



VALENCIA COUNTY / VILLAGE OF LOS LUNAS JOINT AFFORDABLE HOUSING PLAN



MAY 2015



RESOLUTION NO. 15-13

A RESOLUTION OF THE VILLAGE OF LOS LUNAS ADOPTING THE VALENCIA COUNTY/VILLAGE OF LOS LUNAS AFFORDABLE HOUSING PLAN.

WHEREAS, THE VILLAGE OF LOS LUNAS COUNCIL, the governing body of the Village of Los Lunas, has retained the authority to adopt master plans for the physical development of areas within its planning and platting jurisdiction as authorized by Chapter 3, Article 19, NMSA 1978, and

WHEREAS, Chapter 3, Article 19 permits the adoption of a master plan in parts provided that the part corresponds with one of the functional subdivisions of the subject matter of the plan or any part thereof, and

WHEREAS, the Planning and Zoning Commission, acting as advisor to the Village in matters related to planning has reviewed and recommended the Valencia County/Village of Los Lunas Affordable Housing Plan; and

WHEREAS, the Affordable Housing Plan has been developed in accordance with findings of supporting studies, input from an advisory committee, and in response to the desire and needs of the Village; and

WHEREAS, adoption by the Village of Los Lunas Mayor and Council demonstrates their commitment to affordable housing and achieving the goals outlined in the Valencia County/Village of Los Lunas Affordable Housing Plan.

NOW THEREFORE, BE IT RESOLVED, by the governing body of the Village of Los Lunas, New Mexico, that:

That the Village of Los Lunas adopts the Valencia County/Village of Los Lunas Affordable Housing Plan.

PASSED, APPROVED AND ADOPTED this 20th day of August, 2015.


Charles Griego, Mayor

ATTEST:


Gregory D. Martin, Village Administrator



May 13, 2015

Christina Ainsworth
Village of Los Lunas
660 Main Street NW
Los Lunas, NM 87031

Dear Ms. Ainsworth,

The New Mexico Mortgage Finance Authority (MFA), in accordance with the Affordable Housing Act (Section 62-7-1 et. seq. NMSA 1978) (Act), and the Affordable Housing Act Rules (Rules) adopted thereto, has reviewed the Village of Los Lunas / Valencia County Affordable Housing Plan. In reviewing the document, MFA has found that the Plan meets the eligibility requirements of the Act and Rules.

Under the Rules, the Village and County should provide MFA with a certification that the Plan was adopted by the Village Council and County Commission, by Resolution. Please continue to work with MFA's legal counsel, Marjorie Martin, to ensure the Village and County's draft Affordable Housing Ordinances are finalized in accordance with the Affordable Housing Act and Rules. MFA is available if you need any technical assistance implementing the plan.

Thank you for your efforts to provide quality affordable housing to the residents of Valencia County. If you have any questions, please do not hesitate to contact me.

Sincerely,


Nicole Sanchez, MCRP
Affordable Housing Act Program Manager

cc: Jacobo Martinez, Valencia County Planner



VALENCIA COUNTY / VILLAGE OF LOS LUNAS JOINT AFFORDABLE HOUSING PLAN

ACKNOWLEDGEMENTS



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Funding for the Affordable Housing Plan was made available through the State of New Mexico Mortgage Finance Authority, Village of Los Lunas, and Valencia County.



VALENCIA COUNTY / VILLAGE OF LOS LUNAS JOINT AFFORDABLE HOUSING PLAN



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1.1 OVERVIEW

The purpose of the Valencia County / Village of Los Lunas Joint Affordable Housing Plan is to assess the existing and future housing needs of the community, and to provide recommendations for addressing those needs. The Affordable Housing Plan was developed in coordination with Valencia County and Village of Los Lunas, the Affordable Housing Steering Committee, and in consultation with the New Mexico Mortgage Finance Authority. The Affordable Housing Plan is in full compliance with the New Mexico Affordable Housing Act, NMSA 1978, §6-27-1 et seq. (Act), enabling Valencia County and the Village of Los Lunas to adopt affordable housing ordinances. This in turn will allow both jurisdictions to mobilize public resources that support the provision of affordable housing in the community.

As required under the rules of the Act, the Plan provides the following four major elements:

- **Community and Housing Profile:** demographic characteristics (age, race, ethnicity, income, employment, population trends, etc.), household characteristics (number of existing households, housing units by tenure, etc.) and housing market analysis (housing costs, rents, vacancy rates, sales prices, etc.);
- **Housing Needs Assessment:** existing needs (number of cost burdened households living in overcrowded situations, with special needs including disabilities, elderly, headed by a female, homeless, etc.), and project needs (number of new units needed by tenure, type and cost to meet current needs, to accommodate expected population growth and job generation and determination of number of homes to be created through new construction, rehabilitation, and preservation);
- **Land Use:** general analysis of land use parcels (zoning, size, existing use, environmental constraints, availability of infrastructure); evaluation of suitability, availability, and realistic development capacity of developable sites (appropriate zoning for special needs housing including multi-family rentals, mobile homes, transitional and homeless shelters); identification of regulatory constraints (land use controls, codes and enforcement, fees and exactions, processing and permit procedures, on/off site improvements, reasonable accommodation, availability of financing, land availability and costs, construction costs, local capacity to assist, finance, and manage construction, provide housing support services, and administer housing funds and programs); and minimum density calculations targeted to affordable housing populations; and
- **Goals, Policies, and Quantifiable Objectives:** estimate of the number and percentage of unit increases to be constructed, rehabilitated, or conserved; identification of needed programs and agencies responsible for constructing new or improving existing housing stock, promoting access and equal opportunity to affordable housing, and increasing the capacity of residents, etc.; plan to promote regulatory concessions and incentives for removing or mitigating government and non-government constraints to development, rehabilitation, or conservation of affordable housing; identification of potential sources of federal, state, and local financing and subsidies to support affordable housing; and a consideration of related issues (public participation, job/housing mix, consistency with existing planning and land use policy, protection of ecological resources, promotion of efficient development patterns and green building).

SECTION 1: INTRODUCTION

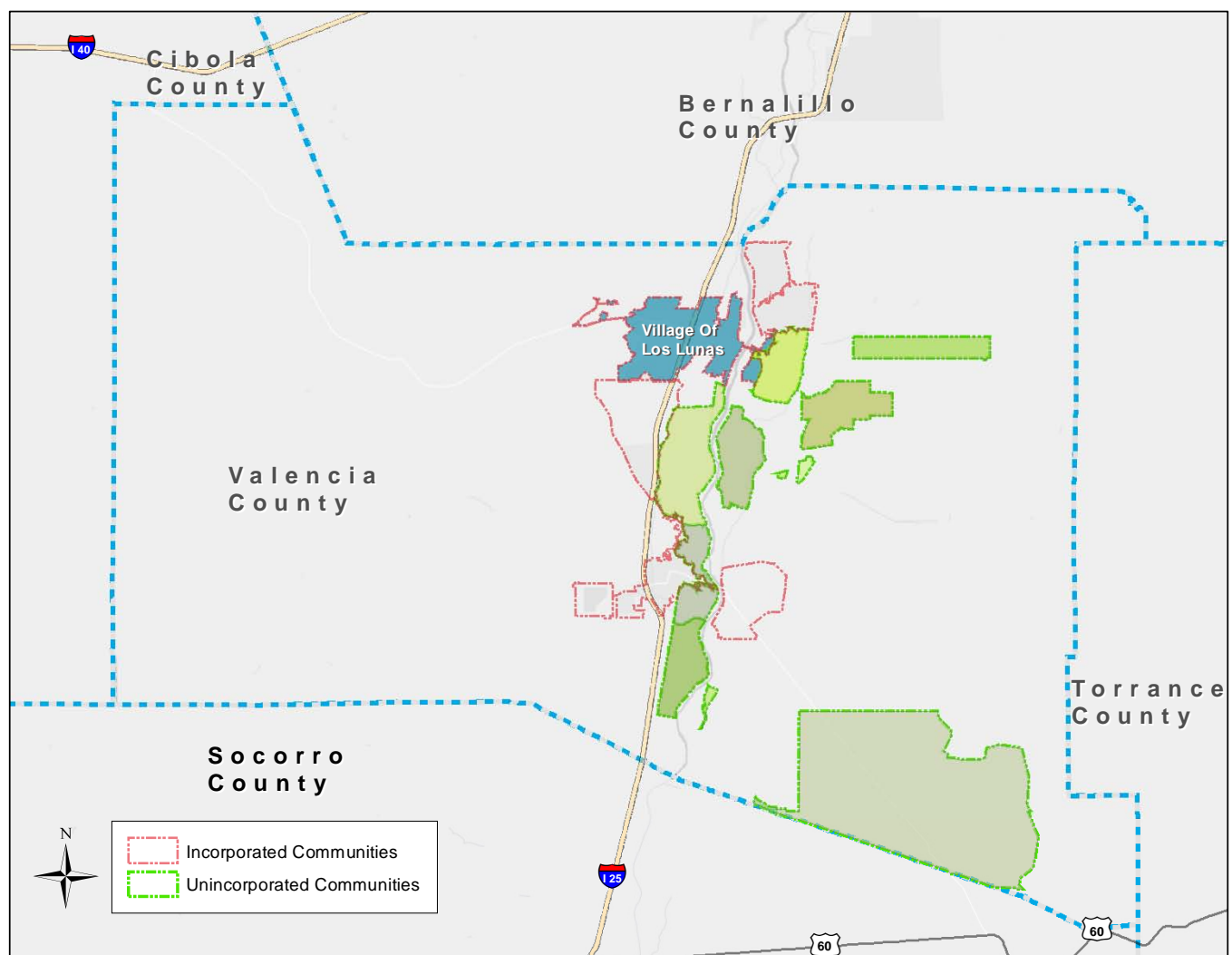
1.2 HOUSING AFFORDABILITY and AREA MEDIAN INCOME

The US Department of Housing and Urban Development (HUD) defines affordability as a household that pays no greater than 30% of its annual income towards housing cost and utilities. Families that pay more than 30% of their income on housing are considered to be “cost burdened” and have challenges in paying for other basic necessities such as food, clothing, transportation, and medical care. The number of families that are cost burdened in Valencia County and the Village of Los Lunas have been quantified in the Housing Needs section of this Plan.

HUD utilizes the area median income (AMI) to determine eligibility for a variety of housing programs. For the purposes of this Affordable Housing Plan, the population to be served in Valencia County and the Village of Los Lunas is up to 80% AMI. Housing needs are categorized according to 0 to 30% AMI, 31 to 50% AMI, and 51 to 80% AMI for affordable rental and ownership housing.

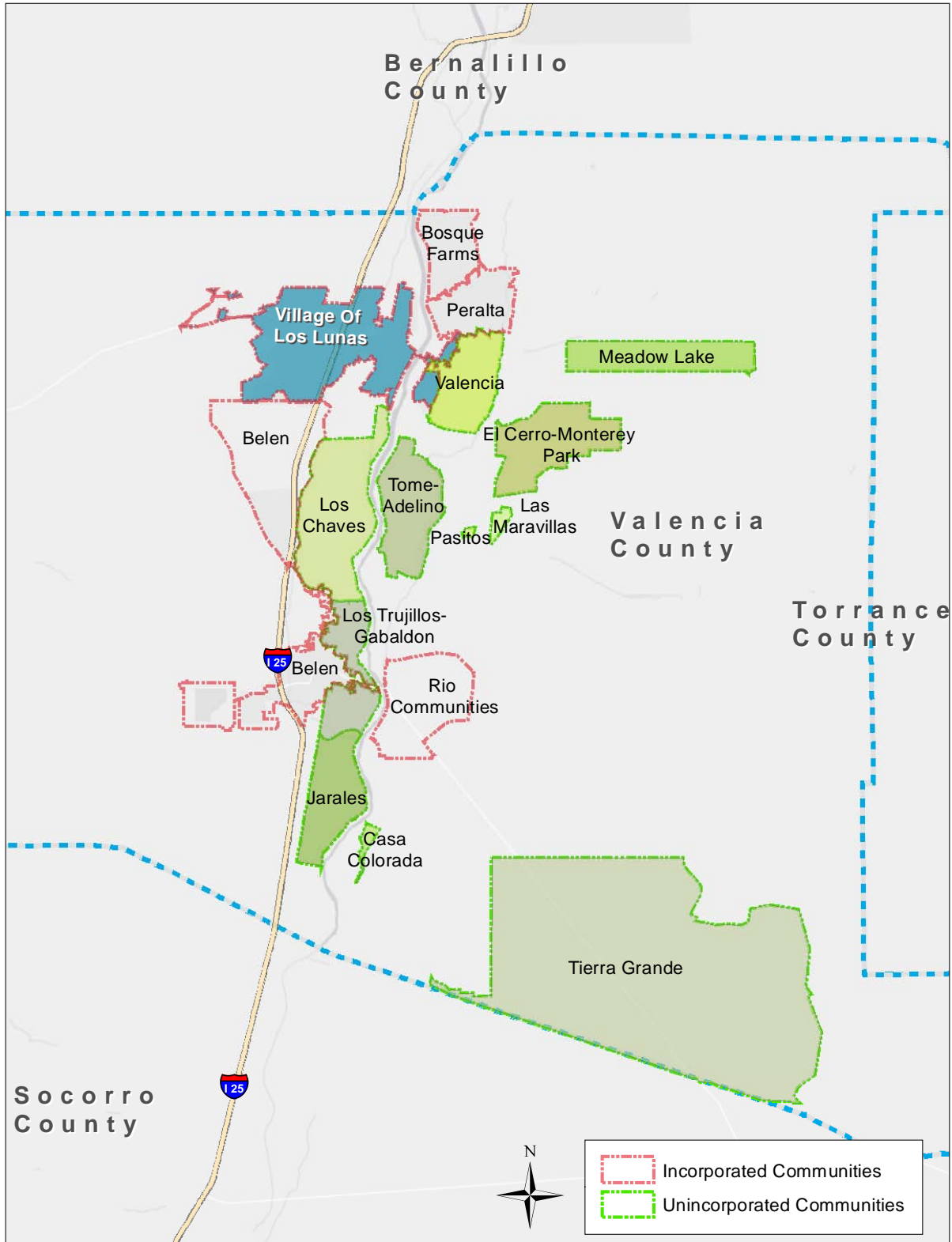
1.3 VALENCIA COUNTY and the VILLAGE OF LOS LUNAS

Valencia County is located within central New Mexico. The Village of Los Lunas is the county seat and one of several incorporated communities within Valencia County. In 2010, the population of the Village of Los Lunas was 14,835, which was approximately 19.4% of the total population (76,569) of Valencia County.



SECTION 1: INTRODUCTION

The Affordable Housing Plan addresses the Village of Los Lunas and the unincorporated portion of Valencia County. It does not address Bosque Farms, Peralta, Belen, or Rio Communities. Within the unincorporated County, there are several communities covered by the Plan, including Meadow Lake, El Cerro-Monterey Park, Jarales, Casa Colorado, Los Trujillos-Gabaldon, Los Chaves, Valencia, Las Maravillas-Pasitos, and Tierra Grande (see map below).



SECTION 1: INTRODUCTION

1.4 INTENT

As required by the New Mexico Affordable Housing Act, the Village of Los Lunas and Valencia County commissioned the Affordable Housing Plan to enable the donation of publicly owned land or other resources of value for affordable housing purposes. The Affordable Housing Plan analyzes existing and projected housing gaps, and provides strategies and recommendations to help meet the community's housing needs through new construction and rehabilitation of existing housing stock.

The Affordable Housing Plan assists Valencia County and the Village of Los Lunas by:

- Establishing baseline data for current and future housing needs;
- Providing strategies to ensure the development of a more diverse housing inventory;
- Supporting and participating in affordable housing projects through land donation, dissemination of information on housing, provision of office space, and other strategies that are consistent with the overall goals of the Plan; and
- Recommending roles and responsibilities for implementation of the Affordable Housing Plan.

2.1 INTRODUCTION

The Community and Housing Profile provides documentation of the demographic, economic, and household characteristics in the Village of Los Lunas and Valencia County and draws comparisons to the State of New Mexico. Data was collected from the United States Census Bureau, University of New Mexico Bureau of Business and Economic Research (BBER), New Mexico Department of Workforce Solutions, and the Mid-Region Council of Governments. This section also includes housing market and building permit data derived from local developers and realtors, listings on realtor.com, RealtyTrac, U.S. Housing and Urban Development (HUD), Village of Los Lunas, and Valencia County.

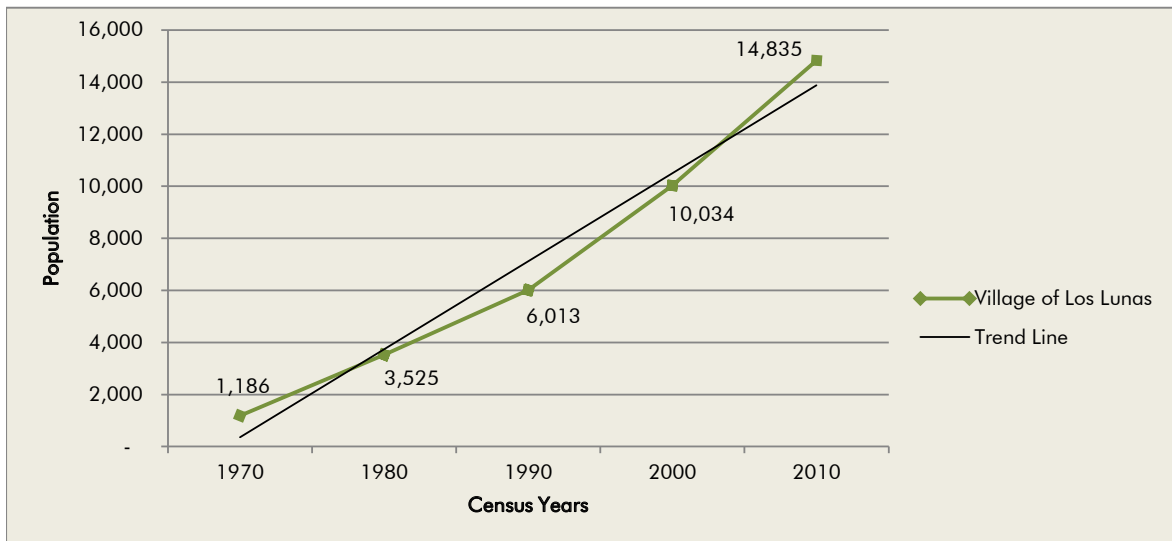
2.2 POPULATION CHARACTERISTICS

This section provides population characteristics, including historical and forecasted population trends, age distribution, migration trends, special needs population, race, ethnicity, income, and poverty rates. This data is provided for the Village of Los Lunas, Valencia County, and the State of New Mexico.

Population Over Time

As indicated in Figure 2.1, in 2010 the population of the Village of Los Lunas was 14,835, representing 19.4% of the total population of Valencia County (76,569). Between 1970 and 2000, the population steadily grew at an annual rate of 24.9%.

Figure 2.1: Village of Los Lunas Historical Population Change, 1970 - 2010

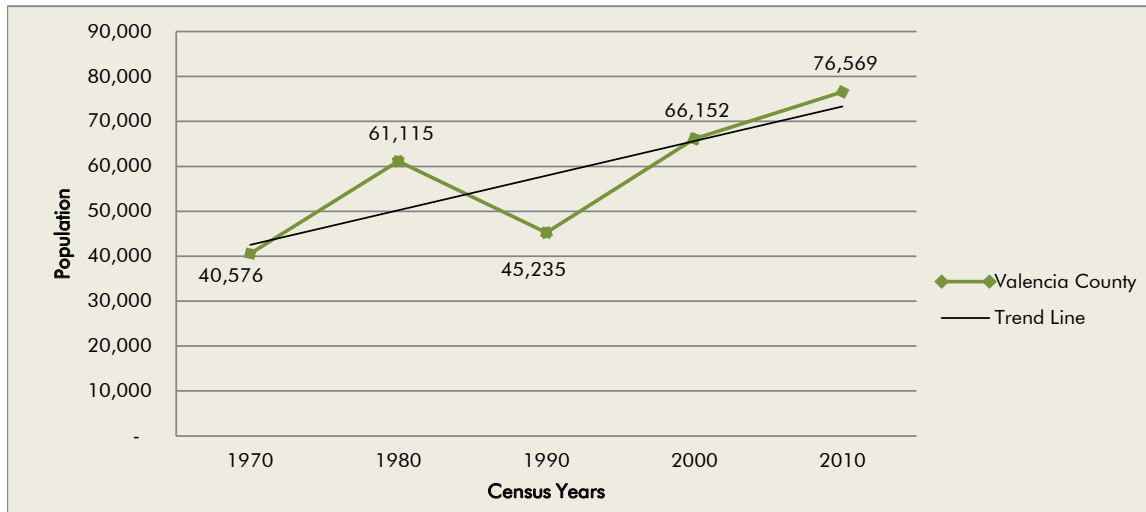


Source: U.S. Census Bureau.

SECTION 2: COMMUNITY & HOUSING PROFILE

As indicated in Figure 2.2, Valencia County appears to have lost 15,880 people between 1980 and 1990. Prior to 1981, Valencia County was geographically much larger, spanning to the Arizona border. In 1981, Valencia County was split, thus creating Cibola County. The decrease in Valencia County's population from 1980 to 1990 was a result of this split. Since 1990, the County has grown at an annual rate of 3.5%, a gain of 31,334 people.

Figure 2.2: Valencia County Historical Population Change, 1970 - 2010



Source: U.S. Census Bureau.

Over the past 40 years, New Mexico has grown from 1,017,055 in 1970 to 2,059,179 in 2010. The state has more than doubled its population during this time at an annual growth rate of 2.6% per year.

Population and Age Distribution

Valencia County experienced an overall population growth rate of 15.7% from 2000 to 2010. Accordingly, the majority of age cohorts have increased during this time. The greatest gain was from those age cohorts ranging from 50 to 74 years old. In contrast, the County lost population in the younger age cohorts, ranging from 5 to 14 years old, and the middle aged cohorts, ranging from 30 to 44 years old. With this said, there was a small increase in the 15 to 29 year age cohorts. The median age of the County increased from 33.8 years old to 37.7 years old from 2000 to 2010.

Los Lunas experienced an overall population growth rate of 47.8% from 2000 to 2010. The Village has seen growth in every age cohort, while the greatest increase was seen in all age cohorts over 50 years old. The lowest rate of growth was in the age cohorts ranging from 30 to 45 years old, while the younger 25 to 29 year old age cohort experienced unusually high growth. The median age of the Village increased from 31.8 years to 34.7 years from 2000 to 2010.

SECTION 2: COMMUNITY & HOUSING PROFILE

TABLE 2.1: POPULATION CHARACTERISTICS							
	New Mexico	Valencia County			Village of Los Lunas		
Population	2010	2010	2000	% Change 2000 -10*	2010	2000	% Change 2000 -10*
Total population	2,059,179	76,569	66,152	15.7%	14,835	10,034	4.5%
Male	49.4%	50.4%	50.2%		49.1%	48.7%	
		38,576	33,186	16.2%	7,281	4,888	49.0%
Female	50.6%	49.6%	49.8%		50.9%	51.3%	
		37,993	32,966	15.2%	7,554	5,146	46.8%
Age Cohorts							
Under 5 years	7.0%	6.9%	7.6%		7.6%	8.7%	
		5,277	5,050	4.5%	1,126	870	29.4%
5 to 9 years	7.0%	7.1%	8.5%		7.6%	8.7%	
		5,415	5,608	-3.4%	1,125	876	28.4%
10 to 14 years	6.9%	7.7%	9.0%		7.9%	8.5%	
		5,874	5,936	-1.0%	1,178	851	38.4%
15 to 19 years	7.3%	7.6%	7.8%		7.5%	8.2%	
		5,832	5,151	13.2%	1,106	824	34.2%
20 to 24 years	6.9%	5.9%	5.6%		6.1%	6.6%	
		4,493	3,719	20.8%	900	666	35.1%
25 to 29 years	6.8%	5.9%	6.0%		7.1%	6.2%	
		4,555	3,993	14.1%	1,055	622	69.6%
30 to 34 years	6.2%	5.8%	7.2%		6.6%	7.9%	
		4,406	4,781	-7.8%	984	789	24.7%
35 to 39 years	6.0%	6.1%	8.3%		6.3%	8.1%	
		4,649	5,472	-15.0%	931	817	14.0%
40 to 44 years	6.1%	6.5%	8.1%		6.7%	7.9%	
		4,993	5,352	-6.7%	994	797	24.7%
45 to 49 years	7.0%	7.5%	7.0%		6.7%	6.9%	
		5,767	4,599	25.4%	989	693	42.7%
50 to 54 years	7.1%	7.6%	6.2%		7.0%	5.9%	
		5,801	4,100	41.5%	1,045	589	77.4%
55 to 59 years	6.6%	6.8%	4.7%		6.3%	4.1%	
		5,173	3,110	66.3%	929	412	125.5%
60 to 64 years	5.8%	6.0%	3.9%		5.6%	3.4%	
		4,592	2,558	79.5%	825	337	144.8%
65 to 69 years	4.3%	4.4%	3.3%		3.8%	3.1%	
		3,372	2,195	53.6%	563	311	81.0%
70 to 74 years	3.2%	3.2%	2.6%		2.9%	2.2%	
		2,483	1,731	43.4%	434	221	96.4%
75 to 79 years	2.4%	2.4%	2.0%		2.1%	1.8%	
		1,815	1,322	37.3%	307	177	73.4%
80 to 84 years	1.8%	1.5%	1.3%		1.2%	1.1%	
		1,161	838	38.5%	185	111	66.7%
85 years and over	1.6%	1.2%	1.0%		1.1%	0.7%	
		911	637	43.0%	159	71	123.9%
Median age (years)	36.7	37.7	33.8	4.5%	34.7	31.8	4.5%
18 years and over	74.8%	73.6%	69.9%		72.3%	68.9%	
		56,387	46,216	22.0%	10,729	6,910	55.3%
65 years and over	13.2%	12.7%	10.2%		11.1%	8.9%	
		9,742	6,723	44.9%	1,648	891	85.0%
Race							
Total population	2,059,179	76,569	66,152	15.7%	14,835	10,034	47.8%
One Race	96.3%	96.0%	95.4%		95.8%	96.1%	
		73,520	63,140	16.4%	14,206	9,643	47.3%
White	68.4%	73.2%	66.5%		72.1%	64.1%	
		56,027	44,001	27.3%	10,700	6,436	66.3%
Black or African American	2.1%	1.4%	1.3%		2.0%	1.2%	
		1,071	837	28.0%	293	116	152.6%
American Indian and Alaska Native	9.4%	3.8%	3.3%		2.5%	2.6%	
		2,915	2,183	33.5%	373	263	41.8%
Asian	1.4%	0.5%	0.4%		0.8%	0.5%	
		406	235	72.8%	121	50	142.0%
Native Hawaiian or Other Pacific Islander	0.1%	0.1%	0.1%		0.1%	0.1%	
		55	57	-3.5%	18	6	200.0%
Some Other Race	15.0%	17.0%	23.9%		18.2%	27.6%	
		13,046	15,827	-17.6%	2,701	2,772	-2.6%
Ethnicity							
Hispanic or Latino (of any race)	46.3%	58.3%	55.0%		57.9%	58.7%	
		44,605	36,371	22.6%	8,593	5,894	45.8%
Not Hispanic or Latino	53.7%	41.7%	45.0%		42.1%	41.3%	
		31,964	29,781	7.3%	6,242	4,140	50.8%

Source: 2000 & 2010 U.S. Census. *Percentage change calculated on raw population numbers

SECTION 2: COMMUNITY & HOUSING PROFILE

Race

In 2010, 56,027 residents in Valencia County (73.2% of the total population) identified themselves as White, while 2,915 residents (3.8% of the total population) identified as American Indian and Alaska Native. In Los Lunas, 10,700 (72.1% of the total population) identified as White, while 373 (2.5% of the total population) identified as American Indian and Alaska Native. These numbers are generally consistent with the State of New Mexico, although, 9.4% of the state's total population identified as American Indian and Alaska Native, higher than both the County and Village.

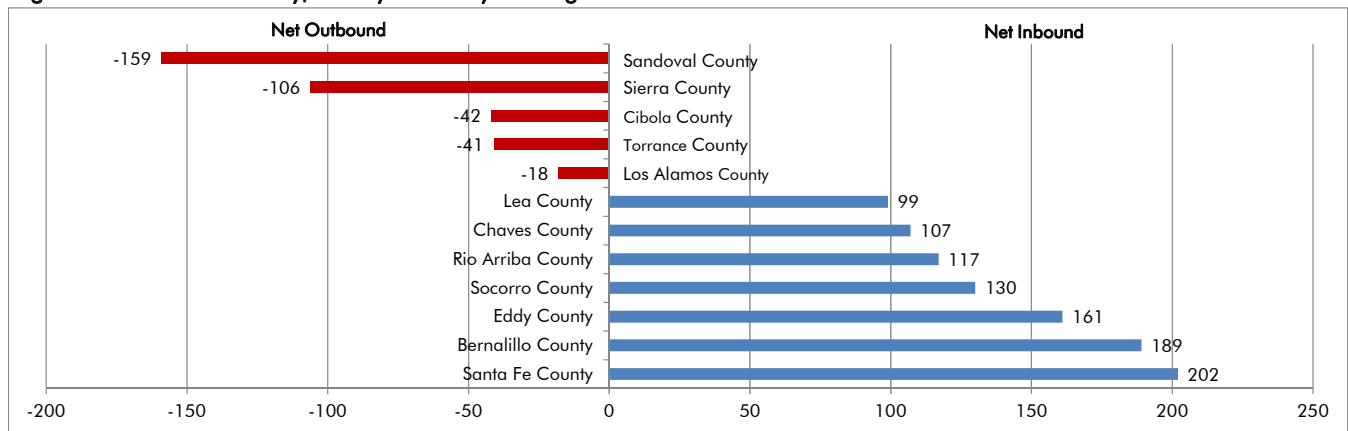
Ethnicity

In Valencia County, 44,605 (58.3%) residents identified as Hispanic or Latino (of any race). In Los Lunas, 8,593 (57.9%) residents identified as Hispanic or Latino (of any race). These percentages are higher than the State of New Mexico (46.3%).

