Kids, Teen Parent Program, Housing and Weatherization, Family Resource Services, and finally the United Way Funded Food Bank. The majority of people who utilize the agency's services are below the national poverty guidelines.

### **New Mexico Coalition to End Homelessness (NMCEH)**

The New Mexico Coalition to End Homelessness was founded in 2000 by a group of nonprofit agencies and the New Mexico Mortgage Finance Authority to coordinate the efforts of the member agencies to end homelessness. The Coalition supports homeless service agencies in New Mexico, educates people in New Mexico about homelessness and advocates for solutions to homelessness at the State Legislature and other government bodies.

### **New Mexico Mortgage Finance Authority**

Established in 1975, the New Mexico Mortgage Finance Authority (MFA) is a quasi-public entity that provides housing finance and related services for low to moderate income and underserved families throughout the state. MFA's affordable housing programs include assistance to homeless individuals and families, developing new housing projects and providing opportunities for homeownership. MFA is a fully self-supporting, not-for-profit enterprise and does not receive any state funds for its operations. Since its inception, the MFA has provided more than \$3.9 billion in affordable housing for families in New Mexico.

## **9.4 Findings**

- Between 2000 and 2006 residential building activity within Las Cruces equaled or exceeded population growth (depending upon data source). The number of single-family units permitted in 2005 exceeded 1,400 – 75% over prior years. However, that trend slowed between 2006 and 2007. That slowing was also reflected in the home sales market where the number of homes sold decreased between 2006 and 2007. However, while a glut of homes on the market decreased total sales and increased the average number of days on the market (122 days in 2007), the average price of a home sold increased (\$215,013 in 2007). This local trend of increasing average sale price was also observed at the county and state levels where price increases occurred at a faster rate than within the nation as a whole.
- Housing stock in both Doña Ana County and Las Cruces is relatively newer than it is statewide. Although the state's housing stock is older, the state also has a significantly higher percentage of homes valued at \$200,000 or more, giving New Mexico a higher median home value.
- A growing number of individuals are relocating to Doña Ana County from outside the state. In 2006, most immigrants to Doña Ana County from outside the state were from Texas and California. The average per capita income of individuals from Texas was \$12,370 and for those from California it was \$21,060. For individuals relocating from areas with significantly higher housing costs, such as California, Las Cruces and Doña Ana County appear very affordable places to live.
- The cost of housing accounted for an increasing percentage of household expenses between 1989 and 2006 in Las Cruces, Doña Ana County and New Mexico. Renters were consistently more cost burdened than homeowners within all three of those geographic areas, but more so within the city and the county. This pattern may be worrisome because as the number of cost burdened households increase, it is likely that demand for housing assistance will also increase.
- In addition to increasing the number of affordable housing units within the State, HUD funds are being used to improve housing conditions and to decrease the number of colonia communities within the state. This is being accomplished through collaborative efforts between public, private and non-profit entities.

- There is a need for up to 6,000 affordable housing units. The Consolidated Plan also indicated that over one quarter of the City's elderly residents may have a mobility, self-care or go-outside-the-home disability; 1,100 residents have severe developmental disabilities; 5,400 residents have mental illnesses and 4,500 have substance abuse problems. Roughly 20% of the city's households were believed to have one or more persons with a disability. In early 2006, it was estimated that the city had over 400 homeless residents and an estimated 2,000 to 3,000 residents who were at risk of homelessness. These figures represent current or potential users of public services.
- Doña Ana County has 37 of 141 statewide designated colonia communities, more than any other county.