Migration

Figure 2.3 provides an estimate of net migration to and from Valencia County. Valencia County experienced the largest net in-migration of residents from Bernalillo and Santa Fe counties, 189 and 202 respectively. This may be attributed to the lower cost of housing in Valencia County as compared to these counties, as well as newer subdivisions such as Huning Ranch and construction activity in Meadow Lake and El Cerro. Conversely, Valencia County experienced the largest net out-migration to Sandoval County.

Figure 2.3 - Valencia County, County to County Net Migration

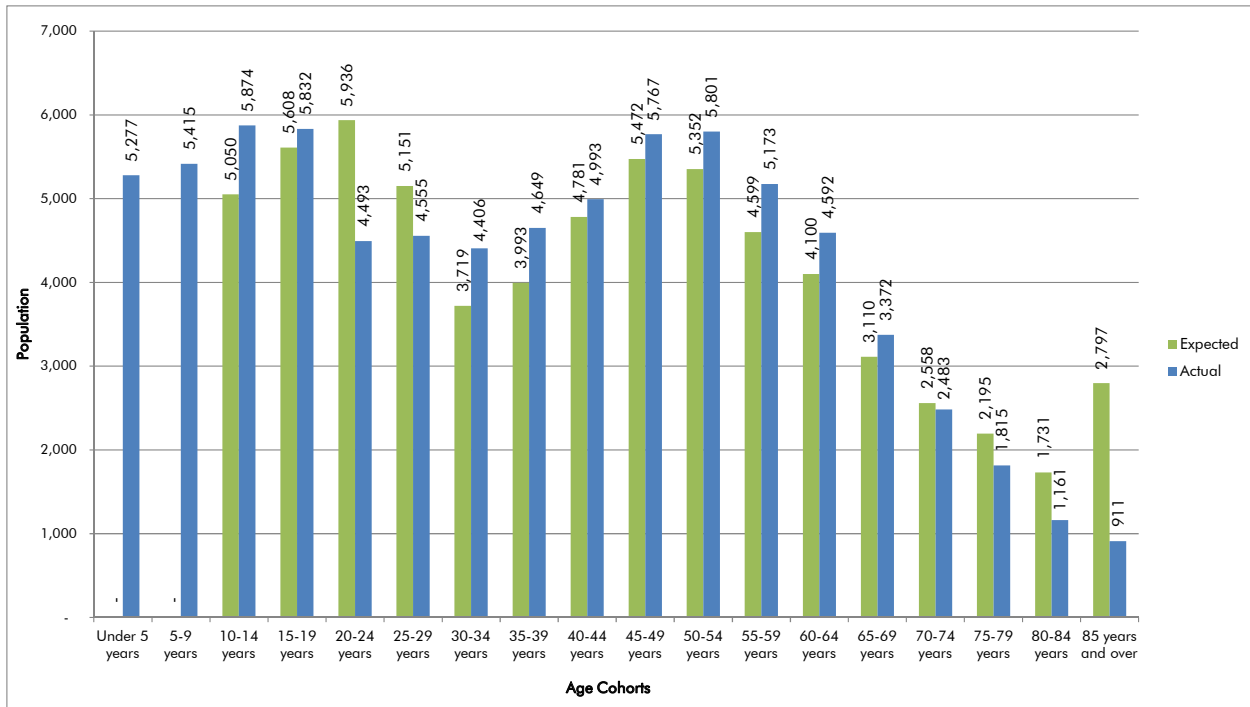


Source: 2008 - 2012 American Community Survey 5-Year Estimates.

Figures 2.4 and 2.5 show the migration trends from 2000 to 2010 in Valencia County and the Village of Los Lunas by age cohort. The green bars represent the expected population in each cohort and is derived by taking the 2000 Census age data and aging the numbers by ten years. Comparing the expected data (green bars) to the actual data (blue bars) will show if the age cohort experienced an in-migration or out-migration of residents during the assumed time frame. This method does not account for deaths; therefore, the expected 85 years and over age cohort will generally be higher than the actual population.

Valencia County has experienced an in-migration of residents in most age cohorts. The greatest gain was in the 10 to 14 year, 30 to 34 year, and 55 to 59 year age cohorts. Both the 20 to 24 year and 25 to 29 year age cohorts experienced high rates of out-migration, losing more than 2,000 residents between them.

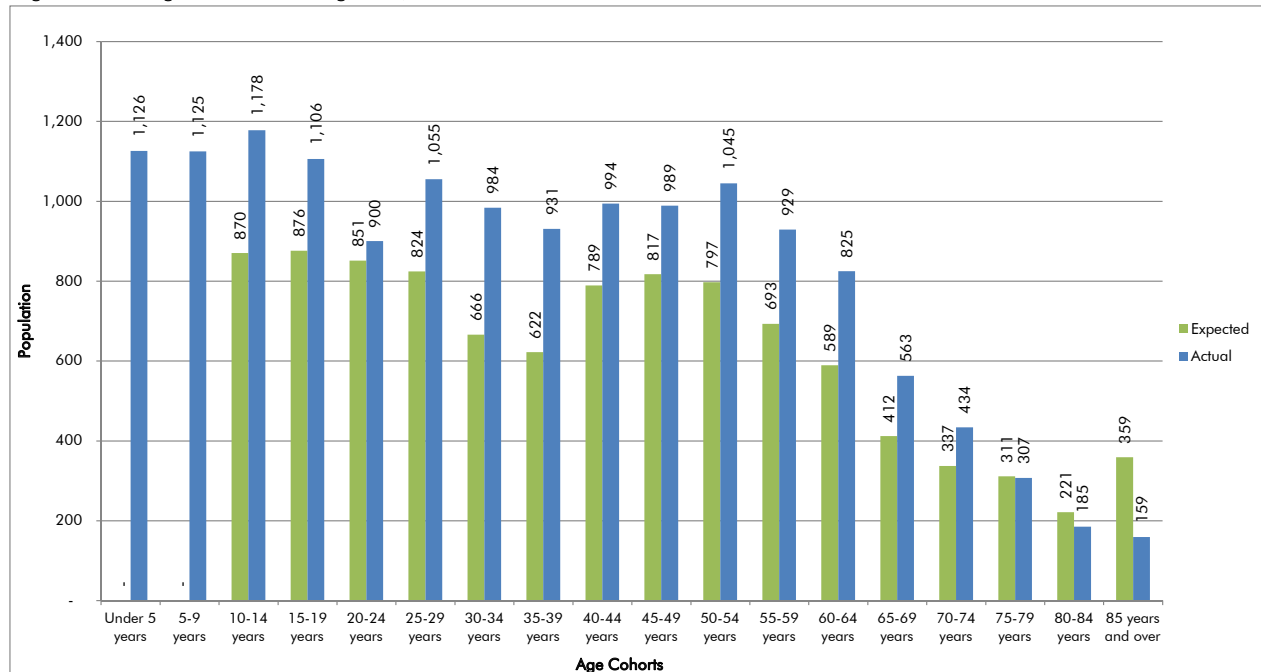
Figure 2.4: Valencia County Migration, 2000 to 2010



Source: 2000 & 2010 U.S. Census Bureau.

The Village of Los Lunas did not experience any net out-migration in the age cohorts under 75 years old. The 30 to 34 year age cohort had the largest amount of in-migration, while other age cohorts, specifically the 35 to 39 year and 10 to 14 year, grew at similar rates.

Figure 2.5: Village of Los Lunas Migration, 2000 to 2010



Source: 2000 and 2010 U.S. Census Bureau.

SECTION 2: COMMUNITY & HOUSING PROFILE

Special Needs Populations - People with Disabilities and Homeless

In 2012, Valencia County had a total of 12,235 (16.5%) residents with disabilities (see Table 2.2). This was a decrease of 2.4% from 2000 when there were 12,538 residents with disabilities. There is a significantly greater percentage of disabled residents in Valencia County than in the state as a whole, 16.5% versus 13.7%. Out of the 7,491 (13.4%) residents who identified as civilian veterans in 2012, an estimated 2,226 (29.7%) have disability status (for more information on special needs populations and their rate of housing distress, see Table 3.11).

In 2012, the Village of Los Lunas had a total of 1,862 (12.9%) residents with disabilities. This was an increase of 18.3% from 2000 when there were 1,574 residents with disabilities. Overall, there is a slightly less percentage of the population that is disabled in Los Lunas as compared to the state, 12.9% versus 13.7%. Out of the 1,492 (14.5%) Village residents who identified as civilian veterans in 2012, an estimated 280 (18.8%) have disability status.

TABLE 2.2: DISABLED POPULATION IN LOS LUNAS AND VALENCIA COUNTY							
	New Mexico	Valencia County			Village of Los Lunas		
	2012	2012	2000	% Change 2000-12	2012	2000	% Change 2000-12
Population with a Disability	13.7%	16.5%	21.0%		12.9%	17.4%	
		12,235	12,538	-2.4%	1,862	1,574	18.3%

Source: 2000 U.S. Census Bureau, 2008 - 2012 American Community Survey 5-year Estimates.

A 2013 study conducted by the New Mexico Coalition To End Homelessness indicated a homeless Point-in-Time Count of 23 persons in Emergency and Transitional Shelters, as well as unsheltered in Valencia County.

Population Projections

The Mid-Region Council of Governments (MRCOG) produces population projections for Bernalillo, Sandoval, Valencia, and Tarrant counties. Valencia County and the MRCOG Region are both projected to grow over the next 25 years. Valencia County is projected to grow by 109.7% from 2010 to 2035, an annual growth of 4.4%. The MRCOG Region is projected to grow by 73% from 2010 to 2035, an annual growth rate of 2.9%. Housing development will need to keep pace to accommodate the increase in population in Valencia County.

TABLE 2.3: MRCOG POPULATION PROJECTIONS			
Area	2010	2035	% Change 2010-35
MRCOG Region	897,186	1,552,125	73.0%
Valencia County	76,569	160,532	109.7%

Source: MRCOG 2035 Regional Forecast Data.

2.3 ECONOMIC CHARACTERISTICS

Employment Status

As shown in Table 2.4, the American Community Survey estimated the population within Valencia County that was 16 years and over (i.e., working age population) to be 58,532 and the civilian labor force participation to be 33,106 (56.6%). In the Village of Los Lunas, the working age population was 10,757 with 6,716 (62.4%) of those in the civilian labor force. In comparison, the state had a labor force participation rate of 61.3%. Between 2000 and 2012, the labor force of Valencia County increased by 10,156 (21%), while the Village saw an increase of 3,518 (48.6%). In 2012, both the County (6.4%) and Village (5.8%) had higher unemployment rates compared to the state (5.5%).

Income and Benefits

In 2012, the median household income in Valencia County was \$42,525, which was \$7,359 less than the Village of Los Lunas (\$49,884). In comparison, the state had a median household income of \$44,886. From 2000 to 2012, the median household income of the County increased from \$34,099 to \$42,525, which is a rate of 24.7%. In the Village of Los Lunas, the median household income increased from \$36,240 to \$49,884, a rate of 37.6%. Most significant, both the County and Village saw increases in households earning more than \$100,000 per year. From 2000 to 2012, Valencia County gained 546 households earning \$150,000 to \$199,000 per year and 175 of these households came from the Village of Los Lunas.

TABLE 2.4: ECONOMIC CHARACTERISTICS

Economic Categories	New Mexico	Valencia County			Village of Los Lunas		
	2012	2012	2000	% Change 2000 - 12	2012	2000	% Change 2000 - 12
Employment Status							
Population 16 years and over	1,597,923	58,532	48,376	21.0%	10,757	7,239	48.6%
In labor force	61.3%	56.6%	60.0%		62.4%	64.9%	
Unemployed	5.5%	6.4%	3.8%	14.1%	6,716	4,701	42.9%
		3,728	1,828	103.9%	621	222	179.7%
Income and Benefits - Total Households							
Less than \$10,000	9.2%	9.7%	9.8%		5.6%	8.3%	
		2,670	2,224	20.1%	307	294	4.4%
\$10,000 to \$14,999	6.4%	6.3%	8.7%		6.3%	7.5%	
		1,733	1,981	-12.5%	346	267	29.6%
\$15,000 to \$24,999	12.7%	13.8%	17.0%		11.7%	15.7%	
		3,788	3,859	-1.8%	641	559	14.7%
\$25,000 to \$34,999	11.7%	12.5%	15.6%		10.0%	14.9%	
		3,441	3,537	-2.7%	548	530	3.4%
\$35,000 to \$49,999	9.2%	9.7%	19.0%		5.6%	23.2%	
		3,888	4,323	-10.1%	892	824	8.3%
\$50,000 to \$74,999	17.5%	19.5%	17.1%		17.5%	18.2%	
		5,351	3,895	37.4%	957	649	47.5%
\$75,000 to \$99,999	11.1%	10.5%	8.2%		14.7%	7.8%	
		2,891	1,864	55.1%	804	279	188.2%
\$100,000 to \$149,999	10.5%	9.6%	3.2%		13.0%	3.3%	
		2,625	730	259.6%	710	117	506.8%
\$150,000 to \$199,999	3.6%	2.6%	0.8%		3.7%	0.8%	
		720	174	313.8%	204	29	603.4%
\$200,000 or more	2.8%	1.2%	0.6%		0.9%	0.3%	
		339	127	166.9%	49	9	444.4%
Median household income (dollars)	\$44,886	\$42,525	\$34,099	24.7%	\$49,884	\$36,240	37.6%
Per capita income (dollars)	\$23,749	\$20,416	\$14,747	38.4%	\$23,224	\$14,692	58.1%
Families and People with Income Below Poverty Level							
Families	14.9%	17.9%	13.5%		15.1%	11.6%	
		3,524	2,348	50.1%	543	314	72.9%
Families with Female Householder	33.8%	40.7%	32.0%		33.2%	25.4%	
		1,527	932	63.8%	294	168	75.0%
Individuals	19.5%	21.4%	16.8%		16.0%	13.5%	
		15,857	10,806	46.7%	2,312	1,341	72.4%
Individuals under 18 years old	27.5%	31.6%	22.3%		20.4%	18.3%	
		6,178	4,285	44.2%	880	572	53.8%

Source: 2000 U.S. Census Bureau, 2008 - 2012 American Community Survey 5-year Estimates. *Percentage change calculated on raw population numbers

SECTION 2: COMMUNITY & HOUSING PROFILE

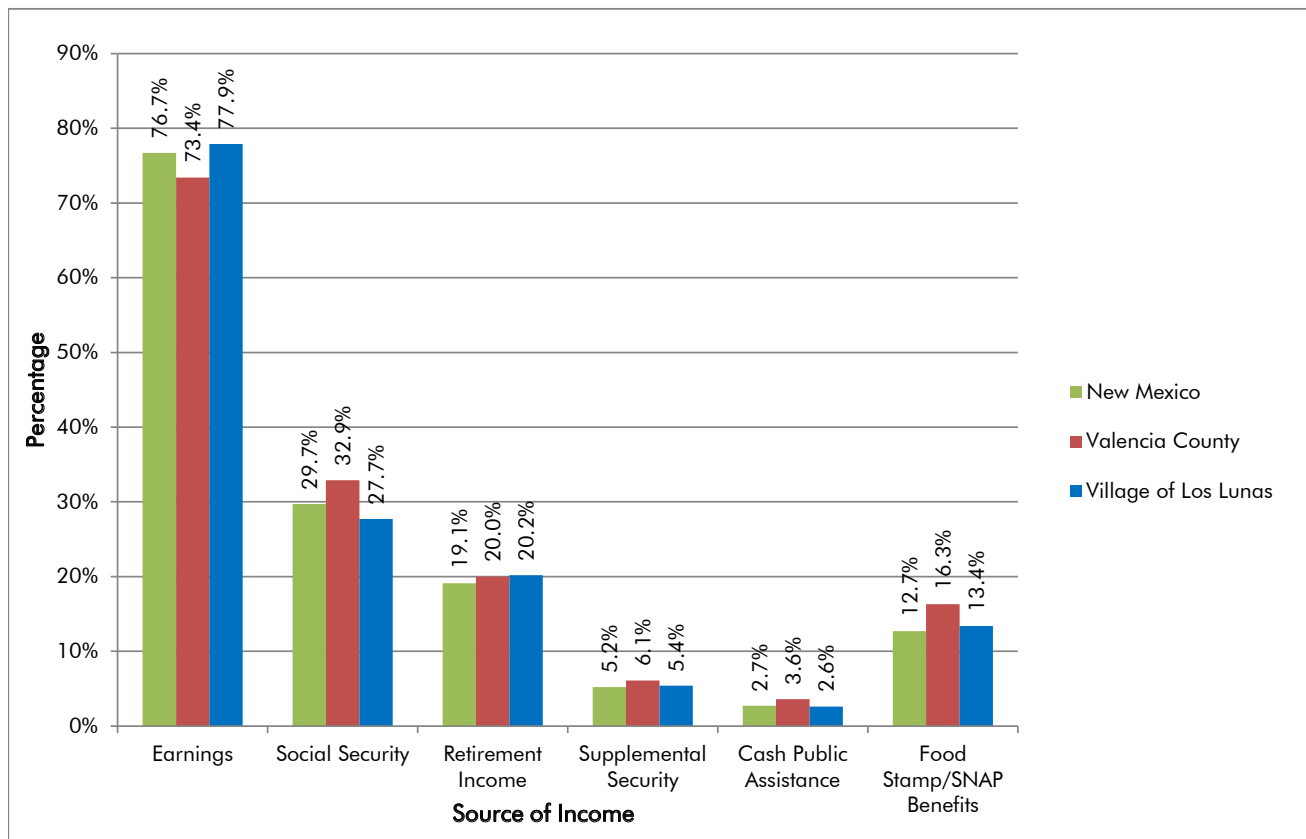
Poverty Level

In 2012, 17.9% (3,524) of families in Valencia County had income below the poverty level, while 15.1% (543) of families were below the poverty level in Los Lunas. These rates have increased since 2000. In 2012, 14.9% of families in New Mexico had income below the poverty level, which is a comparable rate to the Village. In Valencia County, 40.7% (1,527) of families with a female householder had income below the poverty level, while 33.2% (294) of families with a female householder were below the poverty level in Los Lunas. Both rates have increased since 2000. In 2012, the County had a higher level of poverty amongst individuals compared to the Village and state.

Source of Household Income

Figure 2.6 compares the sources of household income for New Mexico, Valencia County, and the Village of Los Lunas on a percentage basis. For the most part, there was no significant difference between the three areas. Valencia County had less percentage of income coming from earnings and more coming from social security and food stamp/SNAP benefits. The Village of Los Lunas and the State of New Mexico have very comparable distributions of sources of household income.

Figure 2.6: Sources of Household Income

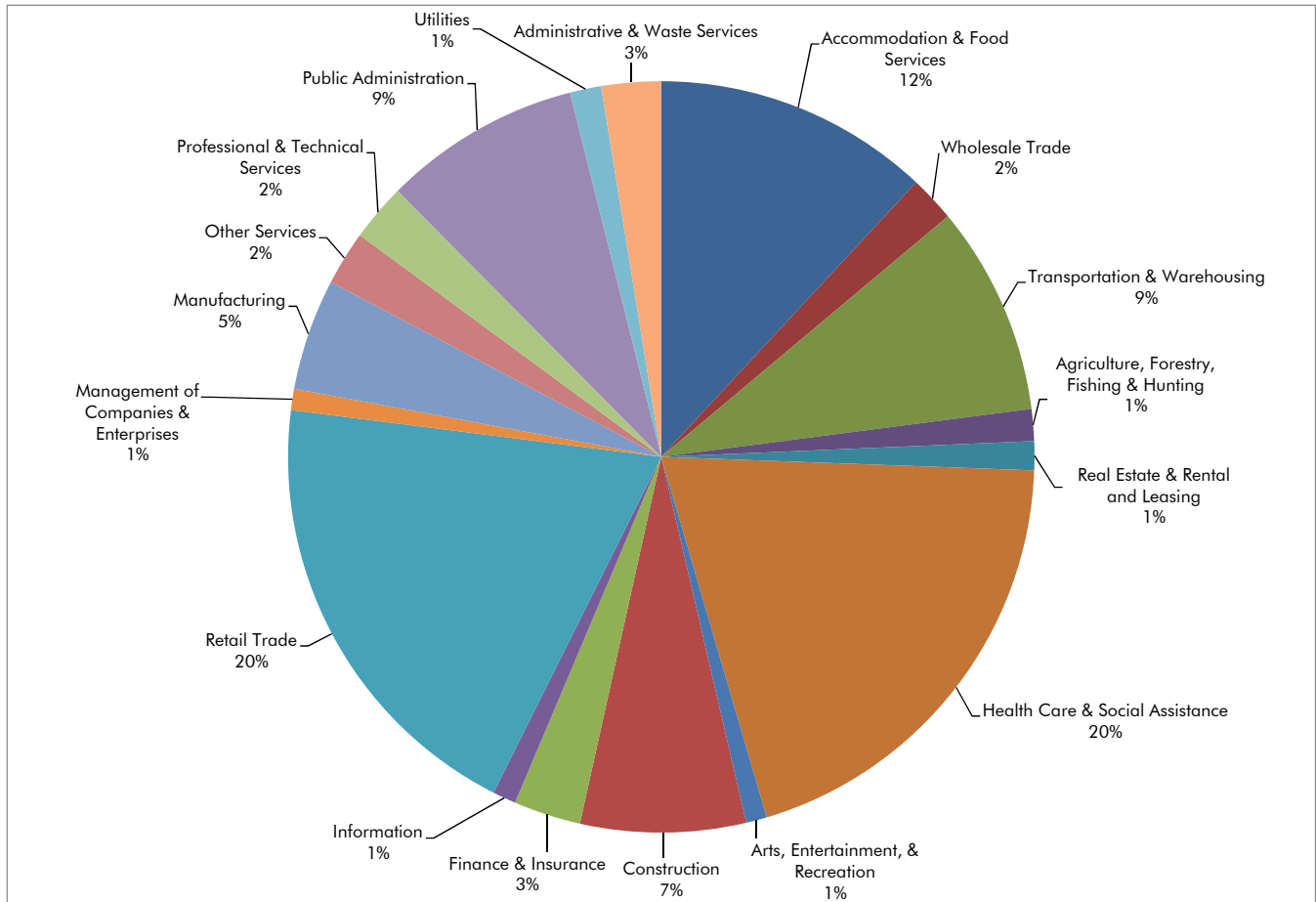


Source: U.S. Census Bureau, 2008-2012 American Community Survey 5-year Estimates.

2.4 EMPLOYMENT

The New Mexico Department of Workforce Solutions tracks the distribution of industries by county on a quarterly basis. In Valencia County, 18 industries were reported as having employment. During the first quarter of 2014, Health Care & Social Assistance and Retail Trade had the greatest number of jobs, each representing 20% of total employment. Accommodation & Food Services had the next highest percentage of jobs at 12%.

Figure 2.7: Industry Employment Distribution in Valencia County, Q1 2014



Source: Department of Workforce Solutions.

SECTION 2: COMMUNITY & HOUSING PROFILE

Table 2.5 lists the industries with job openings advertised on-line in Valencia County during the first quarter of 2014. Jobs were reported in 14 different industries, with Public Administration having the most job opening at 216. Transportation & Warehousing and Retail Trade had the second and third highest number of job openings.

TABLE 2.5: INDUSTRIES BY ADVERTISED JOBS	
Industries	Number of Job Openings
Public Administration	216
Transportation & Warehousing	142
Retail Trade	115
Health Care & Social Assistance	79
Accommodation & Food Services	70
Educational Services	67
Administrative & Waste Services	44
Finance & Insurance	21
Wholesale Trade	14
Professional & Technical Services	10
Real Estate & Rental and Leasing	9
Other Services	8
Information	4
Construction	1

Source: New Mexico Department of Workforce Solutions

The major employers in Valencia County by size are provided in Table 2.6. The New Mexico Corrections Department represents the biggest employer in Valencia County. The Walmart Distribution Center, Belen Consolidated Schools, Ambercare Home Health-Hospice, the Walmart Super Center, and Los Lunas Schools are large employers in the County, as well; each employing anywhere from 500 to 999 employees. Additionally, Healthcare, Retail, and Education industries had significant employment in the County.

TABLE 2.6: MAJOR EMPLOYERS IN VALENCIA COUNTY

TABLE 2.6: MAJOR EMPLOYERS IN VALENCIA COUNTY		
1000-4999 Employees		
New Mexico Corrections Department		
500-999 Employees		
Walmart Distribution Centers	Belen Consolidated Schools	Ambercare Home Health-Hospice
Walmart Super Center (Los Lunas)	Los Lunas Schools	
250-499 Employees		
Los Lunas Community Program	Walmart Super Center (Belen)	
100-249 Employees		
Acoma Cañoncito Laguna Hospital	Smith's Food and Drug Center	Carta
Sud-Chemie Performance Packaging	Home Depot	University of New Mexico
Lowe's Home Improvement	Albertsons	
50-99 Employees		
Valencia Counseling Services	New Mexico 13th Judicial Court	New Mexico Corrections Department
News Bulletin	Living Cross Ambulance	McDonald's
Center for Ageless Living	Brad Francis Chevrolet	State of New Mexico Accounting Office
Ken's Plumbing and Heating Inc	Applebee's	Headstart Program - The Midwest
Zimmerman Consulting	Belen Transportation	Brad Francis Ford
Sky City Casino & Hotel	Desert View Intermediate School	Adaptive Personal Care Services
Older American Program	Valencia County Detention Center	J3 Systems LLC
Sandhill Child Development Center	Sky City Casino & Hotel	Brad Francis Chevrolet
Personal Living Systems	Los Lunas Corrections Department	District Court Administrator
Dodge Authorized Sales & Services	McDonald's	
Dion's	Auge's	
Lone Mountain Roofing	Best Western	

Source: New Mexico Department of Workforce Solutions.

Given the proximity to the major hub of Albuquerque, Valencia County's economy and population could be affected by future shifts in Albuquerque's economy or population.

Recent economic development efforts have benefited both the County and Village. Global Fashion Technologies announced it will be locating their headquarters and manufacturing facility to Valencia County bringing 300 economic base jobs at an average salary of \$40,000. In addition, the family-owned manufacturing company Accurate announced its move to Los Lunas bringing 250 jobs paying from \$18 to \$30 per hour. These are two examples of companies relocating to the Albuquerque metro and New Mexico as a whole.

The Census Transportation Planning Package, provided by the MRCOG, analyses work related transportation data. This data estimates that 11,065 residents commute from Valencia County to Albuquerque for work (Source: 2006-2010 CTPP Flow Data). Of this 11,065, an estimated 9,275 (83.8%) travel alone, while 1,595 carpool with 1 or more other person. Additionally, an estimated 155 people use rail as a means of transportation.

SECTION 2: COMMUNITY & HOUSING PROFILE

2.5 HOUSEHOLD CHARACTERISTICS

Household by Type

Table 2.5 shows that the total number of households in Valencia County increased by 4,765 (21%) from 2000 to 2012. Similarly, the total number of households in the Village of Los Lunas increased by 1,857 (51.6%). The number of non-family households increased at a faster rate than family households in both the County and Village.

In conjunction with the growth of family households, female headed households grew in both Valencia County and Los Lunas from 2000 to 2012. The County grew at a rate of 26.1%, while the Village grew at a rate of 46.2%. In Los Lunas, the percentage of female householders was 16.2% in 2012, which was higher than Valencia County (13.7%) and the state (13.8%).

The share of non-family households grew in both Valencia County and Los Lunas from 2000 to 2012. The County's share increased from 23.5% to 28.3%, while the Village's share increased from 25.3% to 34.2%. Accordingly, householders living alone increased from 2000 to 2012 in both the County and Village. Some of this growth can be attributed to the Jubilee at Los Lunas, a 55+ active adult project.

Average household size decreased in both the County (2.71) and Village (2.65) from 2000 to 2012. Although, both are still higher than the state's average household size of 2.63 persons. Average family size decreased from 3.25 to 3.2 in Valencia County, but increased from 3.16 to 3.31 in the Village of Los Lunas. The state had an average family size of 3.27.

From 2000 to 2010, foreclosures had a significant impact on regional household demographics. Sub-prime lending to low income persons was second only to upper income households, yet the ramifications were much worse on those at the lower end of the income spectrum. The subsequent incidence of foreclosure was devastating to lower income persons and often concentrated in minority areas. Since the start of the Great Recession, median income has either declined or been flat.

Housing Occupancy

Between 2000 to 2012, the number of housing units increased in both Valencia County and the Village of Los Lunas. In Valencia County, 91.7% were occupied, while 8.3% were vacant. In the Village of Los Lunas, 93.9% were occupied, while 6.1% were vacant. In comparison, the State of New Mexico had a significantly higher rate of vacant housing at 15.2%. However, homeowner vacancy rates were higher in the County (2.3%) and Village (3.8%) as compared to the state (2.1%). Rental vacancy rates were lower in the County (6.2%) and Village (4.7%) compared to the state (7.9%).

Housing Tenure

Although the number of owner-occupied and renter-occupied units increased between 2000 and 2012 in the County and Village, the percentage share of owner-occupied units decreased as compared to renter-occupied units. In Valencia County, the percentage of owner-occupied units decreased from 83.9% to 79.9% from 2000 to 2012. In Los Lunas, the percentage of owner-occupied units decreased from 77.4% to 76.4%. Accordingly, the percentage of renter-occupied units increased in the County and Village.

SECTION 2: COMMUNITY & HOUSING PROFILE

TABLE 2.7: HOUSEHOLD CHARACTERISTICS							
	New Mexico	Valencia County			Village of Los Lunas		
Households by Type	2012	2012	2000	% Change 2000-12*	2012	2000	% Change 2000-12*
Total households	763,844	27,446	22,681	21.0%	5,458	3,601	51.6%
Family households	65.6%	71.7%	76.5%		65.8%	74.7%	
		19,687	17,340	13.5%	3,594	2,691	33.6%
With own children under 18 years	28.7%	33.0%	39.6%		36.1%	41.9%	
		9,066	8,986	0.9%	1,968	1,509	30.4%
Married-couple family	46.0%	51.3%	57.2%		46.0%	51.8%	
		14,074	12,976	8.5%	2,508	1,865	34.5%
With own children under 18 years	17.6%	20.8%	27.5%		22.9%	26.4%	
		5,712	6,238	-8.4%	1,251	950	31.7%
Female householder, no husband present	13.8%	13.7%	13.1%		16.2%	16.8%	
		3,751	2,975	26.1%	886	606	46.2%
With own children under 18 years	8.2%	8.7%	8.2%		11.1%	11.0%	
		2,380	1,860	28.0%	608	397	53.1%
Nonfamily households	34.4%	28.3%	23.5%		34.2%	25.3%	
		7,759	5,341	45.3%	1,864	910	104.8%
Householder living alone	28.5%	24.0%	18.8%		29.3%	20.7%	
		6,590	4,265	54.5%	1,598	746	114.2%
65 years and over	9.6%	8.6%	6.4%		7.1%	5.8%	
		2,364	1,452	62.8%	390	209	86.6%
Households with one or more people under 18 years	32.7%	37.8%	44.2%		39.7%	45.8%	
		10,387	10,022	3.6%	2,167	1,650	31.3%
Households with one or more people 65 years and over	25.7%	25.7%	21.3%		18.7%	18.3%	
		7,043	4,835	45.7%	1,020	659	54.8%
Average household size	2.63	2.71	2.86	-5.2%	2.65	2.75	-3.6%
Average family size	3.27	3.2	3.25	-1.5%	3.31	3.16	4.7%
Housing Occupancy							
Total housing units	900,504	29,946	24,643	21.5%	5,812	3,845	51.2%
Occupied housing units	84.8%	91.7%	92.0%		93.9%	93.7%	
		27,446	22,681	21.0%	5,458	3,601	51.6%
Vacant housing units	15.2%	8.3%	8.0%		6.1%	6.3%	
		2,500	1,962	27.4%	354	244	45.1%
For seasonal, recreational, or occasional use	4.1%	0.6%	0.6%		0.1%	0.2%	
		190	141	34.8%	8	8	0.0%
Homeowner vacancy rate	2.1%	2.3%	2.8%	-17.9%	3.8%	3.2%	18.8%
Rental vacancy rate	7.9%	6.2%	11.8%	-47.5%	4.7%	7.8%	-39.7%
Housing Tenure							
Occupied housing units	763,844	27,446	22,681	21.0%	5,458	3,601	51.6%
Owner-occupied	68.9%	79.9%	83.9%		76.4%	77.4%	
		21,928	19,035	15.2%	4,169	2,786	49.6%
Average household size of owner-occupied unit	2.69	2.7	2.87	-5.9%	2.64	2.82	-6.4%
Renter-occupied	31.1%	20.1%	16.1%		23.6%	22.6%	
		5,518	3,646	51.3%	1,289	815	58.2%
Average household size of renter-occupied unit	2.51	2.74	2.77	-1.1%	2.69	2.55	5.5%

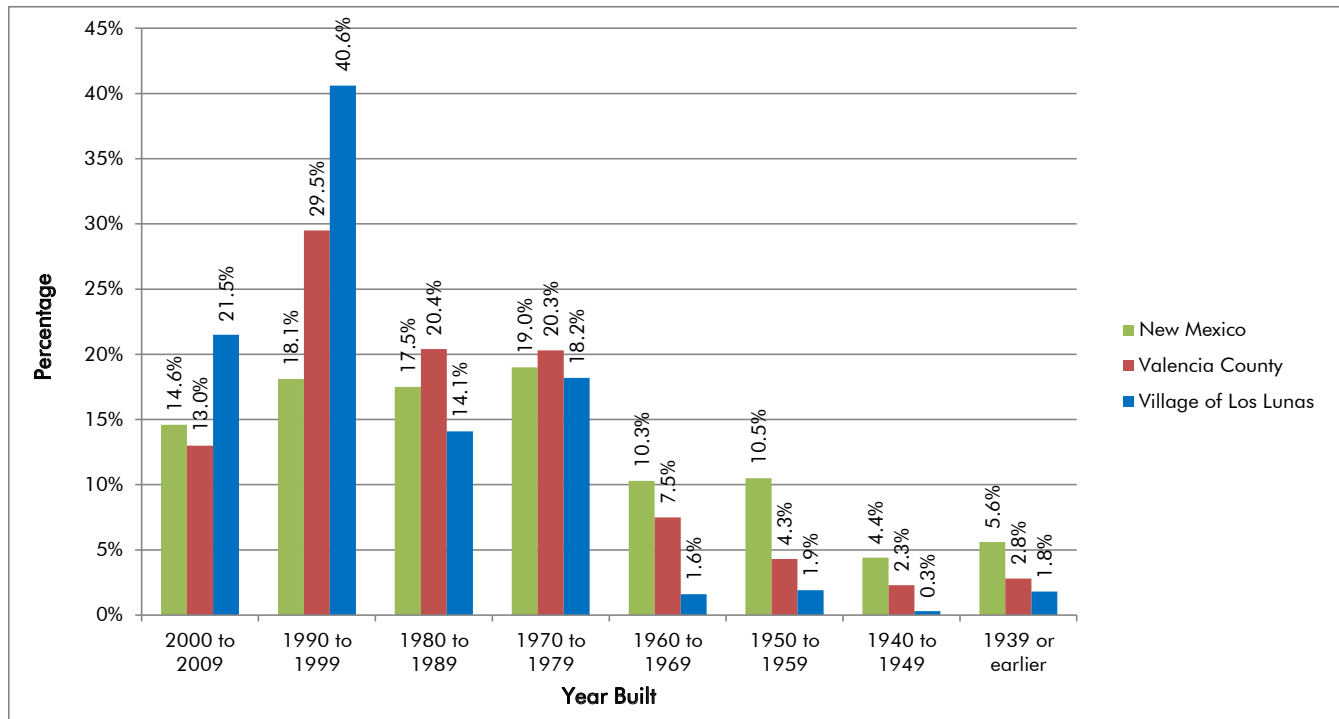
Source: 2000 & 2010 U.S. Census. *Percentage change calculated on raw population numbers

SECTION 2: COMMUNITY & HOUSING PROFILE

Year Housing Built

Figure 2.8 shows the distribution of the year housing was built by decade. The peak decade for housing built in Valencia County and the Village of Los Lunas was 1990 to 1999, where 29.5% and 40.6% of housing was built, respectively. The median year for housing built in Valencia County was 1987, which was newer than the state (1981) and older than the Village (1994).

Figure 2.8: Year Housing Built



Source: U.S. Census Bureau, 2008-2012 American Community Survey 5-year Estimates.

E. Housing Market Analysis

Another component of housing affordability is the percent of income spent on housing. Households, including owner-occupied and renter-occupied, with housing costs that exceed 30% are considered to be “cost burdened”.

Household Costs as a Percent of Household Income

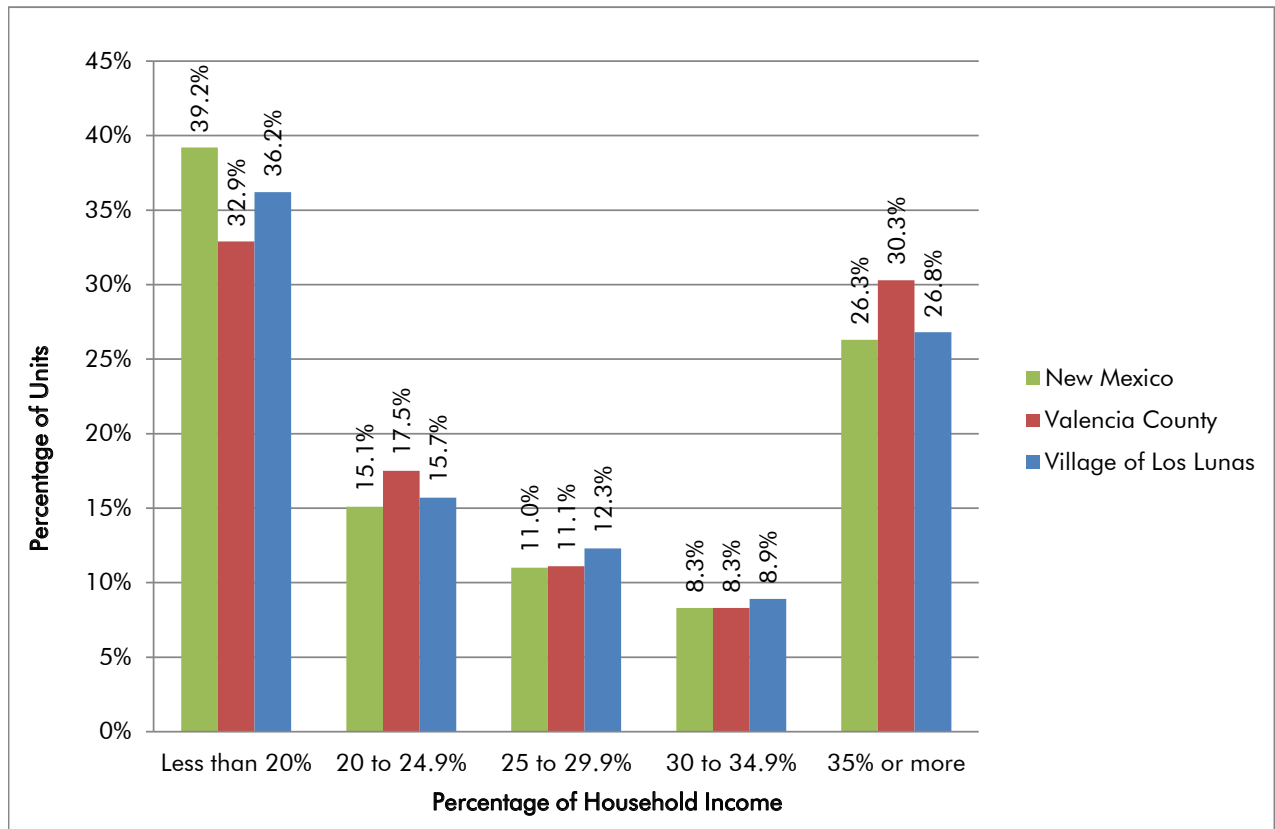
The American Community Survey estimates show there were a total of 13,909 housing units in Valencia County and 3,221 housing units in the Village of Los Lunas with a mortgage where owner costs as a percentage of household income could be computed. The median monthly housing costs in Valencia County were \$1,106, which was lower than Los Lunas (\$1,287) and New Mexico (\$1,244).

In Valencia County, an estimated 4,960 occupied units were paying rent, with a median rent of \$715. In Los Lunas, an estimated 1,240 occupied units were paying rent, with a median rent of \$742. In comparison, median rent was \$736 in the State of New Mexico.

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As shown in Figure 2.9, the Village of Los Lunas has a similar percentage of cost-burdened owner-occupied units (35.7%) compared to the state (34.6%). Valencia County has the highest rate of cost burdened households at 38.4%.

Figure 2.9: Monthly Owner Costs as a Percentage of Household Income

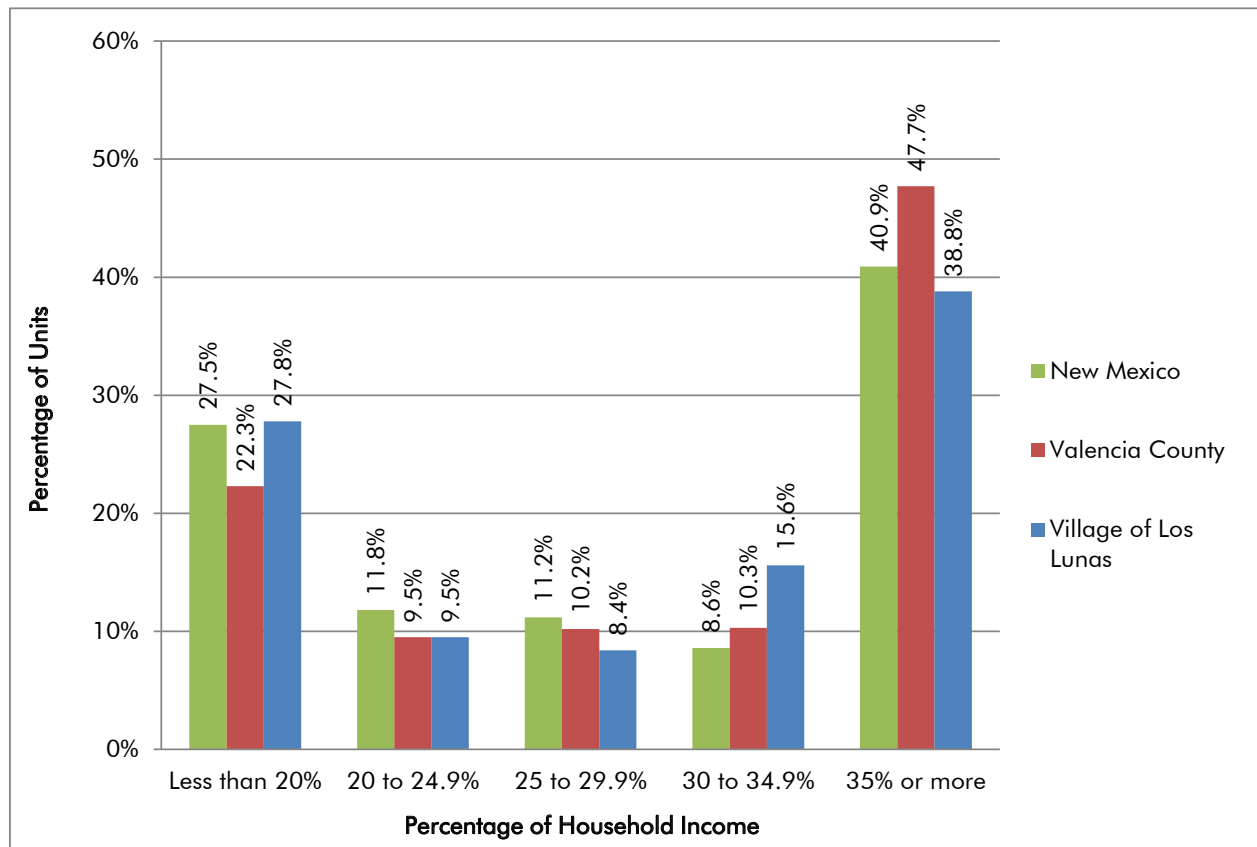


Source: U.S. Census Bureau, 2008-2012 American Community Survey 5-Year Estimates.

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Figure 2.10 illustrates gross rent as a percentage of household income in the Village of Los Lunas, Valencia County, and New Mexico. The Village of Los Lunas and Valencia County had significantly more cost burdened households (greater than 30% of household income going towards rent) as compared to New Mexico as a whole, 54.4%, 58%, and 49.5%, respectively.

Figure 2.10: Gross Rent as a % of Household Income



Source: U.S. Census Bureau, 2008-2012 American Community Survey 5-Year Estimates.

Existing Apartment Market

There are a number of existing apartments in the Village of Los Lunas and Valencia County as a whole. Information on rental vacancies for Valencia County is provided in the following table. This information was gathered from the Bureau of Business and Economic Research (BBER) Mid-May 2014 Apartment Survey. BBER's methodology was to create an apartment property contact list from a variety of sources. The primary source was the list of respondents from the previous mid-May surveys. This list was supplemented with the Apartment Association of New Mexico's Primary Membership Roaster, dexknows Local Search on-line, Google, internal databases from MFA, and others.

There are a total of 559 apartments units in Valencia County. Of those units, 152 are 1-bedroom, 289 are 2-bedroom, 102 are 3-bedroom, and 16 are 4 plus bedroom. Based on data from May of 2014, 38 of those units are vacant. Rental rates in Valencia County average \$616 per month. The average monthly rental rate for a 1-bedroom is \$570, for a 2-bedroom is \$613, for a 3-bedroom is \$688, and for a 4 plus bedroom is \$775.

TABLE 2.8: VALENCIA COUNTY APARTMENT MARKET				
Number of Units by Type				
Total	1-Bedroom	2-Bedroom	3-Bedroom	4 Plus Bedroom
559	152	289	102	16
Vacant Units by Type				
Total	1-Bedroom	2-Bedroom	3-Bedroom	4 Plus Bedroom
38	11	20	7	0
Average Rent Rates by Type				
Overall	1-Bedroom	2-Bedroom	3-Bedroom	4 Plus Bedroom
\$616	\$570	\$613	\$688	\$775

Source: Mid-May 2014 Apartment Survey.

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Rental Vacancies

Table 2.9 provides an overview of the current apartment market (503 rental units) in the Village of Los Lunas. Of those units, there are 33 vacancies (6.6%). The average rental rate for a studio apartment is \$450. Notably, there is only one studio apartment available for rent in the Village. The average rental rate for a one bedroom apartment is \$578, \$667 for two bedroom, and \$648 for three bedroom apartments. The average rental rate for a one bedroom apartment in the Village is similar to that of Valencia County. However, the average rental rate for a two bedroom apartment is somewhat higher in the Village as compared to the County. Conversely, the average rental rate for a three bedroom apartment in the Village is somewhat lower than that of the County.

While the Los Lunas apartment vacancy rate is not particularly low, the rental rates are a cost burden for some residents of the Village, as indicated by the AML ranges presented in the Affordable Housing Plan. The Village of Los Lunas Code Enforcement staff and the Steering Committee have indicated that some of the current vacant rental housing is not in good physical condition, which is a factor in the existing vacancy rate. The Camino Real Housing Authority also has a long waiting list for vouchers. Despite the vacancy rate, there remains a significant need for affordable housing rental options and subsidies.

Apartments	Address	Number of Units	Studios (Rent)	1-Bed (Rent)	2-Bed (Rent)	3-Bed (Rent)	Vacancies
VENTANA COVE APTS	450 LOS CERRITOS DR NW	72 UNITS		36 (\$777)	36 (\$875)		10
HILLTOP APTS	393 ADELA LN SW	40 UNITS		5 (\$563)	30 (\$664)	5 (\$837)	3
HILLSIDE APTS	379 CANAL BLVD SW	24 UNITS		4 (\$655)	20 (\$760)		0
HILL CREST APTS	383 CANAL BLVD SW	42 UNITS		38 (\$650)	4 (\$700)		0
HILL RIDGE APTS	1450 ADELA LN SW	38 UNITS			19 (\$570)	19 (\$645)	2
ENCANTADA APTS	300 CANAL SW	48 UNITS		\$596	\$735		1
MONDEL APTS	1011 MAIN ST SW	24 UNITS		4(\$555)	20 (\$580)		1
*INDIVIDUAL OWNER	127 CHAVEZ LN SW	3 UNITS		2 (\$300)	1 (\$600)		0
*INDIVIDUAL OWNER	607-613-619-625 CARLSEN DR SW	2 UNITS PER APTS		4 (\$650)	4 (\$750)		0
*INDIVIDUAL OWNER	675-639 HWY 314 SW APTS 1 THRU 8	4 UNITS PER APTS	Couldn't make contact				0
*INDIVIDUAL OWNER	205-211 COLONIAL SW	4 UNITS			4 (\$635)		0
*INDIVIDUAL OWNER	219-225 COLONIAL SW	4 UNITS			4 (\$635)		0
*INDIVIDUAL OWNER	21 LUJAN RD 1-4 APTS 18, 20, 21, & 21A	2 UNITS			2 (depends on individual)		0
*INDIVIDUAL OWNER	726 RIVAS RD NE	4 UNITS			4(\$750)		0
*INDIVIDUAL OWNER	443 KINGSBURY NE/ 443 GERALD CHAVEZ LN NE	5 UNITS	Couldn't make contact				0
*INDIVIDUAL OWNER	146/148/150/156 CARR ST NW	4 UNITS		4 (\$500)			0
*INDIVIDUAL OWNER	219/221/223 CALLE DE LAS FAMILIAS NW	3 UNITS			2 (\$650) 1 (\$600)		0
*INDIVIDUAL OWNER	227/229/231 CALLE DE LAS FAMILIAS NW	3 UNITS			3 (\$650)		0
*INDIVIDUAL OWNER	213 CALLE DE LAS FAMILIAS NW	4 UNITS		4 (\$550)			0
*INDIVIDUAL OWNER	203 CALLE DE LAS FAMILIAS NW	1 UNIT		1 (\$650)			0
*INDIVIDUAL OWNER	201 CALLE DE LAS FAMILIAS NW	1 UNIT		1 (\$650)			0
*INDIVIDUAL OWNER	260 CALLE DE LAS FAMILIAS NW	4 UNITS		4 (\$550)			0
*INDIVIDUAL OWNER	342-350 CALLE DE LAS FAMILIAS NW	4 UNITS		4 (\$525)			0
*INDIVIDUAL OWNER	311/313/315 CALLE DE LAS FAMILIAS	3 UNITS			3(\$650)		0
*INDIVIDUAL OWNER	261-267 CAMINO REAL SW	4 UNITS				4 (\$625)	2
*INDIVIDUAL OWNER	275-281 CAMINO REAL SW	4 UNITS				4 (\$625)	0
*INDIVIDUAL OWNER	238-232 CAMINO REAL SW	4 UNITS				4 (\$625)	0
*INDIVIDUAL OWNER	246-252 CAMINO REAL SW	4 UNITS				4 (\$625)	0
*INDIVIDUAL OWNER	260-266 CAMINO REAL SW	4 UNITS				4 (\$625)	0
*INDIVIDUAL OWNER	274-280 CAMINO REAL SW	4 UNITS				4 (\$625)	0
*INDIVIDUAL OWNER	288-294 CAMINO REAL SW	4 UNITS				4 (\$625)	0
*INDIVIDUAL OWNER	289-295 CAMINO REAL SW	4 UNITS				4 (\$625)	0
*INDIVIDUAL OWNER	247-253 CAMINO REAL SW	4 UNITS		4 (\$500-575)			1
*INDIVIDUAL OWNER	233-239 CAMINO REAL SW	4 UNITS		4 (\$500-575)			1
*INDIVIDUAL OWNER	235 COURTHOUSE RD SE	16 UNITS		4 (\$500-575)			1
*INDIVIDUAL OWNER	#1-#6 VILLAGE DR. SE	4 UNITS PER APTS		8 (\$500)	8 (\$600)		0
*INDIVIDUAL OWNER	#1-#8 GERALD CHAVEZ LN NE	64 UNITS			64 (\$560)		9
*INDIVIDUAL OWNER	544 MONTE VISTA NE	13 UNITS	1(450)	12(550)			2
*INDIVIDUAL OWNER	1345/1347/1349/1351 LOS LENTES RD NE	4 UNITS		4(600)			0
AVERAGE RENTAL RATES				\$450	\$577.55	\$667	\$648

* Individual owner names not listed for privacy concerns

SECTION 2: COMMUNITY & HOUSING PROFILE

Subsidized and Publicly-Owned Apartment Complexes

Per the MFA Service Directory, the following apartments have been identified as affordable:

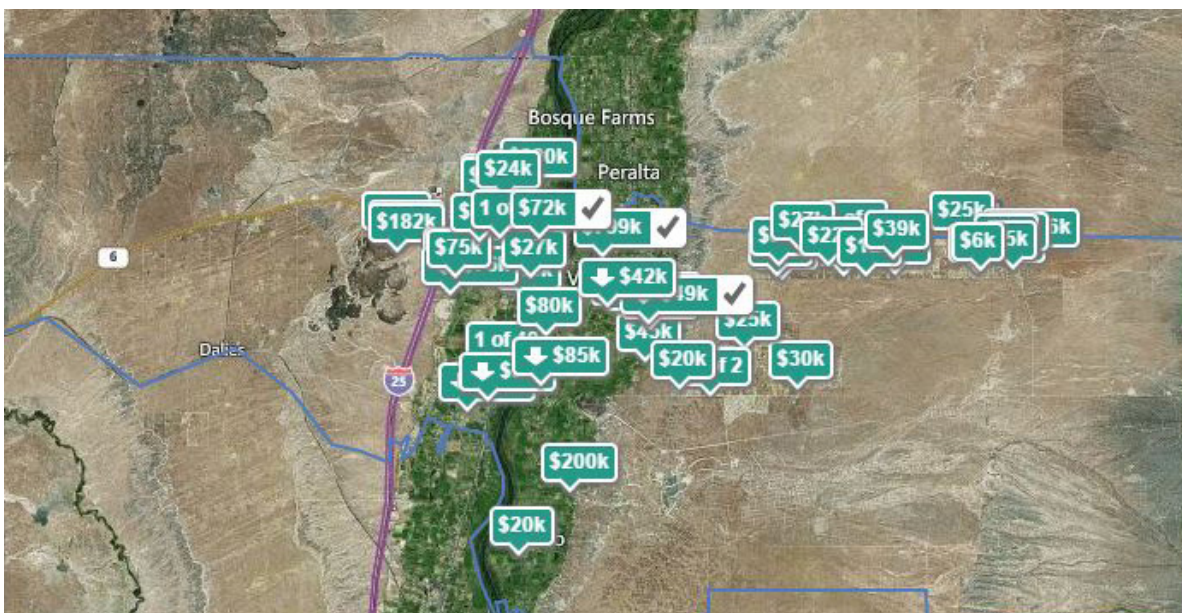
- Casa Bonita
- Casa de Chavez
- Hill Ridge Apartments
- Hilltop Terrace Apartments
- Ventana Cove

Current Units for Sale

There were a total of 302 homes listed for sale in the Village of Los Lunas for the month of December, 2014. Mobile homes ranged from \$20,000 to \$240,000. The majority of homes for sale were 3-bedroom. A total of 52 homes for sale were over \$270,000. Current homes for sale can be found relatively evenly dispersed all over the Village. A majority of the homes listed under \$150,000 are found within the Meadow Lake community. The remaining homes listed for sale can be found throughout the Village and there is no observed connection between listed price and location.

TABLE 2.10 HOMES FOR SALE IN THE VILLAGE OF LOS LUNAS, NM							
Cost	Mobile Home	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom	5-Bedroom	Total
Under \$20,000							0
\$20,000-\$60,000	8		1	2	1		12
\$60,001-\$90,000	15		3	15	1		34
\$90,001-\$120,000	6		4	31	7		48
\$120,001-\$150,000	4	1		26	8	1	40
\$150,001-\$180,000	3	1	2	20	8	2	36
\$180,001-\$210,000	1		3	16	9	2	31
\$210,001-\$240,000	1		4	10	5	6	26
\$240,001-\$270,000			2	9	10	2	23
Over \$270,000			4	23	23	2	52

As of December 2014.



Units for sale as listed on realtor.com.

SECTION 2: COMMUNITY & HOUSING PROFILE

Current Vacant Land for Sale

There are a number of lots for sale in the Village of Los Lunas and Valencia County. In Los Lunas, the least expensive property listed on realtor.com is priced at \$500 for a .25 acre lot. The highest priced lot is listed for \$2,158,069 for 22.02 acres. Lots for sale that are north and south of Main Street and to the west of Juan Perea Road are more expensive with respect to the ratio of lot size to asking price, than other lots listed for sale throughout the Village. On the remaining County land, the least expensive property listed is priced at \$500 for a .5 acre lot. The most expensive property is listed at \$5,630,000 and is 28.72 acres.

Land and Development Costs

The cost of land is generally dependent on the provision of services. Therefore, land in the Village is generally going to be more expensive than land within the unincorporated area of Valencia County. Based on the land currently for sale in the Village of Los Lunas, the average cost for agriculturally zoned land is \$1.07 per square foot \$1.21 per square foot for residentially zoned land. In Valencia County, the average cost for agricultural land is \$30,000 per acre and \$9,000 per acre for residential land.

According to the developer of Huning Ranch, development costs in that project were estimated to average \$28,350 per lot for on-site and off-site expenses. This cost does not include water rights or impact fees. Impact fees for the Huning Ranch area have been \$6,112 per single family lot and include water, sewer, and parks. Including development costs and impact fees, total costs for the builder were estimated at \$34,462.

Planned Growth

Most of the subdivision activity in the unincorporated area of Valencia County has involved lot splits. There are also numerous platted residential subdivisions and master planned communities that are in various stages of development within the Village and the County. These subdivisions and master planned communities include:

- **Rancho Valencia Master Plan**: Rancho Valencia is located within the Village, south of Main Street and adjacent to Camelot Boulevard. The project includes 388 platted lots, 98 of which have been fully developed. Twilight Homes and Abrazo Homes are the builders.
- **Rio Communities Townhomes**: This project is comprised of 70 townhomes in the Rio Communities Master Plan area in Valencia County.
- **Village of Los Lunas Transportation Center**: This Village-owned project is located off of NM 314 and Courthouse Road and is the current site of the Transportation Center building. The Village has identified a portion of this site as appropriate for land donation towards an affordable housing project. A Master Plan was created for Phase II of the Transportation Center that highlights possibilities for future improvements. The Master Plan provides a mixed use layout that includes civic, commercial, high density residential, medium density residential, low density residential, park and open space, and plaza uses. Residential uses are restricted to three-story and two-story residential units.
- **Sierra Madre Master Plan**: This project is comprised of 835 acres and is located north of Meadow Lake Road. There are two small commercial areas within the master plan. The total number of lots within the master plan is anticipated to range between 3,000 to 3,500.

SECTION 2: COMMUNITY & HOUSING PROFILE

- Las Brisas: This project consists of 114 total lots, 87 of which have been fully developed. It is approximately 76% built out.
- Tomé Vista Subdivision: This project is located approximately three miles east of Highway 47 just off State Road 263, along the Manzano Expressway Corridor. The subdivision is 131 acres with 32.5 acres of open space/ponding. When completed, there will be a total of 512 lots.
- Huning Ranch: The Huning Ranch Master Plan is located within the Village of Los Lunas on the west side of I-25. The Huning Ranch Area Plan was created for a 2,800 acre mixed use master planned community. At full build-out, Huning Ranch will include 6,863 residential units, of which 580 are multi-family units located within two tracts near the Morris Road extension. These are controlled by Huning Limited and are not part of Curb South's project. It also includes approximately 83 acres of commercial, three school sites, recreational and park facilities, and open space.

There are 918 homes that have been built in Huning Ranch area to date. Approximately 280 homes are left to develop from the existing inventory. An additional 4,000 units are pending dependent on the platting, not including Jubilee, an active adult community. There are no units or lots that have been set aside for affordable housing in Huning Ranch. A builder that was under contract was planning to price entry level homes starting around \$120,000. However, the prices were not determined prior to termination of this builder's contract.

- Jubilee at Los Lunas: This project is an active adult community (55+) and includes 422 platted lots, 123 of which have been fully developed. It is approximately 29% built-out.
- Las Maravillas - The Valley Improvement Association (VIA) is a not for profit land owner/homeowner association that manages the Rio del Oro subdivision, which is made up of 47,000 acres of property. The major development within Rio del Oro is located 7 miles from Belen and 23 miles from Albuquerque, east of Interstate 25, Tome, Los Chavez, and Belen and south of Los Lunas, Bosque Farms, and Peralta. Within that subdivision there are two housing developments, Las Maravillas and Pasitos del Cielo. Las Maravillas is just east of the University of New Mexico Valencia Campus and the Manzano Express Way and north of South Rio del Oro Loop. There are three units within Las Maravillas, one of which is managed by the VIA. Units 1 and 2 are completely built out. Unit 1 has 300 developed lots and Unit 2 has 139 developed lots. Units 2 and 3 are managed by the Good Neighbor Homeowners Association. There are a total of 82 lots available in Unit 3; a private investor owns 27 of those lots, which have utilities available. Another investor owns 55 of the lots in Unit 3 and those lots have utilities up to the beginning of the development, but not to the lot line.

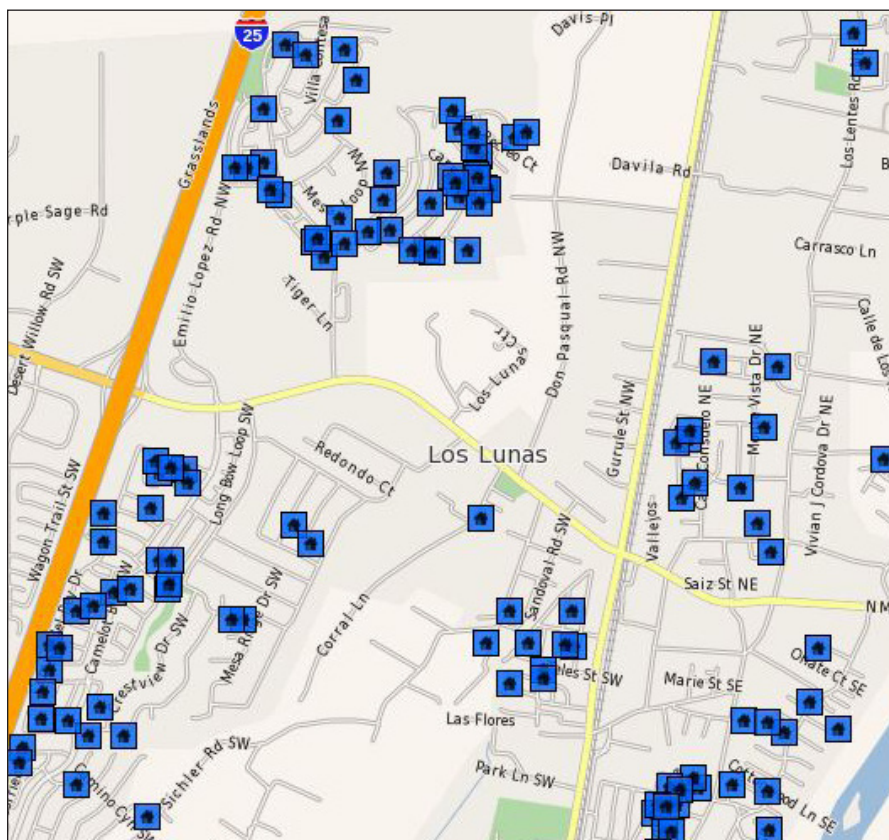
Pasitos del Cielo is made up of five areas. Areas 1, 2, and 3 are fully developed. Area 5 has 127 lots available, including 28 lots that are owned by the MFA and available for sale.

SECTION 2: COMMUNITY & HOUSING PROFILE

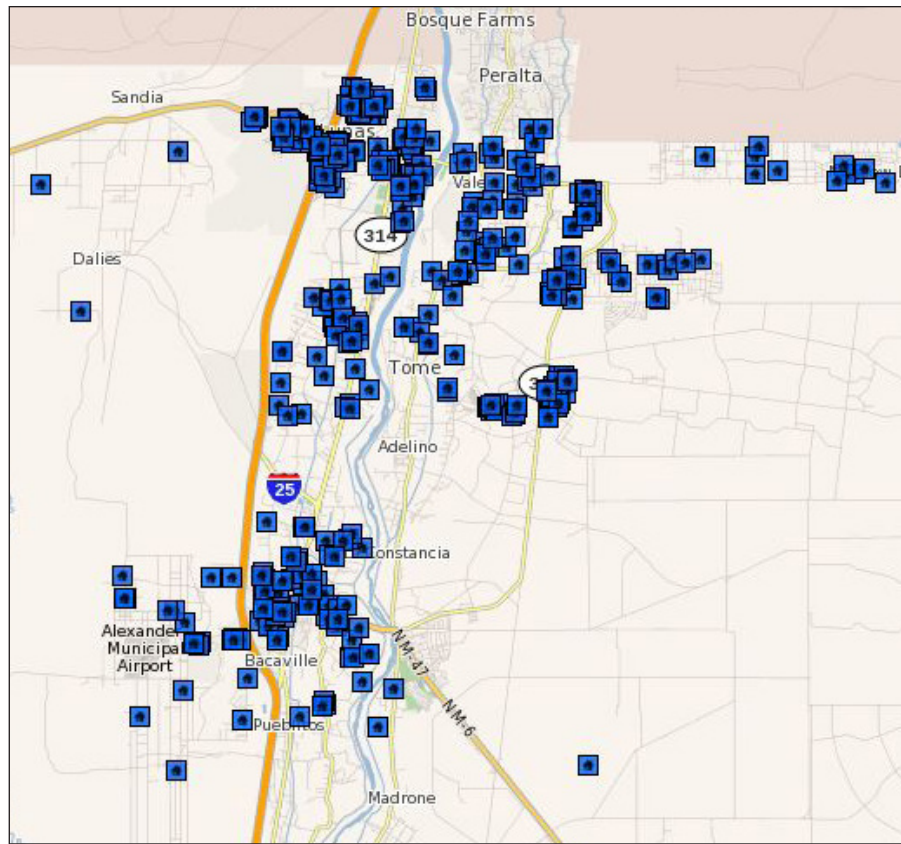
Single Family Homes for Sale in Los Lunas and Valencia County

Between November 2013 and November 2014, there were 123 single-family homes sold in the Village of Los Lunas (see *Los Lunas map* below). Of those 123 homes, 7 were mobile homes. The homes averaged 77 days on the market. The average asking price of the homes was \$151,488 and the average selling price was \$145,725. The average price change from the listed price to selling price was \$12,887, or a decrease of 8.82%.

During the same time period, there were 503 single-family homes sold in Valencia County (see *Valencia County map, next page*). Of those 503 homes, 89 were mobile homes. The homes averaged 97 days on the market. The average asking price for those homes was \$129,999 and the average selling price was \$122,491. The average price change from the listed price to the selling price was \$14,176, or a decrease of 11.65%.



Single family homes sold in the Village of Los Lunas.



Single family homes sold in Valencia County.

Housing Costs by AMI and Income

Table 2.11 provides the monthly and annual costs for rental housing and bedroom size, and the necessary annual income need (not to exceed 30% of household income). Average market rents per the number of bedrooms is based on the Mid-May 2014 Apartment Study. Annual rental expenses is based on the monthly rent multiplied by 12 months. It should be noted that the necessary annual income when correlated to the income category hinges on the assumed number of persons per household. Market rents for one, two, and three bedroom units require an annual income within the 51-80% AMI for the assumed household size shown, but this will vary in actuality. Based on these monthly rents and assumptions of household size, greater than half of renter households earning from 0 to 80% AMI would be considered cost burdened.

TABLE 2.11: VALENCIA COUNTY RENT LEVELS AND AMI BY BEDROOM SIZE					
Unit Size	Mid May 2014 Apartment Survey	Annual Rental Expenses 1/	Necessary Annual Income 1/ 2/	2014 Adjusted Median Income Category (minimum)	Assumed Household Size
Studio	n/a	n/a	n/a	n/a	1
One Bedroom	\$570	\$6,840	\$22,800	0-30% AMI	2
Two Bedroom	\$613	\$7,356	\$24,520	31-50% AMI	4
Three Bedroom	\$688	\$8,256	\$27,520	31-50% AMI	6
Four Bedroom	\$775	\$9,300	\$31,000	51-80% AMI	8

1/ Income needed for payment not to exceed 30% of resources (i.e., monthly rent multiplied by 12 months equals annual rental expenses. Rental expenses are assumed to account for no greater than 30% of household income).

2/ Also subject to consumer credit.

SECTION 2: COMMUNITY & HOUSING PROFILE

The rental gap for Valencia County is provided in Table 2.11b. Note that according to the American Community Survey, the Valencia County median income in 2013 is estimated at \$40,100 for households. This is far less than the current HUD median income standard of \$56,430 being used for the Albuquerque MSA consisting of Bernalillo, Sandoval, and Valencia counties combined. The Albuquerque MSA standard will produce different statistical results and understate the need evident in the County area.

TABLE 2.11(b): RENTAL GAP IN VALENCIA COUNTY					
Albuquerque MSA Area Median Income (AMI) 1/ 3/	Annual Income	Monthly Income	Affordable Housing Cost, 30% of Income	Market Rate Housing Cost 2/	Gap, Subsidy Required
0%	\$0	\$0	\$0	\$616	(\$616)
30%	\$20,090	\$1,674	\$502	\$616	(\$114)
50%	\$26,750	\$2,229	\$669	\$616	n/a
60%	\$33,800	\$2,817	\$845	\$616	n/a
80%	\$42,750	\$3,563	\$1,069	\$616	n/a
100%	\$56,430	\$4,703	\$1,411	\$616	n/a

Assumptions: income for a 3 person household and market rate for a 2-bedroom unit.

1/ HUD Median Income for Albuquerque Metro Area (median income specific to Valencia County not used).

2/ Valencia County median rent from 2014 MFA rental survey.

3/ Median income from the ACS specific to Valencia County in CY 2013 is \$12,000 to \$15,000/yr less than the income shown.

Table 2.12 provides data on income, cost burden, and price gap by AMI range for the Village of Los Lunas and Valencia County. The 2014 HUD median incomes are based on a family of four with perfect credit, the resources for the down payment (5 to 20%), and zero or limited consumer credit obligations. Median home sales are based on recent home sales activity as presented in the previous section. Price gaps occur for both the Village and the County at the 50% AMI range with an annual income of \$29,900. For the Village of Los Lunas, there is a price gap of \$38,900, and for Valencia County, there is a price gap of \$12,491.

TABLE 2.12: VILLAGE OF LOS LUNAS AND VALENCIA COUNTY HOUSING COST BY AMI AND INCOME					
2014 Valencia County Percent of the Median	2014 HUD Median Income	30% Monthly Available	Maximum Purchase Price Factoring Consumer Debt Burden 1/ 2/	Price Gap at Median Home Valuation/Sales Levels	
				Los Lunas: \$148,900 3/	Valencia County: \$122,491 3/
120% of AMI	\$69,360	\$1,734	\$260,000	n/a	n/a
100% of AMI	\$57,800	\$1,445	\$215,000	n/a	n/a
80% of AMI	\$47,850	\$1,196	\$185,000	n/a	n/a
50% of AMI	\$29,900	\$748	\$110,000	-\$38,900	-\$12,491

1/ Assumes standard FHA underwriting, taxes and insurance, downpayment of 5%, 30 year amortization at market and purchase price reduction to accommodate typical consumer debt loads.

2/ Also subject to consumer credit and availability of downpayment resources.

3/ Median home sales from current sales data per Housing Market Analysis.

To reiterate, the Albuquerque MSA median income has been used in Table 2.12 and significantly over-states home purchase affordability based on the fact that actual median income is about 25% less than shown per the U.S. Census, American Community Survey.

County Property Valuations

According to the New Mexico Department of Finance and Administration, annual residential property values in Valencia County have increased on an annual basis since 2008 (see Table 2.13). The overall increase from 2008 to 2013 was 20.72%. In 2013, the residential property value for Valencia County was \$910,969,540. For more detail on ownership values in Los Lunas and Valencia County, see Section 3: Housing Needs Assessment.

TABLE 2.13: ANNUAL PROPERTY VALUES IN VALENCIA COUNTY							
	2008	2009	2010	2011	2012	2013	% Change 2008-2013
Residential Property Value	\$754,593,127	\$817,403,424	\$831,901,035	\$861,598,007	\$883,514,742	\$910,969,540	20.72%

Source: NM Department of Finance and Administration.

Building Permits and Mobile Home Placements

From January 2009 to October 2014, there were 990 residential building permits issued by the Village of Los Lunas (see Table 2.14). The permits included 406 for new buildings, 159 for additions, 71 for alterations or repairs, 289 for re-roofs, and 65 for foundation repairs. Approximately 43% of the residential building permits were for rehabilitation work (alteration/repair, reroof, foundation repair). As of October 2014, there were 145 residential building permits issued by the Village, of which 50 (34%) were for rehabilitation.

According to Valencia County, there were 576 residential building permits issued between January 2009 through October 2014 (data excludes 2012 data, which is unavailable). The permits included 206 for new buildings, 86 for additions, 170 for auxiliary structures such as garages and carports, and 114 (20%) for rehab, repair, or alterations (see Table 2.14). As of October 2014, there was a total of 120 residential building permits issued by the County, with 10 permits (8%) issued for rehabilitation purposes. It should be noted that building permit information from both the Village and the County does not differentiate between site built homes and mobile homes.

TABLE 2.14: RESIDENTIAL BUILDING PERMITS, 2009 - 2014**						
Village of Los Lunas						
Year	New Dwelling	Addition	Alteration/Repair	Reroof	Foundation Repair	Total
2009	122	21	13	42	2	200
2010	91	32	9	35	8	175
2011	55	31	17	88	16	207
2012	45	23	15	51	16	150
2013	33	17	16	39	8	113
2014	60	35	1	34	15	145
Total	406	159	71	289	65	990
Valencia County						
Year	New Dwelling	Addition	Alteration/Repair	Reroof*	Auxiliary Structures	Total
2009	95	42	39		26	202
2010	39	9	36		36	120
2011	19	8	18		11	56
2013	22	11	11		34	78
2014	31	16	10		63	120
Total	206	86	114	0	170	576

Source: Village of Los Lunas and Valencia County.

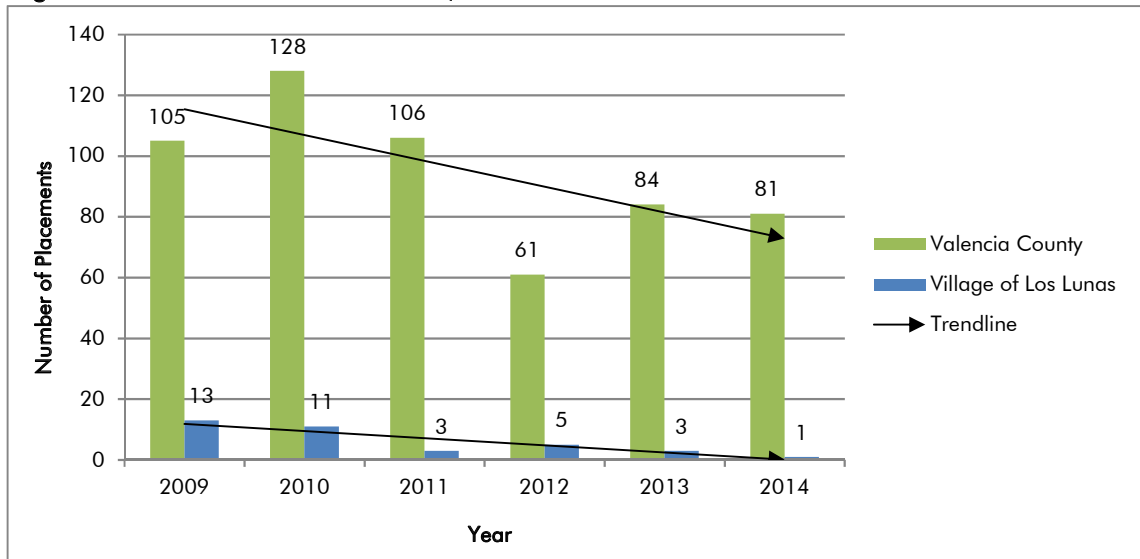
* Reroof data is unavailable for Valencia County, but is assumed to be included under Alteration/Repair.

**2012 residential building permit data is unavailable for Valencia County.

SECTION 2: COMMUNITY & HOUSING PROFILE

Mobile home placements in the unincorporated portion of Valencia County have far exceeded the number of building permits for new dwellings, and show a general downward trend from 2009 through 2014 and the greatest numbers between 2009 and 2011 (see *Figure 2.11*). Between 2013 and 2014, the number of placements stayed relatively consistent. For Los Lunas, the number of mobile home placements has stayed low, and also show a general downward trend during the same time period. This decline is likely due to the closure of the largest mobile home park in the Village in 2009.

Figure 2.11: Mobile Home Placement, 2009-2014



Source: Village of Los Lunas and Valencia County

Foreclosures

Information was analyzed from the HUD Neighborhood Stabilization Program (NSP) 3 data that offer insights into foreclosure activity and issues within Valencia County and the Village of Los Lunas. All census tracts within Valencia County were assigned a foreclosure risk assessment from 4 to 13, less than the state minimum qualifying score of 14, and above which indicates a high risk assessment and threshold for NSP 3 resources. In mid-2010, less than 1% of residential addresses were vacant and had not received mail within the last 90 days. From mid-2009 to mid-2010, approximately 420 foreclosures were commenced and 121 REOs were completed. Currently, 46 pre-foreclosures and 5 bank-owned properties are evident in the Village of Los Lunas and a total of 265 pre-foreclosures and 54 bank-owned properties within Valencia County, per RealtyTrac.

Approved and Denied Mortgage Loans

Data was analyzed from the Home Mortgage Disclosure Act on-line database and provides aggregated mortgage lending information for Valencia County. Data is reported annually by individual institutions. In 2013, 63 home purchase loan applications were approved, while 198 loan applications were denied. Home purchase loans include FHA, FSA/RHS, VA, and Conventional.

3.1 INTRODUCTION

This section of the Affordable Housing Plan builds upon the Community and Housing Profile and identifies the affordable housing needs in the community. Housing needs are identified by for sale housing, rental housing, and special needs populations. A brief overview of housing conditions in Los Lunas and Valencia County is also included in this section.

3.2 HOUSING INVENTORY CHARACTERISTICS

As noted on Table 3.1 below, current occupied inventory for the Village of Los Lunas are estimated at 76% ownership and 24% rental, while 80% ownership and 20% rental for Valencia County. In Los Lunas, rental properties are rather evenly distributed among single-family, townhome/condos and mobile homes, while ownership is comprised of predominantly detached, single family (78%), and mobile homes. In Valencia County, rental is mostly comprised of single family and mobile homes and much the same for ownership.

TABLE 3.1: HOUSING INVENTORY BY TENURE AND TYPE						
Unit Type (Units In Structure)	Village of Los Lunas	Percent Distribution	Valencia County	Percent Distribution	New Mexico	Percent Distribution
2008-2012 Average From American Community Survey						
Renter-Occupied	1,289	100%	5,518	100%	231,840	100%
Detached Unit (One)	357	28%	2,127	39%	85,198	37%
Attached Unit (One)	214	17%	397	7%	11,186	5%
2 Multi-family (Units)	0	0%	101	2%	12,081	5%
3 or 4 Multi-family (Units)	238	18%	439	8%	26,271	11%
5-9 Multi-family (Units)	153	12%	178	3%	19,893	9%
10 or more Multi-family (Units)	112	9%	371	7%	47,813	21%
Mobile Home or Other Type	215	17%	1,905	35%	29,398	13%
Owner-Occupied	4,169	100%	21,915	100%	530,162	100%
Detached Unit (One)	3,250	78%	14,556	66%	411,989	78%
Attached Unit (One)	258	6%	559	3%	17,954	3%
2 Multi-family (Units)	9	0%	0	0%	1,426	0%
3 or 4 Multi-family (Units)	0	0%	0	0%	1,817	0%
5-9 Multi-family (Units)	0	0%	0	0%	1,104	0%
10 or more Multi-family (Units)	0	0%	0	0%	1,333	0%
Mobile Home or Other Type	652	16%	6,800	31%	94,539	18%
2000 US Census						
Renter-Occupied	829	100%	3,649	100%	203,536	100%
Detached Unit (One)	290	35%	1,338	37%	72,154	35%
Attached Unit (One)	56	7%	174	5%	12,457	6%
2 Multi-family (Units)	62	7%	172	5%	11,129	5%
3 or 4 Multi-family (Units)	127	15%	287	8%	21,184	10%
5-9 Multi-family (Units)	63	8%	101	3%	15,100	7%
10 or more Multi-family (Units)	155	19%	316	9%	46,537	23%
Mobile Home or Other Type	76	9%	1,261	35%	24,975	12%
Owner-Occupied	2,689	100%	19,022	100%	474,435	100%
Detached Unit (One)	1,934	72%	11,928	63%	349,779	74%
Attached Unit (One)	266	10%	611	3%	18,418	4%
2 Multi-family (Units)	0	0%	19	0%	1,620	0%
3 or 4 Multi-family (Units)	8	0%	22	0%	1,800	0%
5-9 Multi-family (Units)	0	0%	0	0%	933	0%
10 or more Multi-family (Units)	0	0%	0	0%	1,285	0%
Mobile Home or Other Type	481	18%	6,442	34%	100,600	21%

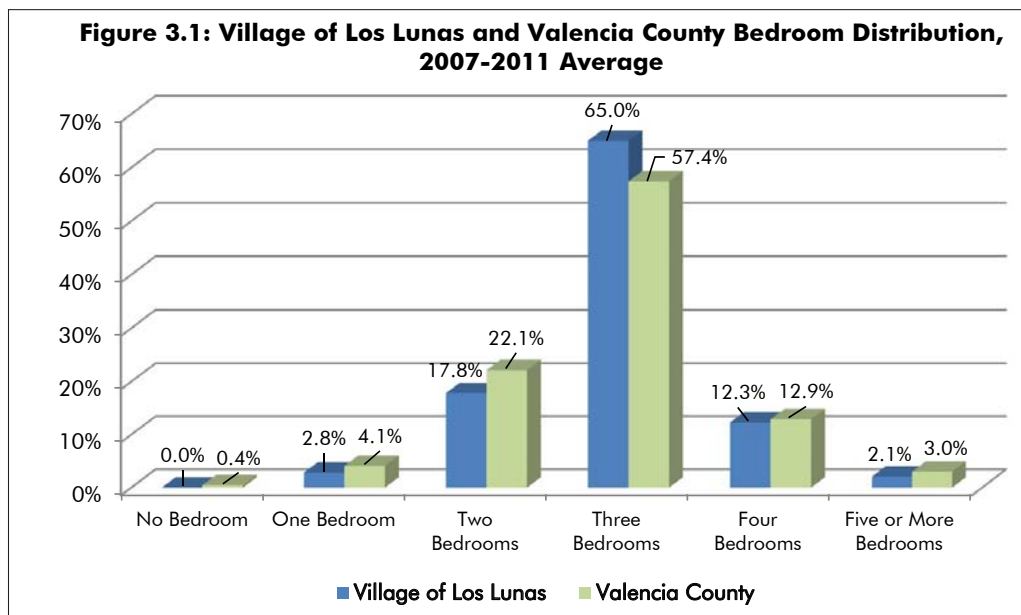
Source: 2008-2012 American Community Survey 5-Year Estimates and 2000 Census.

SECTION 3: HOUSING NEEDS ASSESSMENT

According to the American Community Survey, the bedroom mix of the Village of Los Lunas and Valencia County housing inventories is weighted towards three-bedroom units, with 65.0% and 57.4% respectively (see Table 3.2 and Figure 3.1). Two-bedroom units are the second most common for both the Village (17.8%) and the County (22.1%).

TABLE 3.2: NUMBER OF BEDROOMS IN HOUSING INVENTORY			
Number of Bedrooms	Village of Los Lunas	Valencia County	New Mexico
2007-2011 Average From American Community Survey			
Total Housing Units	5,824	29,781	896,228
No Bedroom	0	132	23,901
One Bedroom	164	1,221	86,439
Two Bedrooms	1,037	6,594	232,579
Three Bedrooms	3,787	17,099	409,758
Four Bedrooms	715	3,839	124,509
Five or More Bedrooms	121	896	19,042
2000 Census			
Total Housing Units	3,528	22,681	780,579
No Bedroom	44	242	31,217
One Bedroom	361	1,835	102,120
Two Bedrooms	685	5,239	218,761
Three Bedrooms	2,121	12,510	331,247
Four Bedrooms	277	2,463	84,558
Five or More Bedrooms	40	392	12,676

Source: 2007-2011 American Community Survey 5-Year Estimates and 2000 Census.



Source: 2007-2011 American Community Survey 5-Year Estimates.

Rental vacancy rates in Los Lunas are currently estimated at 6.1%, and 8.3% for all of Valencia County (see Table 2.7). This indicates that from a sheer inventory perspective, there is a limited need for rental housing. However, this Affordable Housing Plan presents the need and demand for both ownership and rental housing based on the incidence of distress faced by lower income households and the supply available at needed price points.

3.3 HOUSING CONDITION

To determine the existing housing conditions in the Village and the County, Consensus Planning made several site visits and held discussions with the Affordable Housing Steering Committee and the Village of Los Lunas Code Enforcement Division. Based on these observations and discussion, the Village of Los Lunas and Valencia County contains a mix of single family, multi-family, and mobile homes in varying condition and size. There is also some evidence of people living in RVs; however, they are not permitted as permanent residency in Los Lunas or Valencia County. According to the Census Bureau, there were an estimated 867 mobile home properties within the Village, which represents 14.9% of the total housing units, and 8,705 within Valencia County, which represents 29% of the total housing units.

Relative to rehabilitation needs, the Village Code Enforcement staff estimates 13% of the existing housing stock in the Village to have major rehabilitation needs and the County Code Enforcement estimates its rehabilitation needs at 60%. The Affordable Housing Steering Committee acknowledged the range in housing condition from very poor to good, but rated the overall housing condition in Los Lunas as a B grade and as a C- to D grade in Valencia County. In addition, according to the type of residential building permits issued from January 2009 to October 2014 (see *Table 2.13*), it appears there is a relatively high level of rehabilitation needs within both the Village of Los Lunas and Valencia County. However, the Steering Committee and the Village Building Department staff strongly feel that there was far greater rehabilitation needs within Valencia County than the building permit data showed. Valencia County does not have a building department, and therefore, no longer provides plan review for building permits, but instead relies on the State Construction Industries Division to perform that function. As a result, many property owners do not apply for building permits in Valencia County.

The following photos show a sample of the various housing types, including units with rehabilitation needs and others in good condition located in some of the newer developments:



SECTION 3: HOUSING NEEDS ASSESSMENT





3.4 HOUSING NEED BY INCOME CATEGORY

The research methodology used to estimate and project gross affordable housing needs involved the application of ratios of households in distressed conditions evident in 2007 through 2011 (average). A household residing in distressed condition contains at least one or more of the following problems per federal standards:

- Paying more than 30% of their disposable income for housing;
- Lacking plumbing facilities;
- Lacking kitchen facilities; or
- Overcrowded, with more than 1.01 persons/room.

Current households in distress are presented below by tenure and income category. The emphasis of affordable housing program design is oriented to those households earning less than 80% of the area adjusted median. Within the Village of Los Lunas and Valencia County, the following income ranges are relevant for an average family size of four:

- Earning less than \$23,850/annum or under 30% of the Adjusted Median Income (AMI).
- Earning from \$23,851-\$29,900 or from 31% to 50% of the AMI.
- Earning \$29,901- \$47,850 or from 51% to 80% of the AMI.
- Earning \$47,851-\$57,800 or from 81 to 100% of the AMI.
- Earning over \$57,801 or more than 100% AMI.

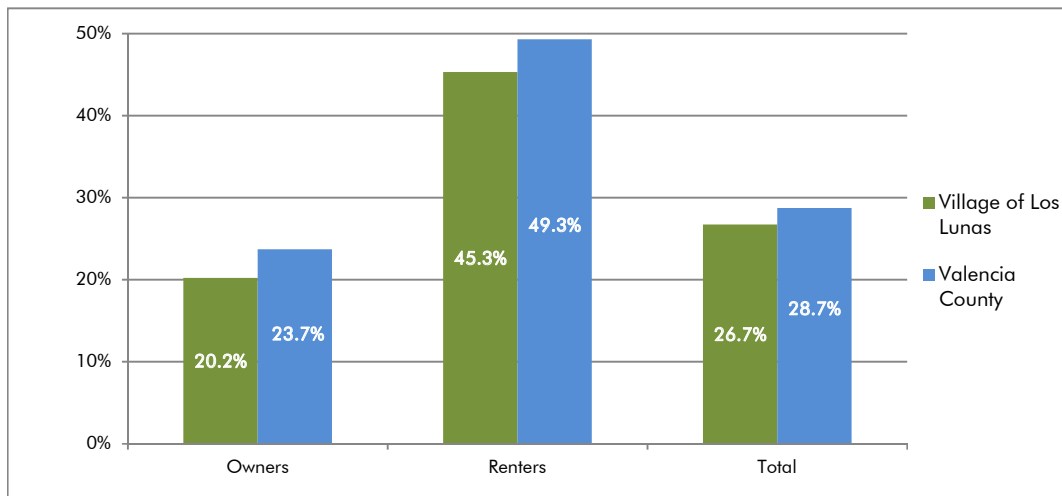
SECTION 3: HOUSING NEEDS ASSESSMENT

TABLE 3.3: DISTRESSED HOUSEHOLDS BY INCOME BRACKET AND TENURE									
Household Income Category	Village of Los Lunas			Valencia County			New Mexico		
	Owners	Renters	Total	Owners	Renters	Total	Owners	Renters	Total
Earning 0-30% AMI	230	265	495	1,815	1,180	2,995	28,385	37,920	66,305
Earning 31-50% AMI	240	280	520	1,635	740	2,375	26,630	30,645	57,275
Earning 51-80% AMI	355	105	460	1,770	725	2,495	34,475	25,560	60,035
Earning More Than 81% AMI	485	95	580	1,740	245	1,985	54,825	11,700	66,525
Total With Problems	1,310	745	2,055	6,960	2,890	9,850	144,315	105,825	250,140
Total Households	4,085	1,435	5,520	22,025	5,365	27,390	530,160	231,840	762,000
% Of Total Earning Less Than 80% AMI With Problems	20.2%	45.3%	26.7%	23.7%	49.3%	28.7%	16.9%	40.6%	24.1%

Source: US Department of Housing and Urban Development and American Community Survey Average 2007-2011.

As shown in Figure 3.2, owner and renter households earning less than 80% AMI in both Los Lunas and Valencia County have relatively comparable proportions of distress. The actual number of those households in distress are shown by AMI range in Figures 3.3 and 3.4. While renters are more likely to be distressed for households earning less than 80% AMI, distress among owner households is substantially more pronounced in Valencia County. This may be explained, in part, by the significant percentage of mobile homes in the region.

Figure 3.2: Percent of Distressed Households Earning Less than 80% AMI, 2007-2011



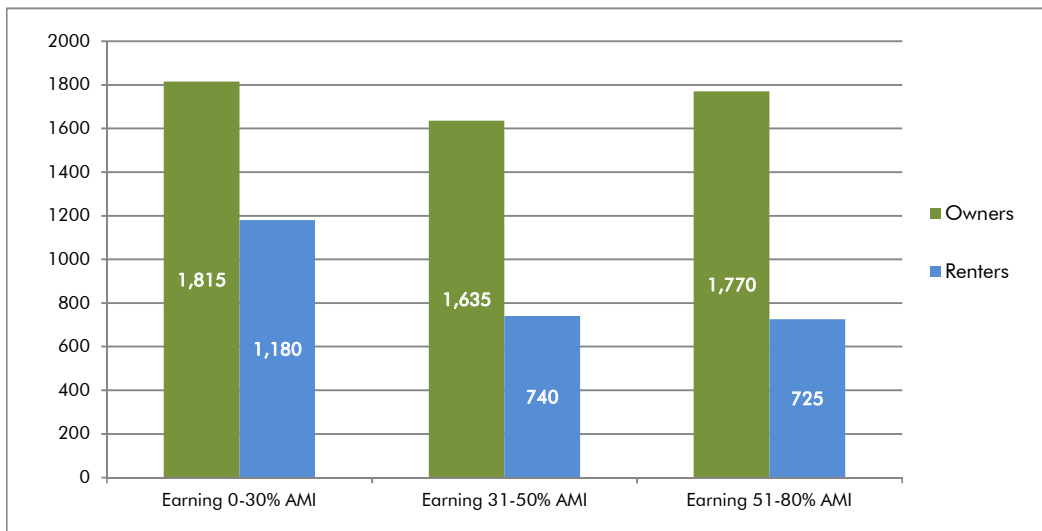
Source: US Department of Housing and Urban Development & American Community Survey, 2007-2011.

Figure 3.3: Village of Los Lunas Distressed Households by AMI, 2007-2011



Source: US Department of Housing and Urban Development & American Community Survey, 2007-2011.

Figure 3.4: Valencia County Distressed Households by AMI, 2007-2011



Source: US Department of Housing and Urban Development & American Community Survey, 2007-2011.

SECTION 3: HOUSING NEEDS ASSESSMENT

3.5 COST BURDEN

Cost burden in Los Lunas and Valencia County is prevalent and motivates the need and demand for affordable housing within the community (see *Table 3.4*). In Los Lunas, cost burden is most pronounced for renters within small and elderly households, regardless of income. For owner households, cost burden is more equally dispersed among elderly, small, and other (one-person) households in all income categories (see *Table 3.5*). Large households are generally not found to be as cost burdened in comparison to other household types.

TABLE 3.4: COST BURDEN BY INCOME CATEGORY AND TENURE				
Village of Los Lunas	Renter Households		Owner Households	
Percent With Cost Burden	(>30% of income)	(>50% of income)	(>30% of income)	(>50% of income)
2007-2011 American Community Survey Average				
Earning < 30% of the Median	84.0%	74.0%	90.0%	72.0%
Earning 31-50% AMI	83.0%	26.0%	74.0%	38.0%
Earning 51-80% AMI	31.0%	0.0%	55.0%	13.0%
2000 Census				
Earning < 30% of the Median	64.0%	45.0%	53.0%	32.0%
Earning 31-50% AMI	75.0%	30.0%	59.0%	39.0%
Earning 51-80% AMI	37.0%	0.0%	45.0%	9.0%
Valencia County	Renter Households		Owner Households	
Percent With Cost Burden	(>30% of income)	(>50% of income)	(>30% of income)	(>50% of income)
2007-2011 American Community Survey Average				
Earning < 30% of the Median	81.0%	72.0%	78.0%	56.0%
Earning 31-50% AMI	66.0%	31.0%	57.0%	30.0%
Earning 51-80% AMI	44.0%	0.1%	43.0%	13.0%
2000 Census				
Earning < 30% of the Median	64.0%	52.0%	65.0%	49.0%
Earning 31-50% AMI	59.0%	11.0%	51.0%	29.0%
Earning 51-80% AMI	29.0%	0.5%	37.0%	9.3%
New Mexico	Renter Households		Owner Households	
Percent With Cost Burden	(>30% of income)	(>50% of income)	(>30% of income)	(>50% of income)
2007-2011 American Community Survey Average				
Earning < 30% of the Median	72.1%	60.1%	67.6%	48.8%
Earning 31-50% AMI	71.8%	27.3%	50.1%	28.1%
Earning 51-80% AMI	40.6%	6.0%	39.2%	13.3%
2000 Census				
Earning < 30% of the Median	74.0%	69.0%	69.0%	59.0%
Earning 31-50% AMI	64.0%	22.0%	58.0%	37.0%
Earning 51-80% AMI	35.0%	5.0%	51.0%	20.0%

Source: HUD Special Census Runs from the 2007-2011 American Community Survey 5-Year Estimates and 2000 Census.

TABLE 3.5: VILLAGE OF LOS LUNAS WITH COST BURDEN MORE THAN 30% AMI BY HOUSEHOLD TYPE, 2007-2011										
Percent with Cost Burden	Renter Households					Owner Households				
	Elderly Households (<2)	Small Households (2-4)	Large Households (5+)	Other Households (1)	Total Renters	Elderly Households (<2)	Small Households (2-4)	Large Households (5+)	Other Households (1)	Total Owners
Earning > 30% AMI	10	235	0	20	265	95	90		40	225
Earning 31%-50% AMI	75	175	0	35	285	75	30	60	75	240
Earning 51%-80% AMI	4	95	0	0	99	85	95	25	150	355
Total	89	505	0	55	649	255	215	85	265	820

Source: US Department of Housing and Urban Development and American Community Survey Average, 2007-2011.

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In Valencia County, cost burden for renter households is most evident for persons earning less than 30% AMI and the highest among small households (2-4) regardless of income category (see Table 3.6). Elderly, large (>5) and other (one-person) households all seem to comprise the balance of need among renters. Generally speaking, small (2-4) and elderly households tend to comprise the greatest need among owners regardless of income category.

TABLE 3.6: VALENCIA COUNTY WITH COST BURDEN MORE THAN 30% AMI BY HOUSEHOLD TYPE, 2007-2011

Percent with Cost Burden	Renter Households					Owner Households				
	Elderly Households (<2)	Small Households (2-4)	Large Households (5+)	Other Households (1)	Total Renters	Elderly Households (<2)	Small Households (2-4)	Large Households (5+)	Other Households (1)	Total Owners
Earning > 30% AMI	120	595	270	194	1,179	710	585	280	235	1,810
Earning 31%-50% AMI	110	450	60	120	740	470	710	140	250	1,570
Earning 51%-80% AMI	194	375	40	180	789	375	695	150	415	1,635
Total	424	1,420	370	494	2,708	1,555	1,990	570	900	5,015

Source: US Department of Housing and Urban Development and American Community Survey Average, 2007-2011.

The valuation of the ownership inventory is provided in Table 3.7, which indicates a median of \$148,900 for Los Lunas and \$132,700 for Valencia County. Since 2000, it is apparent the nature and pricing of residential property in Los Lunas has changed dramatically upwards, which could be at least partially attributed to the new housing developments (Huning Ranch and Rancho Valencia) built since that time.

TABLE 3.7: VALUATION OF OWNERSHIP HOUSING INVENTORY

Owner-Occupied Housing Units	Village of Los Lunas	Valencia County	New Mexico
2007-2011 Average From American Community Survey			
Total	4,083	22,024	530,162
Less Than \$50,000	285	2,533	69,959
\$50,000-\$99,999	592	4,841	81,056
\$100,000-\$149,999	1,191	5,401	88,005
\$150,000-\$199,999	647	3,330	92,415
\$200,000-\$299,999	863	3,381	102,613
\$300,000-\$499,999	447	1,981	63,413
\$500,000-\$999,999	49	418	26,523
Greater Than \$1,000,000	9	139	6,178
Median	\$148,900	\$132,700	\$161,800
2000 US Census			
Total	2,132	11,544	340,158
Less Than \$50,000	59	528	44,746
\$50,000-\$99,999	1,008	4,527	109,097
\$100,000-\$149,999	509	3,622	91,528
\$150,000-\$199,999	392	1,770	45,314
\$200,000-\$299,999	133	756	31,123
\$300,000-\$499,999	19	268	13,460
\$500,000-\$999,999	12	56	3,870
Greater Than \$1,000,000	0	17	1,020
Median	\$100,000	\$108,300	\$108,100

Source: 2007-2011 American Community Survey 5-Year Estimates and 2000 Census.

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Since the end of the Great Recession in 2012, housing values in both the Village of Los Lunas and Valencia County have been on the rise. However, a review of trends in HUD median income indicates it has been falling. This is also generally the case nationally. So despite healthier market conditions, consumer affordability is being compromised by falling or flat household income. Couple this fact with byproducts of the Great Recession like credit challenges and limited cash resources, household affordability for persons in the region have been compromised despite historically low interest rates. When interest rates ultimately rise, affordability in the region will become even more of a challenge. The affordability issues faced by the Village of Los Lunas and Valencia County are generally evident elsewhere in New Mexico and in much of the nation.

In Los Lunas, there are an estimated 1,290 households paying more than the federal standard of 30%, including those with and without a mortgage (see Table 3.8). Approximately 93% of these households hold a mortgage. In comparison, there are 6,741 households in Valencia County paying more than 30% of their income for housing, and approximately 82% hold a mortgage. For the state as a whole, approximately 82% of cost burdened households have a mortgage. The data indicates the incidence of homeowner cost burden in Los Lunas is extremely high, while Valencia County is similar to New Mexico. As shown in Table 3.4, overall cost burden for homeowners in New Mexico has generally remained the same or declined from 2000 to 2011, while it has risen somewhat in Valencia County and much more significantly in Los Lunas, which can be partially attributed to the new single family subdivisions and master plan communities.

TABLE 3.8: OWNERSHIP COSTS AS A PERCENT OF INCOME			
	2007-11 ACS Average With A Mortgage	2007-11 ACS Average No Mortgage	2000 US Census Total
Village of Los Lunas			
Less Than 20 Percent	1,082	722	883
20 to 24.9 Percent	550	70	306
25 to 29.9 Percent	329	29	318
30 to 34.9 Percent	265	11	163
Greater Than 35%	929	85	438
Not Computed	0	0	24
Total	3,155	917	2,132
Valencia County			
Less Than 20 Percent	4,683	5,482	5,667
20 to 24.9 Percent	2,486	628	1,617
25 to 29.9 Percent	1,576	327	1,076
30 to 34.9 Percent	1,178	289	857
Greater Than 35%	4,310	964	2,168
Not Computed	29	72	159
Total	14,262	7,762	11,544
State of New Mexico			
Less Than 20 Percent	125,285	161,839	189,771
20 to 24.9 Percent	48,198	12,139	42,044
25 to 29.9 Percent	35,251	8,009	29,773
30 to 34.9 Percent	26,618	5,613	19,918
Greater Than 35%	84,190	18,588	54,226
Not Computed	1,872	2,560	4,156
Total	321,414	208,748	339,888

Source: 2007-2011 American Community Survey 5-Year Estimates and 2000 Census.

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In Los Lunas, an estimated 1,397 occupied units were paying rent, with a median rent of \$695 (see Table 3.9). In comparison, there were an estimated 4,772 occupied units paying rent, with a median rental cost of \$694. The median gross rents for the Village and the County were slightly less than the state as a whole, which was \$713 per month.

TABLE 3.9: GROSS RENT DISTRIBUTION FOR OCCUPIED RENTALS			
Rent Distribution	Village of Los Lunas	Valencia County	New Mexico
2007-2011 Average From American Community Survey			
Total	1,397	4,772	211,502
Less Than \$200/Mo.	34	84	6,026
\$200-\$299	79	149	7,835
\$300-\$499	209	870	30,590
\$500-\$749	500	1,765	72,351
\$750-\$999	228	1,228	49,607
\$1,000-\$1,499	347	597	36,429
\$1,500 or more	0	79	8,664
Median	\$695	\$694	\$713
Not Paying Rent	37	593	20,338
2000 Census			
Total	777	3,205	181,450
Less Than \$200/Mo.	46	173	13,066
\$200-\$299	65	261	13,901
\$300-\$499	281	1,253	62,912
\$500-\$749	295	1,083	58,152
\$750-\$999	78	333	21,749
\$1,000-\$1,499	12	102	9,165
\$1,500 or more	0	0	2,505
Median	\$498	\$490	\$503
Not Paying Rent	52	421	19,458

Source: 2007-2011 American Community Survey 5-Year Estimates and 2000 Census.

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Rental cost burden by type is shown in Table 3.10. In Los Lunas, cost burden problems are heavily concentrated in properties with 5 or more units, whereas in the County, cost burden problems are concentrated among all unit types.

TABLE 3.10: RENTAL COST BURDEN BY TYPE				
Village of Los Lunas	Single Units (detached or not)	2 to 4 Units	5 or More Units	Mobile Homes/RVs
Total Units	584	317	222	139
Less than 20 Percent	240	53	0	49
20 to 24 Percent	42	36	9	0
25 to 29 Percent	85	28	0	0
30 to 34 Percent	62	52	44	0
35 Percent Or More	132	148	169	74
Not Computed	23	0	0	16
Greater Than 30%	33.2%	63.1%	96.0%	53.2%
Valencia County	Single Units (detached or not)	2 to 4 Units	5 or More Units	Mobile Homes/RVs
Total Units	1,543	328	387	1,269
Less than 20 Percent	523	161	30	362
20 to 24 Percent	122	66	30	140
25 to 29 Percent	254	103	52	84
30 to 34 Percent	159	71	86	78
35 Percent Or More	910	257	301	945
Not Computed	474	0	0	246
Greater Than 30%	69.3%	100.0%	100.0%	80.6%

Source: 2009-2013 American Community Survey 5-Year Estimates.

3.6 SUBSIDIZED and SUPPORTIVE HOUSING

The El Camino Real Housing Authority manages subsidized housing in Socorro, Valencia, and Torrance counties. The programs managed by El Camino Real include Choice Housing Voucher, which is Section 8 Housing located in Socorro, Shelter Plus Care for Homeless Individuals, and Vash Vouchers for homeless Veterans.

Shelter Plus Care for the homeless is a HUD funded program that provides rental assistance for hard-to-serve homeless persons with disabilities in connection with supportive services funded from sources outside the program. There are 53 vouchers available for this program. The HUD-Veterans Affairs Supportive Housing (VASH) program combines Housing Choice Voucher rental assistance for homeless Veterans with case management and clinical services provided by the Department of Veterans Affairs. There are 15 vouchers available for this program through El Camino Real.

A review of subsidized properties currently available per HUD in Los Lunas and Valencia County are as follows:

- Total of 591 rental subsidy Section 8 vouchers (*includes Valencia, Socorro, and Torrance counties*). Within Valencia County, there are 298 vouchers available according to HUD. El Camino Real Housing Authority utilizes 100% of the Section 8 Vouchers. However, the Housing Authority can only fund approximately 422 of the available 591 vouchers.

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Despite adding 11 new landlords to the program between November and December, 2014, there are still approximately 150 families or individuals on the waiting list for vouchers.

- 210 units in Low Income Housing Tax Credit properties in the region.
- 95 unit Project-based Section 8 complex.
- Local non-profit (El Camino Real Housing Authority) typically renovates one unit per year.

The incidence of homelessness in Valencia County is not construed by the State of New Mexico to constitute a large demand for supportive housing units. A recent study conducted by the New Mexico Coalition To End Homelessness in 2013 indicated a homeless point-in-time count of 23 persons in Emergency and Transitional shelters, as well as unsheltered. Point-in-time counts are undertaken annually to estimate homeless needs given a comprehensive survey of persons in homeless shelters and unsheltered (on the streets). There are currently 17 emergency shelter beds in the region, with 66 permanent supportive housing, transitional, and other beds.

According to the New Mexico Coalition To End Homelessness, there is a need for 191 units of supportive housing. This estimate appears low when compared to the estimated 1,125 households in 'distress' and also suffering from a mobility or self-care limitation. Elderly and frail elderly (>75) households account for about 30% of need.

TABLE 3.11: HOUSING DISTRESS FOR THOSE WITH A MOBILITY AND/OR SELF-CARE LIMITATION			
Tenure and Income	Village of Los Lunas	Valencia County	New Mexico
Renter-Occupied	70	392	17,220
Earning < 30% of the Median	30	238	7,700
Earning 31-50%	20	79	4,660
Earning 51-80%	20	55	3,090
Earning Over 80%	0	20	1,770
Proportion Elderly	58.0%	27.0%	49.0%
Owner-Occupied	162	1,558	32,238
Earning < 30% of the Median	34	473	9,125
Earning 31-50%	55	335	7,012
Earning 51-80%	18	381	7,068
Earning Over 80%	55	369	9,033
Proportion Elderly	19.0%	27.0%	34.0%

Source: 2000 Special Census Federal Runs (later information not yet available from HUD).

Valencia County, and thus the Village of Los Lunas, are served by the following community organizations:

- Casa Manzana, located in Los Lunas, renders mental health services in the region.
- Community Wellness Council is based in Valencia County and is dedicated to health and wellness, injury prevention, and health promotion through community collaboration and partnerships.
- Mid-West New Mexico Community Action Program provides Head Start programs that promote school readiness by enhancing the social and cognitive development of children

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through the provision of educational, health, nutritional, social, and other services to enrolled children and families.

- Valencia Shelter Services for Victims of Domestic Violence provides services to individuals and families affected by domestic violence, sexual assault, and child abuse in Valencia County.

3.7 PROJECTED HOUSING NEEDS THROUGH 2020

This section of the Affordable Housing Plan projects the need for ownership and rental housing within the region from the present and five years hence. Households in need of affordable housing are defined as having problems that include either cost burden, overcrowding, or the lack of kitchen or bath facilities. Following the need projections, analyses and suggestions are offered concerning amenities of import to absorption of and the penetration of market need. It should be stated that while needs data offers a limited perspective into housing demand, it does not comprehensively address the issue. Based on population growth from 2000 to 2010, it is estimated that population will grow through 2020 at a level of 4.5% per annum in the Village of Los Lunas and 1.5% per annum in Valencia County. These growth rates have been applied to establish current (2015) and projected (2020) housing needs in the region. Extrapolating such projections to the incidence of housing distress currently evident for households earning less than 80% AMI, it is projected that:

- In Los Lunas, 936 owner households earning less than 80% AMI have problems (as defined above) and this will grow by 211 households by 2020. Approximately 738 renter households earning less than 80% AMI have problems and this will grow by 166 households by 2020.
- In Valencia County, 5,455 owner households earning less than 80% AMI have problems (as defined above) and this will grow by 409 households by 2020. Approximately 2,764 renter households earning less than 80% AMI have problems and this will grow by 207 households by 2020.

The aforementioned estimates are shown on Tables 3.12 through 3.15 and factor in additions and deletions to the housing inventory based on a variety of issues.

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TABLE 3.12: VALENCIA COUNTY PROJECTED NEED BY 2020 AMONG EXISTING HOMEOWNERS

	0-30% Median Income	31-50% Median Income	51-80% Median Income	Total
Valencia County Homeownership Need by 2020				
1. Households in Distress				
Current Affordable Housing Needs	1,897	1,709	1,850	5,455
Additional Needs to 2020	142	128	139	409
Total Distress, Present to 2020	2,039	1,837	1,988	5,864
2. Estimated Deletions to the Subsidized Stock	0	0	0	0
3. Need/Demand from Dilapidated Housing Conditions*	(in estimates above)	(in estimates above)	(in estimates above)	(in estimates above)
4. Net Households in Need	2,039	1,837	1,988	5,864

TABLE 3.13: VILLAGE OF LOS LUNAS PROJECTED NEED BY 2020 AMONG EXISTING HOMEOWNERS

	0-30% Median Income	31-50% Median Income	51-80% Median Income	Total
Village of Los Lunas Homeownership Needs by 2020				
1. Households in Distress				
Current Affordable Housing Needs	261	272	403	936
Additional Needs to 2020	59	61	91	211
Total Distress, Present to 2020	320	334	494	1,147
2. Estimated Deletions to the Subsidized Stock	0	0	0	0
3. Need/Demand from Dilapidated Housing Conditions*	(in estimates above)	(in estimates above)	(in estimates above)	(in estimates above)
4. Net Households in Need	320	334	494	1,147

TABLE 3.14: VALENCIA COUNTY PROJECTED 2020 AFFORDABLE RENTAL HOUSING NEED

	0-30% Median Income 1/	31-50% Median Income 1/	51-80% Median Income	Total
1. Renters in Distress				
Current Affordable Housing Needs	1,233	773	758	2,764
Added through 2020	92	58	57	207
Total Distress, Present to 2020	1,326	831	814	2,971
2. Valencia County Subsidized Units Added or Planned	0	0	0	0
3. "At Risk" Deletions to the Subsidized Stock	0	0	0	0
4. Need/Demand from Dilapidated Housing Conditions*	(in estimates above)	(in estimates above)	(in estimates above)	(in estimates above)
5. Net Households in Need	1,326	831	814	2,971

TABLE 3.15: VILLAGE OF LOS LUNAS PROJECTED 2020 AFFORDABLE RENTAL HOUSING NEED

	0-30% Median Income 1/	31-50% Median Income 1/	51-80% Median Income	Total
1. Renters in Distress				
Current Affordable Housing Needs	301	318	119	738
Added through 2020	68	72	27	166
Total Distress, Present to 2020	368	389	146	904
2. Village of Los Lunas Subsidized Units Added or Planned	0	0	0	0
3. "At Risk" Deletions to the Subsidized Stock	0	0	0	0
4. Need/Demand from Dilapidated Housing Conditions*	(in estimates above)	(in estimates above)	(in estimates above)	(in estimates above)
5. Net Households in Need	368	389	146	904

Source: Special ACS Census Runs (2007-2011 averages), Crystal & Company projections based on prior population growth of 4.5% per annum since 2000.

1/ Per State of New Mexico MFA rules, only households earning greater than 60% of the median are to be included in homeownership program estimates. However, support for existing owners are to be included.

* Estimates of dilapidated housing are noted in the Housing Needs Assessment text and are a subset of affordable housing need as it is reasonable to assume those distressed households are also living in dilapidated dwellings.

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Village of Los Lunas - Needs of Existing Homeowners

For the maximum of 1,147 affordable ownership needs in Los Lunas, the following conclusions were reached based on a review of socio-economic conditions, community input, and a detailed assessment of housing and market conditions:

- Considerable housing rehabilitation needs are evident among the mobile home (priority) and single-family inventory. The Village of Los Lunas estimates that approximately 13% (542 units) of the housing inventory are in need of rehabilitation. It is reasonable to assume that most of those existing owner households needing rehabilitation are earning less than 80% AMI and are likely cost burdened.
- Housing problems are equally dispersed among elderly, small, and other (one-person) households regardless of income.
- Homeownership opportunities embody affordable, new construction/modular home production and acquisition with or without rehabilitation. These opportunities are most germane to households earning from 60% to 80% of the area median income. Homeownership support also addresses the area's substandard inventory by either removing it from the inventory or improving it.
- Net in-migration into Los Lunas suggests a portion of homeowner market demand may also come from surrounding jurisdictions.
- Over the past several years (2013 and 2014), annual home sales have averaged at just over 500 units in Valencia County. If the price distribution of sales is similar to listing activity (as presented in the Housing Market Profile section), about one-third of sales in Los Lunas may be affordable to households earning up to 80% AMI.
- At the lower income categories, homeownership opportunities are focused in rehabilitation and/or deeply subsidized program opportunities.
- Supportive housing needs (160) are also evident in the community from elderly and disabled client groups.
- Housing problems among homeowners tend to be equally distributed by income category within Los Lunas.
- It is conservatively estimated that at least 542 owner units are needed over the ensuing five years to address existing distressed conditions encompassing both dilapidated housing and cost burden.
- The findings are reinforced by survey results from Village and County residents noting the top three obstacles in home purchase were: 1) income too low; 2) home purchase prices too high; and 3) lack of availability of down payment resources.

Village of Los Lunas - Rental Housing Need

For the maximum of 904 Village of Los Lunas affordable rental needs, the following conclusions were reached based on a thorough review of socio-economic conditions, community input, and a detailed assessment of housing and market conditions:

- Housing rehabilitation needs are evident among the mobile home (priority) as well as some of the single-family and multi-family inventory. The Village of Los Lunas estimates that approximately 13% (168 units) of the rental inventory are in need of rehabilitation. It is reasonable to assume that most of those existing owner households needing rehabilitation are earning less than 80% AMI and are likely cost burdened.
- Housing problems are especially evident for small (2-4) and elderly households. Thus, the bedroom mix would tend to be 1 to 3.
- Net in-migration into Los Lunas suggests a portion of homeowner market demand may also come from surrounding jurisdictions.
- As cost burden is motivating a substantive portion of rental problems, program emphasis should be diverse involving a wide variety of approaches assisting the current mobile home and single family inventories in addition to rental housing production. Rental production appears possible via new construction and acquisition with or without rehabilitation.
- Given limited resources, emphasis is most appropriate for those in the lowest income categories.
- Limited (70) supportive housing needs are also evident in the community from elderly and disabled client groups.
- Housing problems among renters tend to be distributed at the lowest income categories within Los Lunas.
- It is conservatively estimated that at least 168 rental units are needed over the ensuing five-years to address existing distressed conditions encompassing both dilapidated housing and cost burden.

Valencia County - Needs of Existing Homeowners

For the maximum 5,864 affordable ownership needs in Valencia County, the following conclusions were reached based on a review of socio-economic conditions, community input and a detailed assessment of housing and market conditions:

- Very extensive housing rehabilitation needs are evident among the mobile home (priority) and single-family inventory in need of renovation. Valencia County estimates that approximately 60% (13,149 units) of the housing inventory are in need of rehabilitation. It is reasonable to assume that most of those existing owner households needing rehabilitation are earning less than 80% AMI and are likely cost burdened.

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- Housing problems are most evident for persons earning less than 30% AMI and the highest among small households (2-4) regardless of income category. Elderly, large (>5), and other (one-person) households all seem to comprise the balance of need among renters.
- Homeownership opportunities embody affordable, new construction/modular home production and acquisition with or without rehabilitation. These opportunities are most germane to households earning from 60 to 80% AMI. Homeownership support also addresses the area's substandard inventory by either removing it from the inventory or improving it.
- Over the past several years (2013 and 2014), annual home sales have averaged at just over 500 units. If the price distribution of sales is similar to listing activity (as presented in the Housing Market Profile section), at least one-third of sales in Valencia County may be affordable to households earning up to 80% AMI.
- At the lower income categories, the needs of existing homeowners are focused on rehabilitation.
- Supportive housing needs (1,189) are also evident in the community from elderly and disabled client groups.
- Housing problems among owners tend to be equally distributed by income category within Valencia County.
- It is conservatively estimated that at least 2,000 owner units are needed over the ensuing five-years to address distressed conditions encompassing both dilapidated housing and cost burden.
- The findings are reinforced by survey results from Village and County residents noting the top three obstacles in home purchase were: 1) income too low; 2) home purchase prices too high; and 3) lack of availability of down payment resources.

Valencia County - Rental Housing Need

For the maximum of 2,971 Valencia County affordable rental needs, the following conclusions were reached based on a thorough review of socio-economic conditions, community input, and a detailed assessment of housing and market conditions:

- Housing rehabilitation needs are evident among the mobile home (priority) as well as some of the single-family and multi-family inventory. Valencia County estimates that approximately 60% (3,310) of the rental inventory are in need of rehabilitation. It is reasonable to assume that most of those existing renter households needing rehabilitation are earning less than 80% AMI and are likely cost burdened.
- Housing problems are most evident for persons earning less than 30% AMI and the highest among small households (2-4) regardless of income category.

SECTION 3: HOUSING NEEDS ASSESSMENT

- As cost burden is motivating a substantive portion of rental problems, program emphasis should be diverse involving a wide variety of approaches assisting the current mobile home and single family inventories in addition to rental housing production. Rental production appears possible via new construction and acquisition with or without rehabilitation.
- Given limited resources, emphasis is most appropriate for those in the lowest income categories.
- Supportive housing needs (372) are also evident in the community from elderly and disabled client groups.
- Housing problems among renters tend to be in the lowest income categories within Valencia County.
- It is conservatively estimated that at least 2,971 rental units are needed over the ensuing five-years to address distressed conditions encompassing both dilapidated housing and cost burden.

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4.1 INTRODUCTION

The purpose of this section is to analyze the existing land use conditions, patterns, and regulatory policies in order to determine opportunities and constraints affecting the ability to plan for and provide affordable housing within Valencia County and the Village of Los Lunas. The analysis covers applicable zoning and development standards, permissive and existing uses, environmental constraints, availability of infrastructure, development capacity, fees and exactions, permitting and processing procedures, development costs, land availability, local capacity to assist, finance, and manage construction, provide housing support services, administer housing programs, and density calculations for single family and multi-family development for both jurisdictions.

4.2 LAND USE PLANS and POLICIES

The Village of Los Lunas and Valencia County have zoning and subdivision ordinances specific to each jurisdiction. The relevant portions of these policies, as related to affordable housing, are summarized below and are followed by tables that provide a summary of the zoning and development standards for both the Village of Los Lunas and Valencia County.

Village of Los Lunas Zoning and Subdivision Ordinances

The Village of Los Lunas Comprehensive Zoning Ordinance was originally adopted on May 10, 2001. The Zoning Ordinance establishes zoning categories with permissive, conditional, temporary, permit designated, and accessory uses with development regulations, and outlines the development process.

The Village of Los Lunas Planning and Zoning Commission is comprised of five Village residents and meets every month. The Planning Commission is tasked with making recommendations to the Village Council concerning designated use permits and zone changes. The Planning Commission also hears and decides on appeals, applications for conditional use permits, applications for variances, and questions involving interpretations of the zoning map.

The Los Lunas Subdivision Ordinance provides submittal and approval requirements for subdivisions and standards for design and infrastructure. The subdivider is responsible for following design standards that address grading, easements, utilities, and infrastructure improvements. The subdivision plat approval process is outlined by the DPM and depends on the nature of the project. Table 4.1 (*next page*) provides a summary of the minimum requirements for subdivisions in the Village. These include a pre-application meeting, an area plan, a preliminary plat, and a final plat. Prior to construction, street and sidewalk, water system, sanitary sewer, drainage, and streets light specifications, drawings, and any associated approvals are required. Maintenance bonds and record drawings of all improvements are required after construction is complete.

The Village of Los Lunas Development Process Manual (DPM) allows Cluster Subdivisions, which allows the creation of smaller lots than the minimum lot size permitted by the underlying zoning designation, on a portion of the property. However, there is no density bonus allowed. Cluster subdivisions preserve open space and are assumed to have lower infrastructure costs because the utilities typically are not extended as far into the property as a traditional subdivision.

SECTION 4: LAND USE

TABLE 4.1: VILLAGE OF LOS LUNAS SUBDIVISION SUBMISSION REQUIREMENTS	
Submission	When Required
PRE-APPLICATION: Location map, sketch plan, plan information	Prior to Preliminary plat
AREA PLAN	Prior to or with Preliminary plat
PRELIMINARY PLAT: Preliminary storm drainage plan, preliminary soils analysis, schedule of development, special problems analysis	Preliminary plat
FINAL Plat	Final plat
STREET AND SIDEWALK: Drawings and specifications, Design analysis report	Before construction
WATER SYSTEM: Drawings and specifications, Drawing analysis report, Approval of NMED	Before construction
SANITARY SEWER SYSTEM: Drawings and specifications, Design analysis report, Approval of NMED	Before construction
DRAINAGE FACILITEIS: Drawings and specifications, Design analysis report, Final storm drainage plan	Before construction
STREET LIGHTS: Drawings and Specifications	Before construction
MAINTENANCE BOND	After construction of improvements
RECORD DRAWINGS OF ALL IMPROVEMENTS	After construction of improvements

Table 4.2 provides a summary of the zoning and development standards contained within the Village of Los Lunas Zoning Ordinance. The Ordinance contains a variety of residential districts that accommodate single family, multi-family, and mobile home development in varying lot sizes. The commercial zones also allow mixed use development, as does the transit oriented districts.

TABLE 4.2: VILLAGE OF LOS LUNAS RESIDENTIAL ZONING AND DEVELOPMENT STANDARDS					
Zone District	Permissive Uses	Conditional Use / Special Use Permit	Minimum Setbacks	Minimum Lot Size	Minimum / Maximum Densities
R-1 Single Family, Medium Density	Site Built and Modular Structures, Homes for Handicapped or Infirm, Planned Residential Developments	Primary Residence with Accessory Apartment, Child Care Homes, Temporary Emergency Construction and Repair Residences	Front: 20' Rear: 15' Side: 7.5'	7,500 SF	N/A
R-2 Multi-Family, Higher Density	Site Built and Modular Structures, Duplex, Multi-Family Apartments, Homes for Handicapped or Infirm, Planned Residential Developments	Nursing Care, Intermediate Care Homes, Child Care Homes, Halfway Houses, Rooming Houses, Boarding Rooms, Temporary Emergency Construction and Repair Residences	Front: 20' Rear: 15' Side: 5'	7,500 SF	N/A
R-3 Single Family and Multi-Family, Medium-Density	Multi-Family Townhomes, Multi-Family Apts, Homes for Handicapped or Infirm, Planned Residential Development	Childcare Homes, Home Occupations (as an Accessory Use), Temporary Emergency Construction and Repair Residences	Front: 20' Rear: 15' Side: 0'	3,000 SF	N/A
M-H Mobile Home, Medium-Density	Mobile Homes	Site Built and Modular Structures, Childcare Homes, Temporary Emergency Construction and Repair Residences, Home Occupations (as an Accessory Use)	Front: 20' Rear: 15' Side: 5'	5,000 SF	N/A
RR Rural, Low-Density	Site Built and Modular Structures, Homes for Handicapped or Infirm, Planned Residential Developments	Primary Residence with Accessory Apartment, Child Care Homes, Temporary Emergency Construction and Repair Residences	Front: 20' Rear: 15' Side: 0'	.5 Acre	N/A
AR Agricultural, Low Density Residential	Site built and modular structures, Mobile Homes, Homes for Handicapped or Infirm, Planned Residential Developments	Primary Residence with Accessory Apartment, Child Care Homes, Temporary Emergency Construction and Repair Residences, Home Occupations (as an Accessory Use)	Front: 25' Rear: 25' Side: 10'	1-Acre	N/A
C-1 Commercial (Central Business District)	N/A	Site Built and Modular Structures, Multi-family Apartments, Hotels, Motels, and Similar Business or institutions	*	No Minimum	N/A
C-2 Commercial (Other Locations)	Hotels, Motels, and Similar Business or Institutions	Site Built and Modular Structures, Multi-Family Apartments	*	No Minimum	N/A
TOD-MU Transit Oriented Development Mixed-Use	Site-Built and Modular Structures, Primary Residence with Accessory Apartment, Duplex, Multi-Family Townhomes, Patio Homes, Multi-Family Apartments, Hotels, Motels, and Similar Business or Institutions	Mobile Homes, Child Care Homes, Home Occupations	Front: 10' Rear: 15' Side: 0'	No Minimum	Minimum: 12 du/acre, Maximum: 25, du/acre
TOD-R Transit Oriented Residential District	Site Built and Modular Structures, Primary Residence with Accessory Apartment, Duplex, Multi-Family Townhomes, Patio Homes, Multi-Family Apartments, Planned Residential Developments	Childcare Homes, Temporary Emergency Construction and Repair Residences, Home Occupations, Planned Residential Developments	Front: 20' Rear: 15' Side: 0'	3,000 SF	Minimum: 8 du/acre, Maximum: 8 du/acre

Source: Village of Los Lunas Zoning Ordinance.

*The minimum setback for a commercial development contiguous to a residential zone will be the same as the residential zone that it is contiguous to.

SECTION 4: LAND USE

Valencia County Subdivision and Zoning Ordinances

Valencia County's Subdivision Ordinance outlines the subdivision review and approval process, which consists of a pre-application conference, a preliminary site development plan submission and review (where the type of application is determined), and a final site development plan submission. The County's Planning Department shall inform the applicant of its decision within 60 days of receipt of the final site plan. The County has three types of review procedure, including:

- Type A application procedures only require Department review.
- Type B application procedures require a public hearing before the Planning and Zoning (P&Z) Commission where the P&Z hears a case and comes to a decision that grants or denies the request before them.
- Type C applications also require a hearing before the P&Z. Unlike Type B applications, Type C applications require the P&Z to provide a recommendation for approval or denial to the County Commission. A hearing is required before the County Commission, who has the authority to approve or deny the request.

Table 4.3 (*next page*) provides a summary of the zoning districts contained in the Valencia County Zoning Ordinance. There are five residential districts, each with their own minimum lot size, building height, and setbacks. The Planned Development District allows for mixed use, but approval is subject to approval by the County Commission.

TABLE 4.3: VALENCIA COUNTY RESIDENTIAL ZONING AND DEVELOPMENT STANDARDS

Zone District	Permissive Uses	Conditional Use/Special Use Permit	Minimum Setbacks	Minimum SF Lot Size	Maximum Building Height
AP Agricultural Preservation District	One singular dwelling unit per minimum 5-acre lot	Secondary dwelling unit; Home occupations	Front: 30' Rear: 15' Side: 15'	5 acres	35 feet
OD Outland District	Residential uses permitted in the RR-1 District	N/A	Front: 30' Rear: 15' Side: 15'	3/4 of 1 acre or 32,670 SF; Duplex minimum is 1-1/2 acres; Residential Planned Development minimum is 10 acres prior to subdivision	30 feet
RR-1 Rural Residential	One principal dwelling unit per parcel	Temporary secondary mobile home or residential trailer dwelling in conjunction with a principal dwelling on the same parcel, only for family members requiring special care; Home occupation	Front: 30' Rear: 15' Side: 15'	3/4 of 1 acre or 32,670 SF; Duplex minimum is 1-1/2 acres; Residential Planned Development minimum is 10 acres prior to subdivision	30 Feet; Accessory structures shall not be more than 15 feet in height
RR-2 Rural Residential	One principal dwelling unit per parcel	Temporary secondary mobile home or residential trailer dwelling in conjunction with a principal dwelling on the same parcel, only for family members requiring special care; Home occupation	Front: 30' Rear: 15' Side: 15'	1-1/2 acres; Duplex minimum is 2 acres; Multi-Family Planned Development minimum is 10 acres prior to subdivision	30 Feet; Accessory structures shall not be more than 15 feet in height
SR Suburban Districts	Principal dwelling; Accessory uses; Residential group home	Home occupation; Duplex or multi-family dwelling; Residential facility, subject to the planned development requirements	Front: 15' Rear: 15' Side: 7'	7,500 square feet; Parcel-size averaging minimum size 6,500 SF; Multi-family planned development minimum parcel size 3 acres	26 Feet
C-1 Neighborhood Commercial District	Dwelling in conjunction with a permitted use	N/A	Front: 30' Rear: 25' Side: 25'	Subject to site design review	35 Feet
C-2 Community Commercial District	Dwelling in conjunction with a commercial use	N/A	Front: 30' Rear: 25' Side: 25'	Subject to site design review	35 Feet
PD Planned Development District	Neighborhood commercial uses and community commercial uses may be combined and shall be permitted with residential uses	N/A	Front: 50' Rear: 50' Side: 50'	3 acres	Subject to the discretion of the decision-making body

Source: Valencia County Zoning Ordinance.

SECTION 4: LAND USE

The Valencia County and Village of Los Lunas Zoning Ordinances both contain some regulations that could potentially have an impact on the ability to provide affordable housing, including the following:

Accessory Dwelling Units - Accessory dwelling units are an important component of affordable housing. They provide the possibility of single family home ownership through the opportunity for rental income of an accessory dwelling unit that can help to pay a mortgage. The definition of Accessory Dwelling Unit in both the Valencia County and the Village of Los Lunas Zoning Ordinances do not unduly limit the types of accessory units that can be built. In the Village of Los Lunas, accessory dwelling units are allowed as a conditional use under the R-1 and RR zones and as permissive uses in the TOD-R and TOD-MU zones. The Valencia County Zoning Ordinance does not specify whether or not accessory units are permitted to be used for rental purposes.

Density Bonus - The Village of Los Lunas Zoning Ordinance stipulates that a density bonus shall be granted to a developer of a housing development who agrees to construct at least one of the following:

- 10% of the total units of the housing development as target units affordable to low income households, at a rent that does not exceed 30% of 60% of area median income, as adjusted for assumed household size;
- 5% of the total units of the housing development as target units affordable to very low income households, at a rent that does not exceed 30% of 50% of the area median income, as adjusted for assumed household size;
- 10% of the total units of the housing development as target units affordable for purchase for low to moderate income households, at an affordable ownership cost that does not exceed 35% of 60 to 80% of area median income, as adjusted for assumed household size; or
- A senior citizen housing development.

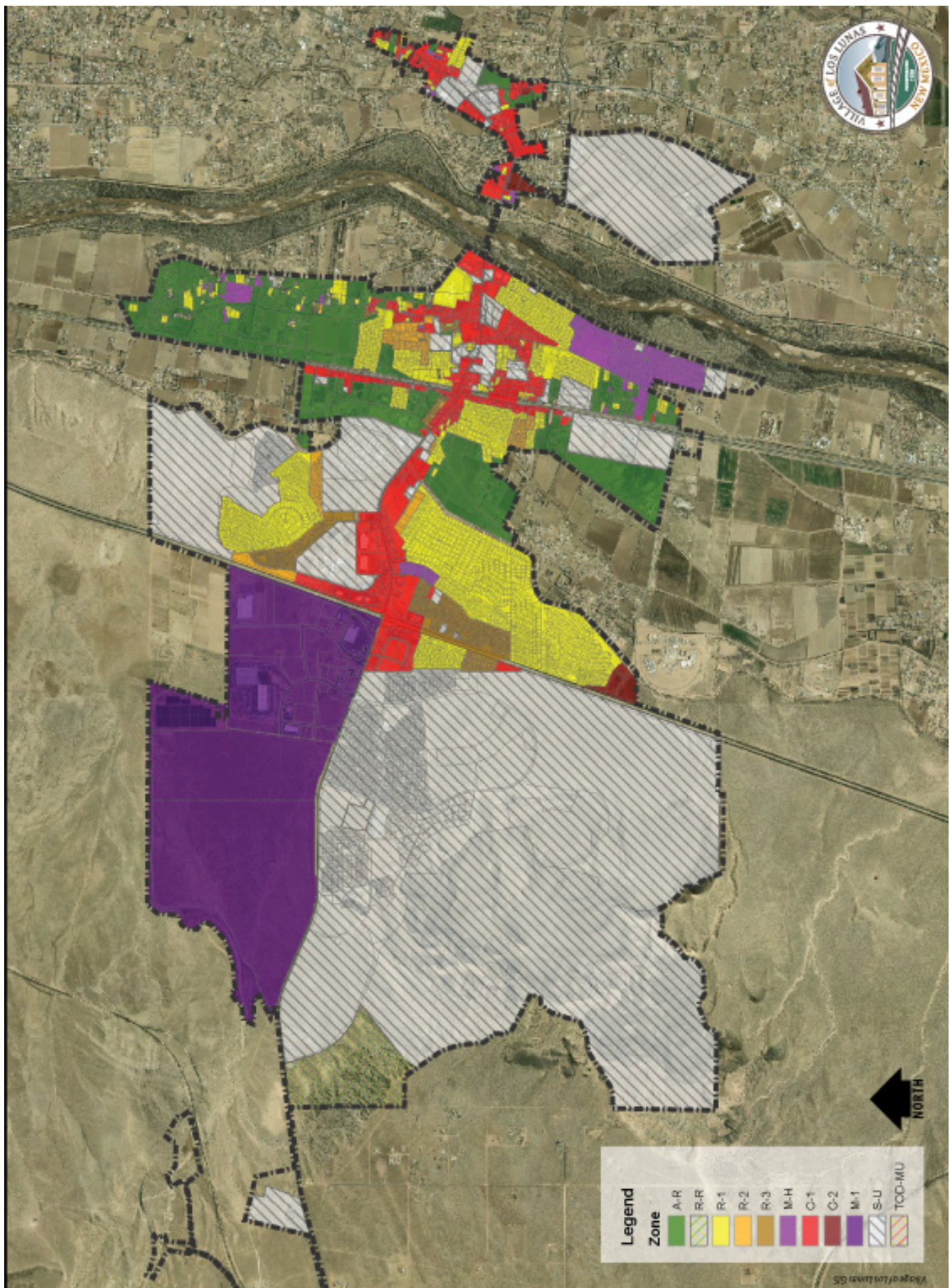
This incentive-based tool grants additional entitlements, or density, in return for affordable housing as a community benefit. This is an important regulation in the Village's Zoning Ordinance. This incentivizes the development of affordable housing in the Village. Development bonus programs are effective tools in promoting fundamental community goals such as affordable housing.

The density bonus has never been used in the Village of Los Lunas. The Village Planning staff reported that the bonus has likely not been used because until recently there was not a market for higher density housing, so it was not a relevant incentive for potential developers. There are indications that higher density could be an attractive market in Los Lunas, and that the density bonus may become more relevant in the future. As the single family development feasibility Table 4.6 located at the end of this section illustrates, single family housing is not affordable at any realistic density scenario to households that earn less than 50% AML. In order to make the density bonus more relevant, it is recommended that the Village revise the density bonus to allow for a greater single family residential density and to encourage a multi-family component as part of the development project.

Home Occupations - Home Occupations can impact affordable housing by providing the opportunity for additional income through a home business, which can help make single family home ownership a possibility for a wider range of people. In the Village of Los Lunas, Home Occupations are allowed outright with an annual business registration, which was an amendment made to the Ordinance in 2011. Only a few higher impact businesses require a conditional use. In Valencia County, home occupations are allowed as conditional uses under the AP, RR-1, RR-2, and SR zones.

Mobile Home and Mobile Home Park - Mobile Homes are defined in the Village of Los Lunas Zoning Ordinance as a transportable structure that is designed for use as a movable dwelling with or without a permanent foundation when connected to required utilities. A Mobile Home Park is defined by the Village Zoning Ordinance as a parcel of land developed for occupancy by two or more Mobile Homes which are used for human dwelling purposes, normally on a long-term occupancy basis. Mobile Homes and Mobile Home Parks are permitted in the Village under the following zone categories as a permissive use: MH Mobile Home and AR Agricultural. Mobile Homes and Mobile Home Parks are listed as a conditional use under the C-1 Commercial and TOD-MU Mixed Use Transit Oriented Development districts. In many rural areas, Mobile Homes can provide an affordable option for single family home ownership. In order to encourage the use of Mobile Homes as an affordable housing option, the Village can update its Zoning Ordinance to allow Mobile Homes as a permissive use under the R-1, R-2, and R-3 zones, and attach separate design standards to Mobile Homes in order to prevent proliferation of substandard mobile home housing.

As defined by Valencia County's Zoning Ordinance, Mobile Homes are structures constructed for movement on the public highways that was constructed with sleeping, cooking, and plumbing facilities, and that was intended for human occupancy, that may be used for residential purposes. The requirements of the New Mexico Manufactured Home Association Regulations must be in effect at the time of construction. A Mobile Home Park is defined as an area of land on which lots are leased for occupancy of Mobile Homes for periods of 30 days or more. Mobile Homes and Mobile Home Parks are conditional uses under the RR-1 and RR-2 zones in the County. As in the recommendation for Los Lunas, the Valencia County Zoning Code should be amended to make Mobile Homes permissive in RR-1 and RR-2 Zones.



Village of Los Lunas Zoning Map

Los Lunas Zone Map

This section provides a summary of the locations where the zoning districts are located in the Village of Los Lunas (see *Village of Los Lunas Zoning map, previous page*).

- *AR-1 Agricultural and Low Density Residential* – A large portion of the Village is zoned AR-1. Land north and south of Main Street West, west of the Rio Grande, and east of Highway 314 is zoned AR-1. The majority of AR-1 zoned land is found in the northeast quadrant of the Village. The majority of homes within this zone are spread out and located on large parcels of land. These homes are typically single-family residential mobile homes, which is allowed by this zone. There are a number of lots that seem to be solely utilized for agricultural purposes and are isolated from any residential development.
- *R-R Rural Low Density Residential* – There are currently no areas zoned R-R shown on the Zone Map. The intent of the R-R zone is to preserve the rural atmosphere where low density residential is the primary use. Low density residential zones are typically not appropriate for affordable housing where higher densities are needed to reduce costs. The lack of use of this zone by the Village does not have an impact on affordable housing.
- *R-1 Medium Density Single Family Detached Residential* – R-1 zoned land is predominantly clustered in the southwest quadrant of the Village, east of Interstate 25 and south of Main Street West. Other R-1 properties can be found further east, surrounded by commercial and low-density residential and agricultural land.
- *R-2 High Density Multi-Family Residential* – There are four small areas of land that are zoned R-2. They are located in the southeast portion of the Village, within the middle of the Village along the eastern edge, in the northwest quadrant along Interstate 25, and north of the R-1 zoned properties just south of Main Street West. The strip of land to the west of Emilio Lopez Road that is zoned R-2 is currently vacant, with the exception of some non-residential buildings including a self-storage facility located on 801 Emilio Lopez Road NW. This location has the potential for future multi-family development. Multi-family development exists along Los Cerritos, just east of Los Lunas High School. Along Los Lentes Road and Carson Drive, just south of Church, is a vacant parcel of land that is zoned R-2. This is another potential site for affordable multi-family development that is already appropriately zoned.
- *R-3 Medium Density Residential Including Attached Units* – R-3 zoned properties are located to the west of Los Cerritos Road NW, to the east of Interstate 25, between R-2 and R-1 zoned properties. These homes are single family residential units situated on small lots. There is a significant amount of land zoned R-3 that is located along Interstate 25 and Camelo Boulevard. A number of these homes are attached to each other through their garage.
- *M-H Medium Density Residential (Mobile Home)* – There are two areas of land that are predominantly zoned M-H and are both located in the eastern portion of the Village. The largest area of M-H land is located along Los Lentes Road, just west of the Rio Grande. Another smaller cluster of M-H zoned properties is located to the north along Eubank NE, just south of Blaylock Road. Mobile homes are located in both areas; however, the properties along Eubank NE are lower density, perhaps due to the A-R zoned properties that surround them. The mobile homes to the south along Los Lentes Road are higher density as they are located on smaller lots, closer to one another.

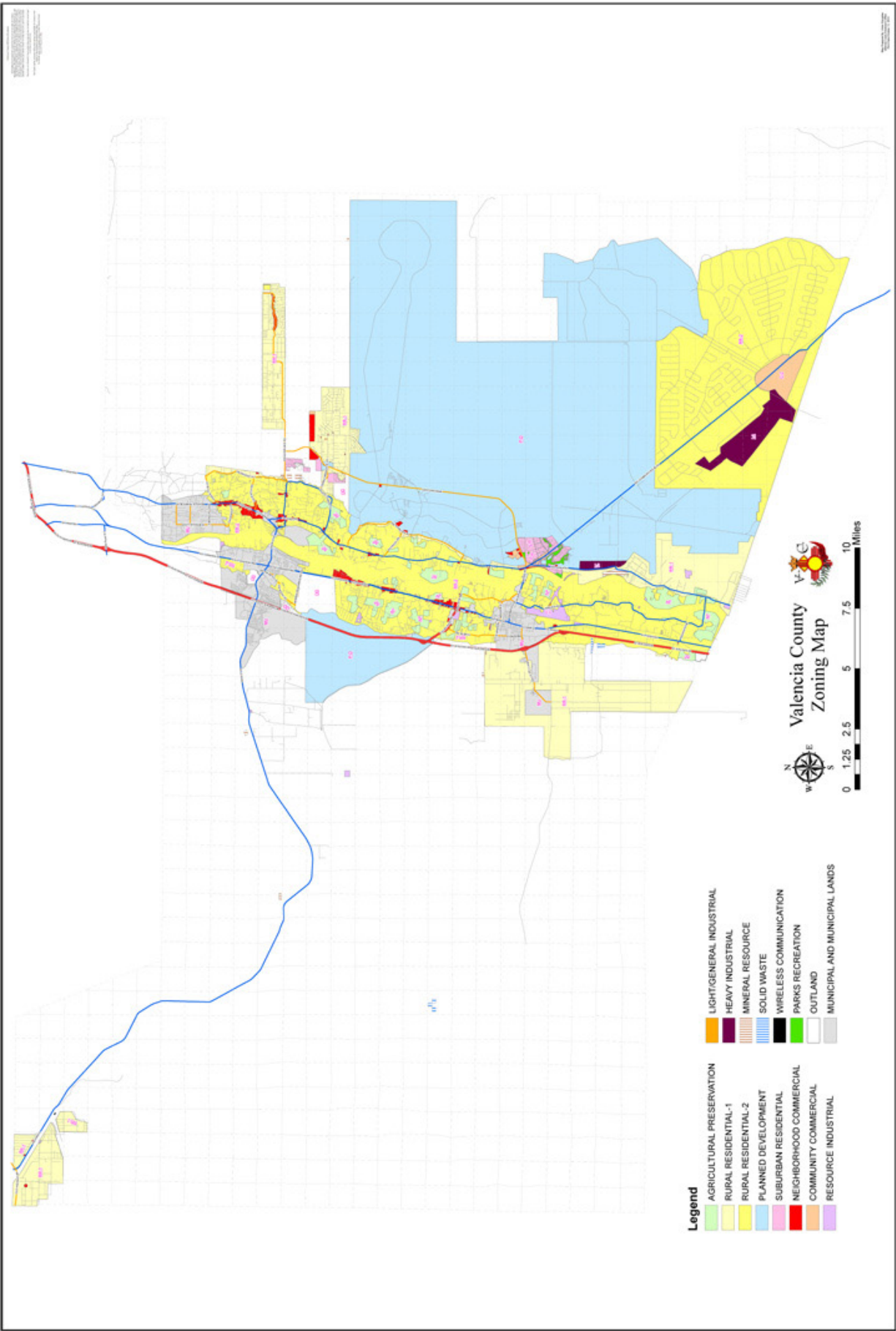
SECTION 4: LAND USE

- *TOD-R Transit Oriented Development Residential District* – While there are no properties currently zoned TOD-R, future use of this zone category provides options for affordable housing that are in close proximity to the existing Rail Runner station. The TOD-R is designed to provide for residential densities and uses supportive of the goals of the TOD-MU (mixed use) district, which is designed to promote a special scale and intensity of development that is supportive of transit ridership, walking, and bicycling areas in proximity to the NM Rail Runner express station. The TOD-R is designed to protect the existing scale and intensity of surrounding residential neighborhoods. The TOD-R district is a floating zone with potential applicability to any property in the Village of which any part falls within a one-half mile radius of the Rail Runner express station, with the exception of areas already zoned TOD-MU. The boundaries of each TOD-R zoned parcel shall be fixed by amendment to the official zoning map wherever this district is applied. Although it is anticipated that the TOD-R rezoning applications will be submitted on a voluntary basis by applicants, the Village Council may, on its own motion, rezone property to TOD-R.

Valencia County Zone Map

This section provides a summary of the locations where the zoning districts are located in Valencia County (see *Zoning map, next page*).

- *AP Agricultural Preservation* – The AP zone, which allows a single family house on a minimum 5 acre lot, is located in Bosque Farms, Los Lunas, Adelino, Belen, and some unincorporated portions of the County. Most of the AP zoned properties within the communities mentioned above have some single family development. AP zoned property within some of the unincorporated communities within the county are not fully developed to their maximum potential with respect to single family homes. However, the AP zone does not permit the densities that are necessary for affordable housing development, and therefore does not really impact the provision of affordable housing.
- *OD Outland District* – Residential uses permitted in the RR-1 zone are permitted in the OD zone. This zone is found in the northern portion of the County, predominantly to the west of Highway 314, to the north and south of Main Street East. The OD zoned properties in the County have not been developed with any residential uses and remain primarily vacant. This land could be used for future residential development with some affordable units as well. The OD zoned properties are nearby developed land and can be serviced by existing utilities.
- *RR-1 Rural Residential* – The RR-1 zone is found in the unincorporated areas of the County, to the northeast and to the southwest of the County boundaries. The unincorporated community of Meadow Lake is predominantly zoned RR-1 with the exception of a strip of land zoned Neighborhood Commercial.
- *RR-2 Rural Residential* – This zone category allows the permissive and conditional uses of RR-1, but requires a larger minimum lot size of 1 and ½ acre for residential development, as compared to the minimum requirement of ¾ of an acre for development under the RR-1 zone. A large portion of the County is zoned RR-2. It seems that RR-1 would be more appropriate for the incorporated areas of the County as it would accommodate more homes on smaller lot sizes.



SECTION 4: LAND USE

- *SR Suburban Residential* – There are a few parcels of land that are zoned SR. They are located in Rio Communities and El Cerro Monterey Park. These SR zoned properties have been developed as suburban residential developments.
- *PD Planned Development* – The majority of land within the County is zoned PD. This land is to the east and west of the interstate and primarily undeveloped and vacant. Planned Development areas are intended to combine neighborhood commercial and community commercial uses with residential uses. The currently zoned PD land within the County is not optimal for affordable housing due to the lack of available utilities and proximity to existing development. Some PD zoned land could present an opportunity for affordable housing in the future if it is combined with market rate planned developments. In order to accomplish this, it is recommended that the Valencia County Zoning Ordinance be amended to include a requirement that 10% of units in a Planned Development be affordable for ownership households at 60% AMI and above and multi-family renter households at 0 to 80% AMI.
- *C-1 Neighborhood Commercial* – C-1 zoned land is scattered throughout the County and is primarily found in incorporated County places. Neighborhood Commercial allows a residential dwelling that is in conjunction with a commercial use. This zone promotes live/work spaces that allow for individuals to pay for their homes if they happen to run a business that is connected to or on the same parcel as their home.
- *C-2 Community Commercial* – The C-2 zone also allows residential dwellings that are associated with a commercial use. There are a few small pockets of C-2 zoned properties. One can be found in Meadow Lake and the other two are located in Rio Communities. The property in the southeast corner of the County in Rio Communities is vacant while the other property further north is home to La Merced Elementary School.

4.3 FEES

The Village of Los Lunas Subdivision Ordinance specifies the fees that are related to development approvals. These are the general subdivision fees to cover general expenses related to processing subdivisions. One or more lots - \$250, plus \$10 for each additional lot. Additionally, the Village has engineering fees for Subdivision Review which are as follows:

The fee for preliminary plat and preliminary improvement plans a fee of one and one-half percent of estimated construction cost. The estimated construction cost will be determined by the subdivider's engineer, and Village Council approval is required to approve the cost basis. This is a place where development costs could be reduced. The Village of Los Lunas could waive the engineer review fees for affordable housing developments.

4.4 DENSITY ANALYSIS

Village of Los Lunas Density Analysis

Based on observation and analysis of the 2014 Google Earth aerial, the typical density in the Village is approximately 6 DU/Acre. This is based on a sample that includes an older neighborhood near the Rail Runner Station at Otero Street and Verde Drive, a newer subdivision off of Emilio Lopez Rd. Some of the built portion of the Huning Ranch Planned Community is closer to 7 DU/Acre, and the Rio Communities Townhome project is approximately 8 DU/Acre.

The Zoning Ordinance does not set maximum density through permitted number of dwelling units per acre, but through minimum lot size requirements. The minimum lot size in R-1 and R-2 is 7,500 square feet. Assuming approximately 25% of land area is not developable, (because of the need for roads, utility easements, etc.) this minimum lot size results in an approximate allowable single family density of 4.4 DU/Acre. The R-3 zone permits minimum lot sizes of 3,000 square feet. With the same undevelopable land assumption (25%) this results in an approximate density of 10.9. The R-3 zone is primarily intended for multi-family and townhouse development. Interviews with local developers revealed that both the R-1 and R-2 zones do not permit adequate density for even market rate single family housing. The preferred development scenario for market rate single family residential is to develop through a Planned Development Area (PDA) at approximately 6 DU/Acre. A density of 6 du/acre is required to achieve affordability for AMI 80% and above for single family. It is recommended that the Village revise their zoning code to permit a density of 7 DU/Acre in the R-2 zone. A density of 8 DU/Acre achieves affordability for AMI 80% and above and significantly reduces the affordability gap for those with an income at 50% AMI. This would achieve affordability for a greater percentage of the population by enabling higher densities without having to develop under a PDA, which has extra design and review requirements.

The exception to these density requirements are the TOD zones. The TOD-MU (Transit Oriented Development Mixed Use) zone requires a minimum of 12 DU/Acre and allows a maximum of 25 DU/Acre. The TOD-R (Transit Oriented Residential District) requires 8 DU/Acre (minimum and maximum). As shown in the Development Capacity table located on page 76 at a density of even 30 DU/Acre, there is a monthly rental gap of \$221.88 for AMI at 50% and below for multi-family development. It is recommended that the Zoning Ordinance be revised to allow a maximum density of 30 DU/Acre in the TOD-MU zone and to require a minimum of 8 DU/Acre and a maximum of 15 DU/Acre in the TOD-R zone.

Valencia County Density Analysis

Based on observation and analysis of the Google Earth 2014 aerial, the maximum density that is currently built in the County is approximately 6 DU/Acre. This higher density development is found in Planned Communities like Tome Vista. Communities within the County tend to have lower densities. For example, Meadow Lake and Bosque Farms are built at approximately 4 DU/Acre, and El Cerro – Monterrey Park is approximately 1-2 DU/Acre.

As would be expected, Valencia County is less dense and more rural than the Village. The highest density that developers can build is approximately 5 DU/Acre as permitted in the SR- Suburban Residential District. Similar to the Village, potential developers can achieve higher density through the PD-Planned Development District, which as part of the zone change application requires site approval by the County Commission. It is recommended that Valencia County revise their zoning code to allow a minimum lot size of 5,000 square feet in the SR-Suburban Residential zone. This would allow for more density without doing a Planned Development and would still be in keeping with the semi-rural character of the majority of Valencia County. As shown in the Development Capacity table located on page 75, a density of 6 DU/Acre is needed to achieve affordability for incomes at 80% AMI, and single family housing is not affordable at any density for incomes 50% AMI and below.

For both the Village of Los Lunas, and Valencia County, anecdotal information obtained through interviews with local developers, suggested that a single family density above 7 DU/Acre and a

SECTION 4: LAND USE

multi-family density of at least 24 DU/Acre is required to begin to make housing more affordable without other subsidies. The required single family densities are not permitted by either the Village of Los Lunas or the Valencia Counties zoning ordinances, and the only place that the required multi-family density is permitted is in the TOD-MU zone in the Village. It was also noted that although these are the densities that are required to make housing more affordable, they are not generally compatible with existing development in either Los Lunas or the County, and would likely not be well received by the community.

4.5 POLICY ANALYSIS

Valencia County Comprehensive Plan

The Valencia County Comprehensive Land Use Plan provides goals and objectives to guide future growth and development in the County. Some of these address affordable housing in the County directly and indirectly and are listed below:

Land Use and Housing Goal F: Encourage a range of housing opportunities for the residents of the County.

Objective F-1: Establish mechanisms and provide incentives to ensure the availability of affordable housing in the County.

Economic Development Goal Q: Support private sector development and investment that is consistent with the Comprehensive Plan of the County.

Objective Q-1: Promote business and industrial development that balances environmental, economic, and social goals for the County.

Under the County's Comprehensive Plan Action Plan Recommendations, the Plan calls for incentives to encourage more intensive levels of development in areas where infrastructure is or will be readily available. The Comprehensive Plan suggests offering incentives to encourage developers to build in locations that are more suitable for small-lot subdivision and non-rural development. The Comprehensive Plan suggests providing regulatory relief by lowering or diminishing height limits, lot coverage, and minimum setbacks or separation of structures as a way to encourage more intense development. In addition to modifying zoning requirements, the Comprehensive Plan also suggests the use of tax incentives to attract developers to a specified area. These recommendations apply to the future development of affordable housing options throughout the County. Future development related to affordable housing would greatly benefit from the incentives suggested by the County's Comprehensive Plan.

Within the County's Comprehensive Plan Action Plan Recommendations, support and promotion of affordable housing programs is specifically called out under Recommendation Number 7, which emphasizes site-built housing and rehabilitation of existing homes. Site-built housing is suggested as an alternative to mobile homes, as mobile homes depreciate in value quickly and effect surrounding property values. The County Comprehensive Plan suggests that other housing options should be visited as dwelling units for low income residents.

The County's Comprehensive Plan also calls for identifying locations and criteria for County Activity Centers under the Land Use and Housing Development category of the Goals and

Objectives section. Specifically, Objective C-1 states: “Designate areas for industrial, commercial, recreational, and multi-use clusters where adequate roads, utilities, and public services are currently located or can easily be made available”.

Village of Los Lunas Comprehensive Plan

The Village of Los Lunas 2035 Comprehensive Plan outlines the various goals and objectives. Those that pertain to affordable housing are listed below:

Future Land Use and Growth Goal 1.7: Implement zoning policies that achieve a desirable mix of different land uses and densities, preserve existing neighborhood character, and respect the rights of private property owners.

1.7.1 Objective: Conduct a thorough update to the Village’s Zoning Ordinance in order to provide flexibility for a finer mix of zoning and broaden the range of densities and housing types, types of office and commercial development, and appropriate industrial areas.

5.1 Goal: Encourage the development of a variety of housing types to meet the current and future needs of the community.

5.1.1 Objective: Encourage the development of quality affordable rental housing within the Village.

5.1.1.1 Action: Investigate potential incentives that may be offered to affordable housing developers.

5.1.2 Objective: Continue to encourage development in the TOD area to spur alternative housing options.

5.1.2.1 Action: Continue to seek funding and invest in public enhancements and beautification projects within the TOD area.

5.1.2.2 Action: Investigate potential incentives that may be offered to mixed-use housing developers.

5.1.2.3 Action: Continue to seek funding opportunities in order to implement the vision for the Master Transportation Plan that will include a plaza and other public gathering spaces.

5.1.3 Objective: Implement zoning and subdivision policies in order to allow more flexible development options.

5.1.4 Objective: Identify areas where infill development in the Village may be appropriate for housing development.

5.1.5 Objective: Sponsor a market study to determine the need for affordable and rental housing in the Village and County.

5.1.6 Objective: Continue to support single-family development and growth in areas of the Village that are appropriate and have access to adequate infrastructure.

SECTION 4: LAND USE

The listed Comprehensive Plan policies call for affordable housing development that can be supported through flexible development options, infill development, and investment in TOD areas. The suggested actions can spur the development of affordable housing in the Village.

4.6 AVAILABILITY of INFRASTRUCTURE

The availability of infrastructure is an important element of an affordable housing plan. New housing development requires sufficient infrastructure, and the absence of required infrastructure adds significant costs both per unit, and to the overall cost of constructing housing. Infrastructure includes water, sanitary sewer, natural gas, and electricity.

Valencia County

Valencia County oversees road maintenance, and water and sewer is provided by New Mexico Water Services and/or wells and septic tanks. New Mexico Water Services requires that developers either have water rights, or depending on the state of the water market, can negotiate a fee in lieu of water rights. This presents a constraint to development in that the availability of water is subject to uncertainty. The lack of municipal water and wastewater service is another factor (in addition to greater density allowances) that makes developing housing as Planned Development the most feasible housing option. If New Mexico Water Services can provide water and wastewater, rather than provision through shared wells and septic fields, it is a huge cost savings.

The area around the University of New Mexico Valencia Campus, north to Meadow Lake, is a potential area for housing development, as it has access to infrastructure (water and sewer) through New Mexico Water Services that could be expanded.

New Mexico Water Services rates vary by service area. Some examples of rates within Valencia County are listed below:

- Tome Vista rates are a monthly base rate of approximately \$20.00, and \$1.82 per thousand gallons from 1,000 to 8,000 gallons and \$2.45 per thousand gallons above 8,000 gallons.
- Meadow Lake is a monthly base rate of \$20.28 and a charge of \$4.12 per thousand gallons.

As these examples illustrate, New Mexico Water Services rates are based on location. A community like Meadow Lake that is in a remote location has much higher water charges. This factor should be a consideration in locating new affordable housing.

The required roadway widths in Valencia County are a minimum of 36 feet for residential areas. This is a standard roadway width for rural counties. Valencia County staff have indicated the lack of support for reducing this required pavement width.

Village of Los Lunas

Water and wastewater services are provided by the Village of Los Lunas. The Village has planned for growth and the wastewater treatment system has excess capacity for growth. According to the 2012 Village of Los Lunas Comprehensive Plan section on wastewater, during the last decade, the Village made great strides in extending sewer lines to all annexed areas. A new treatment

plant was completed in the fall of 2010 with a starting capacity of 900,000 gallons treated per day. That capacity can be doubled with minimal construction and plans are underway to make those improvements. The current annual treatment is approximately 423,310,000 gallons and the approximate daily treatment is 1,187,700 gallons. The new plant is designed for future expansion to meet the needs of the growing community including areas of unincorporated Valencia County to which service is extended upon request.

Fees for wastewater treatment within the Village of Los Lunas service area are \$20.77 for the first 2,000 gallons, and \$4.70 per additional 1,000 gallons. These prices are roughly comparable to other municipalities and do not present an impediment to development.

Like New Mexico Water Services, the Village of Los Lunas does require either water rights or a fee in lieu of water rights, and the negotiations and costs are completely dependent on the state of the water market. Currently, water rights are going for approximately \$10,000 to \$12,000 per acre foot, which is not at the high end of the market, but again this is a completely variable cost factor.

4.7 ENVIRONMENTAL CONSTRAINTS

The primary environmental constraint for both Valencia County and the Village of Los Lunas are the FEMA floodplain designations. Historically, development took place in the valley close to the Rio Grande. These are the areas that have the densest development and access to existing infrastructure. However, these are also the areas that are located in FEMA designated floodplains. Houses that are located in the floodplain in this area are either required to elevate the house four feet off the ground, or to pay FEMA flood insurance. This seriously impedes homeownership in both the County and the Village. Flood insurance and homeowners insurance combined are equivalent to nearly double the rate of typical homeowners insurance. This constraint also affects the cost of development outside of the floodplain, because those areas typically are not adjacent to existing infrastructure. The cost of expanding infrastructure is included in the home cost.

This is the only known unusual environmental factor that affects housing costs. Both Valencia County and Los Lunas have significant agricultural activity and the County and Village Comprehensive Plans include a goal for agricultural preservation. The desire to retain agricultural land does not conflict with affordable housing goals. This land is in low density areas that generally would not be appropriate for housing development.

SECTION 4: LAND USE

4.8 RECOMMENDATIONS for LAND USE REGULATIONS

Special Populations

As is further documented in the Community and Housing Profile (Section 2) and is restated in the sections below, both Valencia County and the Village of Los Lunas have higher percentages of special populations (elderly, disabled, and veteran) than New Mexico as a whole. This is an important population characteristic to consider when planning for affordable housing because these populations often require special accommodations and their needs should be targeted.

Valencia County

As noted in Section 2 of the Community and Housing Profile, Valencia County saw the biggest growth in the age cohort of 50 to 74 years of age, and lost population in the younger and middle cohorts. This indicates an aging population that will have special needs in regards to housing.

In 2012, 13.4% of the total County population identified themselves as civilian veterans, and 16.5% of residents had disabilities. These percentages are significantly higher than the state as whole (11.5% civilian veterans and 13.7% with disabilities).

Village of Los Lunas

Unlike the County, the Village has seen population growth in every age cohort. However, the largest growth was in all age cohorts over 50 years of age. This indicates that the Village also has an aging population.

While not as high as the County, the Village also has higher percentages of veteran and disabled populations as compared to the state as a whole. In 2012, 14.5% of the population identified themselves as civilian veteran and 12.9% had a disability.

The relatively high percentage of special need populations in both the County and the Village indicate that this is an important consideration in the planning and design of affordable housing. In the planning process, these populations should be specifically targeted to ensure that they are being served. In the design process, housing must be ADA accessible, and when possible ,go further than ADA to incorporate elements of universal design such as open, single level floor plans, automated lighting, etc. Additionally, in order to address the needs of these special populations, site selections for affordable housing should consider the proximity to health and social services. These services are primarily located in the Village of Los Lunas on Main Street, between Los Cerritos and Don Diego NE. When affordable housing sites are not available in walking distance to these services, it is recommended that the organization responsible for managing the housing organize a shuttle service to these locations.

4.9 REGULATORY CONSTRAINTS

Development regulations often create unintended constraints for affordable housing. Density, lot size, and setback requirements affect the way that a property can be developed, which in turn affects cost. The section below analyzes the Valencia County and Village of Los Lunas regulations that affect housing, and provide recommendations for how those regulations can be adjusted to make housing development more affordable.

Valencia County

The development approval process does not present an impediment to affordable housing development. The process is clearly outlined in the Subdivision Ordinance, and is very similar to other counties of similar size.

An analysis of the Valencia County Subdivision Ordinance and the Zoning Code shows that the following regulations regarding setbacks and parking requirements are not unduly restrictive. Rather, they help to preserve the rural character of Valencia County, therefore, there is no recommendation to alter them.

Right-of-way requirements are 40 feet, regardless of street type. This is a standard street width for rural development character. Reduction in street widths would not result in a significant increase in affordability and could negatively impact safety and emergency access.

The SR-Suburban Residential Zone permits a minimum lot size of 7,500 square feet. The Suburban Residential zone is the most urban zone in the Valencia County Zoning Code. Although Valencia County is primarily rural, the lot size could be reduced to a minimum of 4,500 square feet without altering the rural/suburban character of the County. This change would reduce development costs by allowing a higher density.

As is mentioned above, the SR zone allows for the most urban character development in the County. If potential developers want to develop at a higher density, or with a different lot layout than what is prescribed in the SR zone, they have to apply for a Planned Development. A Planned Development requires a more extensive design and review process. Valencia County staff has indicated a desire to add a new residential zone that would allow a mix of single family and multi-family development to accommodate an affordable housing project on County-owned land without requiring a Planned Development.

Valencia County Land Use and Development Recommendations:

- Reduce the SR-Suburban Residential minimum lot size requirement to 4,500 square feet.
- Create a new zoning district in the Valencia County Zoning Code for multi-family development.
- Evaluate the need and demand for making secondary dwelling units permissive in the residential districts.
- Create a cluster housing provision that allows for a density bonus and preserves the agricultural heritage of the County.

SECTION 4: LAND USE

Village of Los Lunas

The Village's development approval process does not create an impediment to the development of affordable housing. The approval process is a standard, clearly outlined process.

The Village of Los Lunas street width requirements are contained in the Development Process Manual (DPM). The requirements are located in the table below:

TABLE 4.4: STREET RIGHT-OF-WAY and PAVEMENT WIDTHS		
Street Classification	Minimum Required Right-of-Way	Minimum Required Pavement Width
Alleys	20 feet	N/A (20 feet if paved)
Local (Residential)	50 feet	32 feet
Collector/Industrial/Commercial	68 feet	48 feet
Arterial	100 feet	66 feet or more as required by Village

The reduction of the required right-of-way and pavement width for local residential streets would reduce housing development costs and would not adversely affect public safety. The recommended reduced widths are located in the recommendation section below.

An analysis of the Village of Los Lunas Zoning Code shows that there are some areas of the Code that could be modified in order to further incentivize affordable housing. These recommendations include reducing the minimum lot size requirements for the R-2 zone from 7,500 square feet to **4,500** square feet, and reducing the R-2, R-3, and M-H minimum setback requirements from 20 feet to 15 feet. These modifications would not adversely affected the existing developed character of the Village, but would reduce development costs.

The Zoning Code contains two zones that were developed in order to promote walkable, higher density development in close proximity to the Rail Runner Station. These are the Transit Oriented Development Zones TOD-MU and TOD-R. As is explained in further detail below in the sustainability section, Transit Oriented Development (TOD) Zones are an excellent way to increase affordability because they can drastically reduce transportation costs within a household budget. The recommendation section (*provided below*) contains a few recommended modifications to these zones regarding density allowances and setback requirements in order to potentially increase their efficacy in reducing development costs. An elimination of front setback requirements in these zones is recommended not only to potentially increase density, but also to provide more development flexibility in order to promote the more difficult and costly infill development of sites close to the Rail Runner Station.

The Los Lunas Zoning Code also contains a Density Bonus element. This section contains an excellent incentive to increase the development of affordable housing. The recommendation section below contains a minor revision to the Density Bonus.

The Los Lunas Development Process Manual contains a section that outlines the requirement for developers to pay impact fees for parks and infrastructure. While impact fees are often the preferred method of ensuring that development helps pay for itself, affordable housing is typically not able to completely pay for itself, therefore, it is necessary to reduce development costs wherever possible. It is recommended that the Village waive impact fees for parks and infrastructure for affordable housing projects. Additionally, impact fees can be modified for projects that contain a percentage of affordable housing to correspond with the percentage of affordable housing that is provided within a development.

Los Lunas Land Use and Development Recommendations:

- Reduce minimum right-of way width for local residential streets from 50 feet to 46 feet and reduce required pavement width from 32 feet to 28 feet.
- Reduce R-2 minimum lot size requirement from 7,500 square feet to 4,500 square feet.
- Reduce R-2, R-3, and M-H zone setback requirements from 20 feet to 15 feet.
- Reduce TOD-MU and TOD-R front yard setbacks to zero.
- Increase the maximum density in the TOD-MU zone to 30 dwelling units per acre and to 15 dwelling units per acre in the TOD-R zone.
- Revise the Density Bonus section of the Zoning Code to expand it to include an additional density bonus if a developer completes more than one of the eligibility options.
- Evaluate the need and demand for making secondary dwelling units permissive in the residential districts.

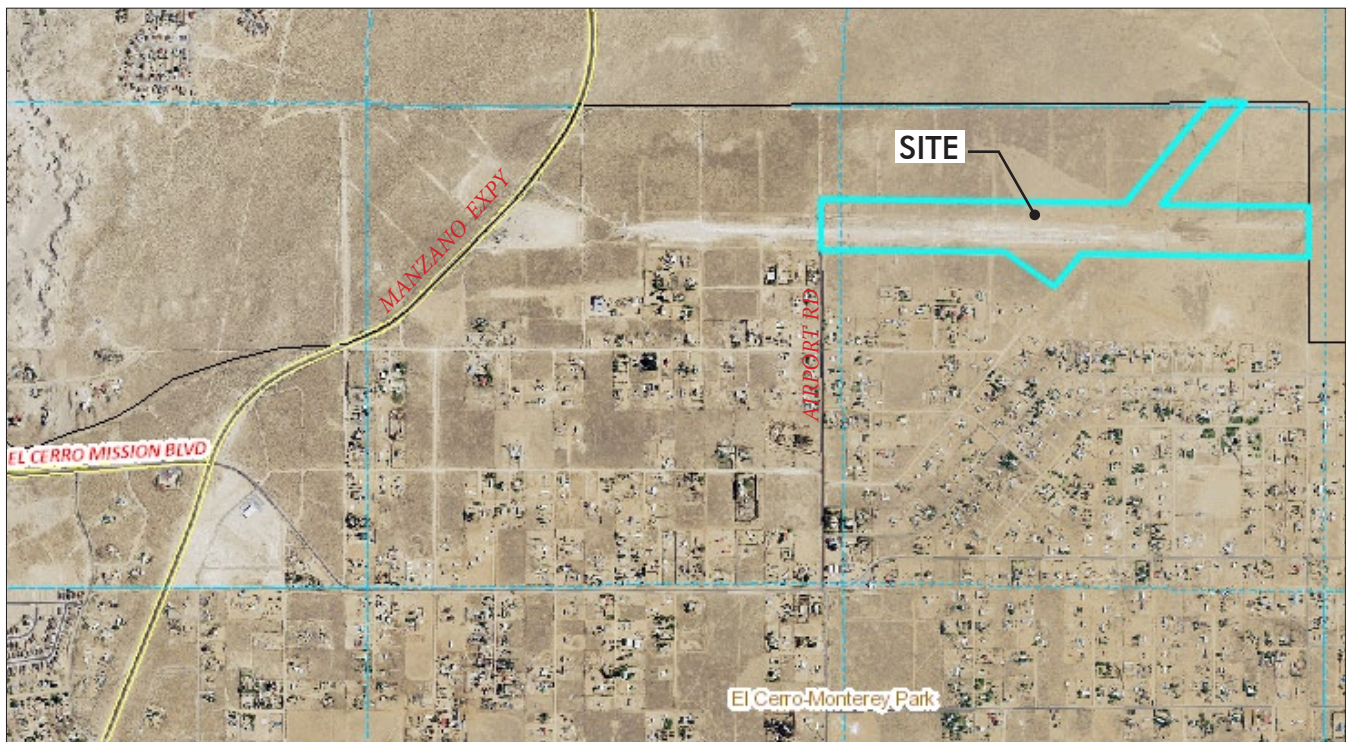
SECTION 4: LAND USE

4.10 LAND AVAILABILITY

Valencia County

Valencia County owns 125 acres of land just north of El Cerro Mission. The County may be interested in donating approximately 10 acres of this property for an affordable housing project. A new zoning category would have to be created in order to facilitate a higher density project, but as is explained in the regulatory constraints section located above, that is something the County would be willing to undertake in order to encourage affordable housing. The property is currently zoned RR, is vacant, and has adjacent infrastructure through the New Mexico Water Company, who has a water line that runs along the Manzano Expressway. The property's location is ideal for an affordable housing project that could connect El Cerro Mission with Meadow Lake. Currently, the Rio Metro Transit System does not service this area, but if a higher density residential project was built, could in the future. Transit service would offer the opportunity to connect to the Rail Runner and reduce household transportation expenses. Additionally, the site is located in proximity to an identified Activity Center that includes the University of New Mexico Valencia County campus, which offers convenient access to higher education opportunities. The property is located with convenient access to commercial services including a gas station, and a Dollar Store. Additionally, the site is in close proximity to a volunteer fire station which could service the area.

There are no known environmental constraints on this site. Assuming that Valencia County creates a new multi-family zone and that the site was developed at the highest density analyzed (30 DU/acre), the total development costs for 9 acres (assuming that one acre out of the ten acres could be set aside for usable open space such as a park or plaza), of multi-family development would be \$105,619 per unit. Assuming 30 DU/Acre on 9 acres, the total housing development cost would be \$28,517,130. One possible obstacle to developing this land with an affordable housing project is lack of political agreement on the uses for the property.



Valencia County Affordable Housing Land Donation - 10 acres out of 125 acres located to the east of Airport Road.

Village of Los Lunas

The Village of Los Lunas is interested in donating an approximately 2 acres of vacant land for the development of affordable housing within the Transportation Center Master Plan area located off NM 314 and Courthouse Road. The property has adjacent infrastructure and is ideal for affordable housing because of its proximity to the Rail Runner Station. There are no known environmental constraints on this property. However, the site is located within a floodplain and mitigation measures would be required for development. There is not a significant difference in development costs between the Village of Los Lunas and Valencia County, therefore, the multifamily development costs were calculated together. According to the highest density analyzed (30 DU/acre) with land donation and a waiver of utility costs, the cost per unit for multi-family development in the Village of Los Lunas is \$105,619. For this approximately 2 acre site, this results in a total cost of \$6,337,140 for an affordable housing development.



Los Lunas Affordable Housing Site within the Transportation Center Master Plan.

SECTION 4: LAND USE

Another potential site for an affordable housing project within the Village of Los Lunas is an approximately 23 acre vacant parcel of land that formerly contained a mobile home park. The area is zoned for mobile home park, and the zoning would need to be changed to TOD-MU in order to develop the property for affordable housing. The site is ideal because it is just south of the Rail Runner Station. This property is privately owned, and the Village is seeking a partnership with the owner to develop affordable housing. The property has adjacent infrastructure, and there are no known environmental constraints. Based on a recommendation that the maximum density allowed in the TOD-MU zone be increased to 30 dwelling units per acre to reach a more affordable development scenario, this site could yield a maximum of approximately 690 units. However, this would be a relatively high density for the Village.



23 Acre Former Mobile Home Park

Housing and Transportation Costs

Housing and transportation costs represent the largest expenses in most households. According to the Center for Neighborhood Technology (CNT), a new formula for assessing housing costs can be developed when you factor both housing and transportation costs into affordability. CNT proposes a new affordability standard of 45 percent of income for combined housing and transportation costs. As is previously described in the recommendations for Land Use Regulations section above, the Village of Los Lunas is in an excellent position, with a Rail Runner commuter train station, to capitalize on the opportunity to lower housing costs through access to transit.

The Housing + Income Affordability Index (Center for Neighborhood Technology) reports that the average household in Valencia County, as well as the Village of Los Lunas, spends approximately 54% of its income on housing and transportation costs, and 26% of that is transportation costs. It could reasonably be assumed that either close proximity to the Rail Runner Station, as is the case with the potential affordable housing sites in the Village and the ability to take transit (Rio Metro) to the Rail Runner Station, as is the case with the Valencia County site, provide the opportunity to commute to work on the Rail Runner. This could reduce transportation expenses by half to approximately 13%. This greatly reduces the housing affordability gap because more income can be spent on housing costs.

4.11 ENERGY EFFICIENCY

Increasing the energy use of a housing unit is a viable way to both reduce housing costs and benefit the environment. According to the U.S. Energy Information Administration, consumers spent 2.7% of their household income on home energy bills last year (2012), the lowest percentage in 10 years. However, low income households devote a larger percentage of their income on energy costs than the average household. When several energy efficiency methods are combined they can significantly increase housing affordability.

The following national, regional, and state green building programs offer information for new construction and building rehabilitation.

- Home Performance with ENERGY STAR - contains green building standards and specifications for the home or entire building.
- The Leadership in Energy and Environmental Design (LEED) for Homes Initiative for Affordable Housing - promotes sustainable building practices with an emphasis on multi-family homes.
- Green Communities - is sponsored by Enterprise Partners and is a program that provides grants, financing, tax-credit equity, and technical assistance for new construction and rehabilitation to existing low-income housing according to the Green Communities green criteria. These criteria are closely aligned with the LEED ratings system.

Additionally, the Federal Low-Income Housing Tax Credit Program (LIHTC), in which awards are based on a point system, assigns points for energy efficiency initiatives such as Energy Star appliances and green building practices and certifications such as Leadership in Energy and Environmental Design (LEED). The tax credit program has a proven history of using this method to produce high quality, environmentally sustainable affordable housing projects. Some examples in Albuquerque include: Silver Gardens, Elements Urban Townhomes, and Casitas de Colores.

4.12 DEVELOPMENT CAPACITY

Due to the similarity of experience and locational proximity and overlap, development capacity was analyzed jointly for Valencia County and the Village of Los Lunas. According to information obtained from local developers, the County and the Village have a large local construction workforce. Due to the lower cost of living, many construction workers live in Valencia County or Los Lunas and commute to Albuquerque for work. There are some local builders and developers as well. However, due to the proximity to Albuquerque, this factor does not really affect housing costs. Using a builder or developer that is based in Albuquerque does not increase construction project costs. Albuquerque is close enough to easily commute back and forth.

SECTION 4: LAND USE

It was noted that construction materials are significantly cheaper in Albuquerque. This is primarily due to the availability of bulk materials. Due to the close proximity of Albuquerque, this does not significantly increase construction costs.

Interviews with County and Village staff indicate that there is currently no capacity within the government to manage an affordable housing program or specific affordable housing projects. In order to establish a long-term affordable housing program that requires continual management, it will be necessary to identify an individual and/or department within the Village and/or County to manage a program. Another possibility would be to establish a housing authority that could be jointly managed by the County and the Village. Some possibilities for implementation of specific projects would be a partnership with a non-profit group in Albuquerque. Albuquerque is close enough to the County and Village that projects could be managed through a group there. Some examples include the Southwest Neighborhood Housing Services, and YES Housing. The County and the Village both indicated that if they could build a partnership to implement affordable housing that the County and/or Village would be able to donate office space to a management organization. Another possibility is for the Village and/or County to partner with a developer that specializes in the provision of affordable housing through the Low Income Housing Tax Credit program.

4.13 NON-GOVERNMENTAL DEVELOPMENT CONSTRAINTS

The cost of land is one of the most important constraints regarding the development of affordable housing. As is illustrated more thoroughly in the minimum density analysis located below, land costs can greatly influence the affordability of housing. Unless land is owned by a governmental entity, it is outside of government control and entirely dependent on the market.

As was previously mentioned, the majority of construction materials come from Albuquerque because there are larger companies that get cheaper materials by ordering larger quantities. Valencia County and Los Lunas are close enough to Albuquerque that the sourcing of materials from outside the immediate community does not have a big impact on cost. Construction costs are not significantly greater than they are in Albuquerque.

It was also previously mentioned that Valencia County and the Village have a large construction workforce that typically commute to Albuquerque for work, so the availability of labor is actually a benefit rather than a constraint.

4.14 FINANCIAL CONSTRAINTS

The financial data that was collected is for all of Valencia County because that data was more comprehensive and did not appear to differ significantly for the Village. As stated in the Community and Housing Profile, Section 2, data from the Home Mortgage Disclosure Act on-line database shows that in 2013, 63 home purchase loans (including FHA, FSA/RHS, VA, and Conventional) were approved, and 198 loan applications were denied. This data concludes that approximately 32% of the people who apply for home loans are approved.

According to an interview with My Bank, a local banking institution, the availability of construction financing is very good and approximately 75% of applicants are approved. However, construction financing is backed by a long term financing loan through other banking institutions, and the applicants that are able to receive these long term financing loans are closer to the home mortgage

rates of approximately 32%. Also, anecdotal information suggests that the majority of construction loans are financed through Albuquerque banking institutions. Information obtained by two banks located in the Village of Los Lunas (Wells Fargo and MyBank), indicate that they and most financial institutions do offer standard loan counseling. The majority of loan applicants meet with a loan officer to discuss the requirements and risks. In addition, construction lending for development is a financial constraint within Los Lunas and Valencia County.

4.15 ANALYSIS OF MINIMUM DENSITY

Valencia County

Table 4.5 located below is an analysis of single family affordable housing development in Valencia County. The table shows that very low density single family development (2 DU/acre) is not affordable for households earning 120% AMI. Low density development (4 DU/acre) is affordable for households earning 100% AMI. Single family development only becomes affordable at medium density (6 DU/acre) for those earning 80% AMI and above. Valencia County does not have an existing zone that allows for higher density single family or multi-family development. Therefore, the development feasibility table was performed using hypothetical densities. The table illustrates that single family development is not affordable at any density analyzed, even with reduced lot size requirements, reduced unit sizes, land donation, and a waiver of utility fees for those earning 50% AMI or less in Valencia County.

TABLE 4.5: VALENCIA COUNTY SINGLE FAMILY DEVELOPMENT FEASIBILITY ANALYSIS						
SR-Suburban Residential	Low Density (2 DU/AC)	Low Density (4 DU/AC)	Medium Density (6 DU/AC)	Scenario 1: High Density (7 DU/AC)	Scenario 2: Land Donation (7 DU/AC)	Scenario 3: Increase Density, Reduce Lot Size, Reduce Unit Size, Waive Utility Fees
DEVELOPMENT COST						
Unit Size	2,000	1,500	900	900	900	800
Lot Size (Square Feet)	7,500	5,000	4,500	4,500	4,500	4,500
Land Cost \$3.50/Square Foot	\$26,250	\$17,500	\$15,750	\$15,750	DONATION	\$15,750
Cost to Build at \$125/SF	\$250,000	\$187,500	\$112,500	\$112,500	\$112,500	\$100,000
Soft Costs as 13% of Construction Costs	\$32,500	\$24,375	\$14,625	\$14,625	\$14,625	\$13,000
Impact Fees						
Utility Connection Fees	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	DONATION (\$2,800)
Total	\$311,550	\$232,175	\$145,675	\$145,675	\$129,925	\$128,750
Developer Profit (6.5%)	\$20,251	\$15,091	\$9,469	\$9,469	\$8,445	\$8,369
TOTAL UNIT COST	\$331,801	\$247,266	\$155,144	\$155,144	\$138,370	\$137,119
120% Max. AMI Purchase Price	\$302,500	\$302,500	\$302,500	\$302,500	\$302,500	\$302,500
Surplus Capacity/Gap 1/	(\$29,301)	\$55,234	\$147,356	\$147,356	\$164,130	\$165,381
100% AMI Max. Purchase Price	\$253,000	\$253,000	\$253,000	\$253,000	\$253,000	\$253,000
Surplus Capacity/Gap 1/	(\$78,801)	\$5,734	\$97,856	\$97,856	\$114,630	\$115,881
80% AMI Max. Purchase Price	\$203,500	\$203,500	\$203,500	\$203,500	\$203,500	\$203,500
Surplus Capacity/Gap 1/	(\$128,301)	(\$43,766)	\$48,356	\$48,356	\$65,130	\$66,381
50% AMI Max. Purchase Price	\$115,500	\$115,500	\$115,500	\$115,500	\$115,500	\$115,500
Surplus Capacity/Gap 1/	(\$216,301)	(\$131,766)	(\$39,644)	(\$39,644)	(\$22,870)	(\$21,619)

Assumptions: Land costs are based on the average cost of "infrastructure ready" lots. SR-Suburban Residential is the only zone that has a minimum lot size that could be considered for affordable housing. Other than PD which goes through a separate process, the rest of the residential zones are rural. Therefore the density analysis is based on recommended density increases.

1/ Assumes up to 30% of gross income expended for housing, 4.25% interest rate amortized over 30 years and a 10% downpayment.

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Village of Los Lunas

Table 4.6 provides an analysis of the affordability of single family housing within the Village of Los Lunas. The table shows that R-1, low density zoning (4 DU/acre) is not affordable for households earning 120% AMI. R-2, medium density zoning (6 DU/acre) is affordable for households earning 80% AMI and above, and single family housing is not affordable for households earning 50% AMI and less for any density, land donation and/or fee waiver scenario. This indicates that it is not feasible to pursue single family development as an affordable housing solution in the Village of Los Lunas.

TABLE 4.6: LOS LUNAS SINGLE FAMILY DEVELOPMENT FEASIBILITY ANALYSIS						
R-1, R-2, & TOD-R	R-1 Low Density (4 DU AC)	R-2 Medium Density (6 DU/AC)	TOD-R Medium Density (8 DU/AC)	Scenario 1: High Density (8 DU/AC)	Scenario 2: Land Donation (8 DU/AC)	Scenario 3: Increase Density, Reduce Lot Size, Reduce Unit Size, Waive Utility Fees (10 DU/AC)
DEVELOPMENT COST						
Unit Size	2,000	1,500	900	900	900	900
Lot Size (Square Feet)	7,500	3,250	3,250	3,000	3,000	3,000
Land Cost \$3.50/Square Foot	\$26,250	\$11,375	\$11,375	\$10,500	DONATION	\$10,500
Cost to Build at \$125/SF	\$250,000	\$187,500	\$112,500	\$112,500	\$112,500	\$112,500
Soft Costs as 13% of Construction Costs	\$32,500	\$14,175	\$9,450	\$8,505	\$9,450	\$8,505
Impact & Utility Connection Fees	\$4,500	\$4,300	\$3,800	\$3,800	\$3,800	WAIVED FEES (\$3,800)
Total	\$313,250	\$217,350	\$137,125	\$135,305	\$125,750	\$131,505
Developer Profit (6.5%)	\$20,361	\$14,128	\$8,913	\$8,795	\$8,174	\$8,548
TOTAL UNIT COST	\$333,611	\$231,478	\$146,038	\$144,100	\$133,924	\$140,053
120% Max. AMI Purchase Price	\$302,500	\$302,500	\$302,500	\$302,500	\$302,500	\$302,500
Surplus Capacity/Gap 1/	(\$31,111)	\$102,972	\$164,449	\$177,570	\$176,564	\$181,617
100% AMI Max. Purchase Price	\$253,000	\$253,000	\$253,000	\$253,000	\$253,000	\$253,000
Surplus Capacity/Gap 1/	(\$80,611)	\$53,472	\$114,949	\$128,070	\$127,064	\$132,117
80% AMI Max. Purchase Price	\$203,500	\$203,500	\$203,500	\$203,500	\$203,500	\$203,500
Surplus Capacity/Gap 1/	(\$130,111)	\$3,972	\$65,449	\$78,570	\$77,564	\$82,617
50% AMI Max. Purchase Price	\$115,500	\$115,500	\$115,500	\$115,500	\$115,500	\$115,500
Surplus Capacity/Gap 1/	(\$218,111)	(\$84,028)	(\$22,551)	(\$9,430)	(\$10,436)	(\$5,383)

Assumptions: Land costs are based on the average cost of "infrastructure ready" lots.

1/ Assumes up to 30% of gross income expended for housing, 4.25% interest rate amortized over 30 years and a 10% downpayment.

Table 4.7 analyzes the affordability of multi-family housing for Valencia County and the Village of Los Lunas. There was not a significant difference in land and development costs for the County and the Village. Therefore, this analysis was performed jointly. Table 4.7 shows that while increased density reduces development costs and makes multi-family rental units more affordable, development costs are still too high to make multi-family development affordable for households earning 50% AMI or less even under the land donation, highest density, and fee waiver scenario without a subsidy.

TABLE: 4.7 MULTI-FAMILY DEVELOPMENT FEASIBILITY ANALYSIS							
Density (Units/Acre)	4	8	15	20	25	30	Highest Density, Land Donation + Fee Waiver
DEVELOPMENT COSTS							
Land Cost/Acre (\$108,900)	\$108,900	\$108,900	\$108,900	\$108,900	\$108,900	\$108,900	\$0
Permits	\$800	\$1,600	\$3,000	\$4,000	\$5,000	\$6,000	DONATION
Infrastructure (on-site)	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500
Construction Costs (\$125.00/SF)	\$325,000	\$650,000	\$1,218,750	\$1,625,000	\$2,031,250	\$2,437,500	\$2,437,500
Utility Connection Fee	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	DONATION
Soft Costs (13%)	\$42,250	\$84,500	\$158,438	\$211,250	\$264,063	\$316,875	\$304,688
Total Development Cost	\$489,250	\$857,300	\$1,501,388	\$1,961,450	\$2,421,513	\$2,881,575	\$2,751,688
Developer Profit (6.5%)	\$31,801	\$55,725	\$97,590	\$127,494	\$157,398	\$187,302	\$178,860
Other Soft Costs (8.4%)	\$41,097	\$72,013	\$126,117	\$164,762	\$203,407	\$242,052	\$231,142
TOTAL COST	\$562,148	\$985,038	\$1,725,094	\$2,253,706	\$2,782,318	\$3,310,930	\$3,161,689
Cost Per Unit	\$140,537.06	\$123,129.71	\$115,006.28	\$112,685.30	\$111,292.71	\$110,364.32	\$105,390
MONTHLY RENT (based on carrying cost) 1/							
120% AMI Affordable Rent 2/	\$1,562	\$1,562	\$1,562	\$1,562	\$1,562	\$1,562	\$1,562
Surplus Capacity/Gap/Unit	\$87,265	\$104,673	\$112,796	\$115,117	\$116,510	\$117,438	\$122,183
Monthly Rental Gap	na	na	na	na	na	na	na
100% AMI Affordable Rent 2/	\$1,301	\$1,301	\$1,301	\$1,301	\$1,301	\$1,301	\$1,301
Surplus Capacity/Gap/Unit	\$40,832	\$58,239	\$66,363	\$68,683	\$70,076	\$71,004	\$75,749
Monthly Rental Gap	na	na	na	na	na	na	na
80% AMI Affordable Rent 2/	\$1,077	\$1,077	\$1,077	\$1,077	\$1,077	\$1,077	\$1,077
Surplus Capacity/Gap/Unit	\$1,072	\$18,479	\$26,602	\$28,923	\$30,316	\$31,244	\$35,989
Monthly Rental Gap	na	na	na	na	na	na	na
50% AMI Affordable Rent 2/	\$673	\$673	\$673	\$673	\$673	\$673	\$673
Surplus Capacity/Gap/Unit	-\$70,657	-\$53,249	-\$45,126	-\$42,805	-\$41,412	-\$40,484	-\$35,739
Monthly Rental Gap	-\$387	-\$291.85	-\$247.32	-\$234.60	-\$226.97	-\$221.88	-\$195.88
30% AMI Affordable Rent 2/	\$537	\$537	\$537	\$537	\$537	\$537	\$537
Surplus Capacity/Gap/Unit	-\$94,832	-\$77,425	-\$69,302	-\$66,981	-\$65,588	-\$64,660	-\$59,915
Monthly Rental Gap	-\$523	-\$427.30	-\$382.47	-\$369.66	-\$361.98	-\$356.85	-\$330.67

Assumptions: Land costs are based on a local survey which only included parcels that are infrastructure ready.

There was not a significant difference in land or construction costs between Valencia County and Los Lunas, so they were analyzed together. The higher densities are assumed to be applicable only for Los Lunas.

Valencia County currently does not have a zone for multi-family. Therefore these densities are assumed.

Notes: 1. An average square footage of 650 (2 bedrooms, 1 bath) was used for each unit. 2. Soft Costs include general costs, contractor's overhead, and professional fees.

3. Other Costs include Contingency, underwriting, title and insurance costs.

1/ Net operating income capitalized by a rate of 6.25%. A 7.5% vacancy rate is assumed and typical operating expenses per unit.

2/ Deduct 10% for utilities from rent and assumption is family of four for rental expenditures of no more than 30% of gross income.

4.16 CONCLUSION

The conclusions of the land use analyses for both Valencia County and the Village of Los Lunas are that both the County and the Village development approval processes are standard and streamlined, and do not present an impediment to the development of affordable housing. Valencia County does not have impact fees and the Village of Los Lunas is in the process of revising its impact fees. Therefore, impact fees were not included in the analyses. Valencia County and Los Lunas both need to revise their respective Zoning Ordinances to allow for higher density development without having to go through the additional requirements of developing under a Planned Development and/or Planned Development Area. While this action will increase the

SECTION 4: LAND USE

affordability of single family housing for households earning 80% AMI and above, it is clear from the development analysis that single family housing is not an affordable option for either the Village or the County. Therefore, it is recommended that the County revise its Zoning Ordinance to allow for multi-family development and the Village revise its Zoning Ordinance to allow higher density. Specific recommendations for revisions are contained in the regulatory constraints subsection of this chapter.

Valencia County and the Village of Los Lunas are committed to encouraging and incentivizing the development of affordable housing, and are demonstrating that commitment through the identification and site analysis of County and/or Village owned parcels of land that could be donated for the development of affordable housing. While the County and the Village have demonstrated commitment, research for this section identified a critical need for personnel to implement the Affordable Housing Plan. The management of specific projects could be undertaken by an affordable housing organization in Albuquerque, or affordable housing could be pursued with a developer who specializes in Low Income Housing Tax Credits, which would reduce the need for local oversight over individual project(s). However, in order to implement a long-term affordable housing program, it will be necessary to identify personnel in within the Village and/or County government(s) to implement and manage a program. Another possibility would be to create a new joint housing authority, which has been discussed by the Valencia County Commission and the Village Council.

5.1 INTRODUCTION

For purposes of the Valencia County / Village of Los Lunas Joint Affordable Housing Plan, all goals, policies, and quantifiable objectives cover the period from Plan approval in 2015 five years hence to 2020. The Village of Los Lunas and Valencia County will coordinate current and future affordable housing needs for the jurisdiction and render oversight of the implementation of the Affordable Housing Plan. Governmental staff will work in concert with the El Camino Real Housing Authority and selected profit and non-profit development entities yet to be determined, U.S. Department of Housing and Urban Development, U.S. Rural Development, the State of New Mexico, Mortgage Finance Authority, and other organizations as needed.

The Village of Los Lunas and Valencia County will undertake the following:

- Updating and refining the Affordable Housing Plan on an 'as needed' basis.
- Identifying the entity responsible for jointly overseeing a long-term affordable housing program in both jurisdictions.
- Attending MFA's training and technical assistance programs for affordable housing providers to foster their ability to assist with the implementation of the Affordable Housing Plan.
- Adjusting utility hook-up and impact fees for affordable housing projects deemed a priority by the Village of Los Lunas.
- Developing policies to assemble and convey land at reduced or donated values for the development of affordable housing deemed a priority by the Village of Los Lunas and Valencia County.
- Pursuing resources for the development of affordable housing deemed a priority by the Village of Los Lunas and Valencia County.
- Maintaining an inventory of Village and County owned lots that can be donated for affordable housing, both rental and for sale units.
- Pursuing amendments to the Zoning Codes, Subdivision Ordinances, and building codes to facilitate the rehabilitation and/or construction of affordable rental and/or for-sale housing deemed a priority by the Village of Los Lunas and Valencia County.

5.2 GOALS, POLICIES, and QUANTIFIABLE OBJECTIVES

The goals, policies, and quantifiable objectives contained in this section have been written in coordination with Valencia County Commission and staff, the Village of Los Lunas Council and staff, and the Affordable Housing Steering Committee. In addition, the goals, policies, and quantifiable objectives are consistent with the housing sections of the Village of Los Lunas and Valencia County Comprehensive Plans, which call for diversifying housing options, improving on the quality of housing, and allowing for greater efficiency in development patterns.

Goal 1. Foster affordable housing production for households earning at or below 80% of the Valencia County adjusted median income (AMI).

Objective A: From 2015 through 2020, the Village of Los Lunas and Valencia County seek to foster homeownership for up to 30 households within the jurisdictions. Up to 10 households will be situated in the Village of Los Lunas and 20 in Valencia County over the ensuing five years. This goal/objective is in response to the estimated 2,500 existing homeowners and 960 renters earning from 50 to 80% of the AMI who are cost burdened and also often living in dilapidated housing during the planning period in both jurisdictions.

SECTION 5: GOALS, POLICIES, & QUANTIFIABLE OBJECTIVES

Policy A-1: The Village of Los Lunas and Valencia County will induce homeownership for households earning between 60 to 100% of the adjusted Valencia County AMI through the provision of counseling support and both jurisdictions will implement the policies herein.

Policy A-2: The Village of Los Lunas and Valencia County will provide direct funding support (i.e., hire a housing counselor), provide office space, and operations support for qualified counseling agencies operating within the jurisdictions.

Policy A-3: The Village of Los Lunas and Valencia County will competitively solicit for the provision of quality counseling support and provide assistance to those organizations selected.

Goal 2. The Village of Los Lunas and Valencia County will foster the rehabilitation of substandard single family and multi-family dwelling units for households earning at or below 80% of the Valencia County adjusted area median income (AMI).

Objective B: From 2015 through 2020, the Village of Los Lunas and Valencia County will seek to rehabilitate up to 20 affordable, single-family, multi-family, and manufactured housing/mobile homes occupied by households earning at or below 80% of the Valencia County median income (adjusted by household size). Up to 7 units will be situated in the Village of Los Lunas and 13 in Valencia County over the ensuing five years. This goal/objective is in response to the estimated 13,691 existing homeowners earning less than 80% AMI living in dilapidated housing and often cost burdened as well.

Policy B-1: In partnership with the Village of Los Lunas and Valencia County, Qualifying Grantees (either profit or non-profit entities) will focus production throughout the jurisdictions for ownership households earning at or below 80% of the Valencia County AMI.

Policy B-2: In cooperation with the Village of Los Lunas and Valencia County, Qualifying Grantees will annually pursue the receipt of the maximum amount of HOME funds possible through the MFA, as well as USDA Rural Development rural repair and rehabilitation loans and RD 504 grants for elderly persons (aged 62 or greater) in the community in need of housing rehabilitation. Other resources may also be pursued. In addition, both the Village of Los Lunas and Valencia County will explore local resources over the upcoming five years to commit to this objective. Rehabilitation services will be provided by a competitively selected private contractor(s).

Policy B-3: Qualifying Grantees will ensure rehabilitation support is committed through soft-second, deferred loans and/or interest bearing loans are repaid (pursuant to HOME regulations) upon property transfer. Local bank and lender financing will be used to leverage federal resources. Any private funding leveraged will be recycled back into the project, if viable.

Policy B-4: The Village of Los Lunas and Valencia County will ensure that Qualifying Grantees will mandate homeownership counseling as a condition of rehabilitation loan commitments.

SECTION 5: GOALS, POLICIES, & QUANTIFIABLE OBJECTIVES

Policy B-5: Qualifying Grantees will utilize green building design and construction practices, consistent with Build Green NM standards, in the rehabilitation of substandard single family and multi-family dwelling units.

Policy B-6: The Village of Los Lunas and Valencia County will ensure that Qualifying Grantees pursue available weatherization program funds (i.e., New Mexico EnergySmart) for manufactured housing/mobile homes.

Policy B-7: Qualifying Grantees will also pursue needed ADA improvements and appropriate health care services for elderly and/or disabled households securing residential rehabilitation support.

Goal 3. The Village of Los Lunas and Valencia County will foster the production of affordable rental units for households earning at or below 60% of the Valencia County adjusted area median income (AMI).

Objective C: From 2015 through 2020, the Village of Los Lunas and Valencia County will seek to produce up to 60 affordable, rental units for households earning at or below 60% of the Valencia County median income (adjusted by household size) within the locale. Up to 45 units will be situated in the Village of Los Lunas and 15 in Valencia County over the ensuing five years. This goal/objective is in response to the estimated 2,914 existing renter households earning under 50% AMI during the planning period who are distressed (generally cost burdened) and also often residing in dilapidated dwellings. The Village of Los Lunas and Valencia County will implement and monitor the policies noted herein.

Rental units will be either newly constructed or undertaken through acquisition and rehabilitation, and will endeavor to utilize green building design and construction practices. This will be undertaken by local non-profits and/or profit development entities with municipal site contribution committed in tandem with other prospective federal and/or state funding providers.

Policy C-1: The Village of Los Lunas will assemble Village-owned properties at the Los Lunas Transportation Center and at the adjacent old mobile home park for use as affordable housing serving households earning at or below 60% AMI. Valencia County will assemble its County-owned property east of Airport Road and north of El Cerro Mission (up to 10 acres).

Policy C-2: Once assembled, the Village of Los Lunas will convey its property to a Qualifying Grantee for the production (new construction) of multi-family dwellings for households earning at or below 60% of the Valencia County AMI for workforce and possibly market-rate housing. Valencia County will convey its County-owned property (up to 10 acres) exclusively for workforce housing (households earning at or below 60% of the Valencia County AMI).

Policy C-3: For sites conveyed, the Village of Los Lunas will waive utility hook-up and/or impact fees for households earning at or below 60% of the Valencia County AMI.

SECTION 5: GOALS, POLICIES, & QUANTIFIABLE OBJECTIVES

Policy C-4: The MFA or private consultant(s) will assist the Village of Los Lunas and Valencia County to identify and select potential non-profit or private funding providers to enter into ultimate development agreements.

Policy C-5: The non-profit and/or private developer(s) ultimately selected will comply with all the requirements ultimately contained within the development agreement governing the conveyance of land between the Village of Los Lunas and itself. The agreement will contain public purpose requirements mandating some residency requirements of households assisted, income restrictions that are at or below 60% of the Valencia County AMI for both initial and future clients, the provision of specified support services for clients, and other requirements deemed necessary by the Village, funding providers, and developer(s).

Policy C-6: The non-profit and/or private developer ultimately selected will have documented experience in the development of multi-family housing, establish a preliminary market assessment for the site affirming project viability, affirm competitive project viability under current and future New Mexico Qualified Allocation Plans (QAP), and have developed previous multi-family properties financed by HUD or the MFA.

Policy C-7: The non-profit or private developer(s) ultimately selected will pursue Low Income Housing Tax Credit (LIHTC) support with gap financing mitigation as/if applicable. The selected developer may also pursue financing packages for project development that includes, but are not limited to: tax-exempt bond support in tandem with public or private credit-enhancement, local resources, HOME, the New Mexico Housing Trust Fund, RD Rural Rental support or HTF resources, non-profit CDFI Ventana Fund, etc. (see *Appendix, Funding Resources*).

Policy C-8: The Village of Los Lunas and Valencia County may commit local resources to non-profit or private developers selected to pursue Low Income Housing Tax Credit (LIHTC) project(s).

Policy C-9: Valencia County and the Village of Los Lunas will explore the use of Tax Incremental Districts (TID) and Public Improvement Districts (PID) to address issues associated with infrastructure.

Goal 4. Commencing in 2015, the Village of Los Lunas and Valencia County will increase the volume of supportive housing available for seniors, veterans, and/or disabled households.

Objective D: Between 2015 and 2020, the Village of Las Lunas and Valencia County will increase the supply of supportive housing by up to 10 units for seniors, veterans and/or disabled households earning at or below 50% of the Valencia County area median income adjusted by household size. These units will be situated Los Lunas and Valencia County be a subset of the numerical goals articulated in Goal 3. This goal/objective is in response to the estimated 2,182 owner and renter households earning under 80% AMI during the planning period who are distressed (generally cost burdened), are elderly and/or disabled, hold a self-care or mobility limitation and are also often residing in dilapidated dwellings. The Village of Los Lunas and Valencia County will implement and monitor the policies noted herein.

SECTION 5: GOALS, POLICIES, & QUANTIFIABLE OBJECTIVES

Policy D-1: The Village of Los Lunas and Valencia County will follow all of the policies articulated under Goal 3, Objective C to foster the production of supportive housing for seniors, veterans, and disabled households earning at or below 50% of the Valencia County area median income adjusted by household size.

Policy D-2: The Village of Las Lunas and Valencia County will explore pursuing the provision of incentives with the El Camino Real Housing Authority for seniors, veterans, and disabled persons.

Policy D-3: The Village of Los Lunas and/or Valencia County will provide office space as an incentive to supportive service providers as a means to induce needed supportive services to elderly and special needs households.

Policy D-4: Valencia County will foster the development of “tiny houses” (defined as being 100-400 square feet and sometimes on wheels) and RV Parks for elderly and disabled households earning under 80% AMI and residing in dilapidated conditions, through an abatement of the regulatory barriers, as identified in Policy E.5.

Goal 5. The Village of Los Lunas and Valencia County will support affordable housing through the provision of regulatory concessions and incentives for new development.

Objective E: The Village of Los Lunas and Valencia County will seek to increase affordable housing stock by amending specific residential development standards in the Zoning Ordinances and donating County and Village-owned land to qualified development entities. This goal/objective is in response to the estimated 10,886 existing homeowners and renters earning less than 80% AMI who are cost burdened and also often living in dilapidated housing during the planning period in both jurisdictions. The Village of Los Lunas and Valencia County will implement and monitor the policies noted herein.

Policy E-1: The Village of Los Lunas will waive impact fees and utility hook-up fees for affordable housing projects that meet the goals of the Valencia County / Village of Los Lunas Joint Affordable Housing Plan.

Policy E-2: The Village of Los Lunas and Valencia County will identify, and acquire through condemnation, additional dilapidated and/or abandoned lots that would be suitable for donation towards affordable housing development.

Policy E-3: The Village of Los Lunas will promote the use of the Density Bonus provision (overseen by the Community Development Director) for affordable housing development that meets the criteria contained in Density Bonus section of the Village Zoning Ordinance.

Policy E-4: The Village of Los Lunas and Valencia County will evaluate the need and demand for allowing secondary dwelling units to be permissive in the residential zoning districts.

SECTION 5: GOALS, POLICIES, & QUANTIFIABLE OBJECTIVES

Policy E-5: The Village of Los Lunas and Valencia County will modify their Zoning Codes and Subdivision Ordinances as follows:

Los Lunas (refer to the Land Use section for more detail):

- Reduce minimum lot sizes and minimum setbacks in the R-2, R-3, MH, TOD-MU, and TOD-R residential zones.
- Increase the maximum densities allowed in the TOD-MU and TOD-R zones.
- Expand the Density Bonus if a affordable housing developer completes more than one of the eligibility options.
- Waive impact fees for affordable housing projects.
- Reduce the right-of-way widths and pavement section requirements for local streets.

Valencia County (refer to Land Use section for more detail):

- Reduce the minimum lot size in the SR-Suburban Residential zone.
- Create a new zoning district in the Valencia County Zoning Ordinance for multi-family development.
- Amend the Planned Development District to include a requirement that 10% of the units in a Planned Development be affordable for homeowner households above 60% AMI and multi-family rental households at 0-80% AMI.
- Add a cluster housing provision to the Zoning Ordinance that allows for a density bonus and preserves agriculture.
- Amend the definition of dwelling in the Zoning Ordinance to include “tiny houses” and RVs. Amend the RR and SR zones to allow these types of dwellings for permanent residency with a requirement for compliance with the New Mexico Environment Department rules for septic systems.

5.3 CONSIDERATION of RELATED ISSUES

Public Participation

The Valencia County / Village of Los Lunas Joint Affordable Housing Plan included public input through the community housing survey and the establishment of an Affordable Housing Steering Committee comprised of Village and County residents and interested parties. The Affordable Housing Steering Committee was a valuable resource to the consultants by providing anecdotal housing information, being a good sounding board, providing recommendations for the community survey, and assisting with contacts within the community in the effort to gather information on development costs.

The community housing survey, which was completed by 458 people, provided valuable input into the formulation of the recommendations contained in the Affordable Housing Plan. It also functioned to notify residents that the County and the Village were engaging in a process to bring affordable housing to the community, and helped to confirm some of the anecdotal information and data gathered during the planning process. The survey revealed the wide spread in this community between households that are very poor and in need of assistance and the households that are more affluent; the relatively old age of the existing housing stock, and the acute need for rehabilitation, particularly in the unincorporated areas of Valencia County. The survey also illustrated the need to provide more education on and access to existing housing resources.

Sustainability and Green Building

The Village of Los Lunas Comprehensive Plan includes recommendations regarding sustainability and decreasing greenhouse gas emissions. This includes actions related to housing, such as trimming energy use through weatherization efforts and installation of solar panels by homeowners, and goals that address infill development and cluster housing in order to concentrate development and increasing the use of alternative modes of transportation.

The Comprehensive Plan also addresses agriculture relative to the methane produced from manure being stored in ponds, tanks, and pits. It also addresses solid waste decomposition and methane production from landfills and carbon dioxide produced through incineration.

Job/Housing Mix

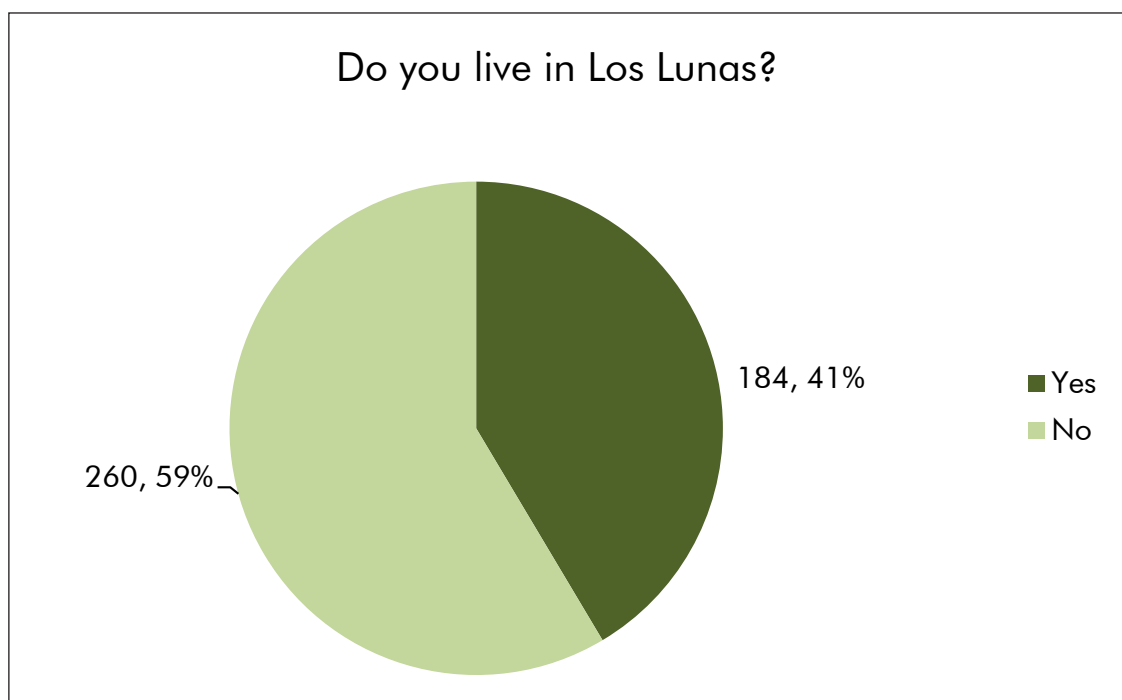
The Village of Los Lunas and Valencia County have been growing at a relatively strong rate for many years. This is likely due to the proximity to available jobs within the Albuquerque metro area and the relatively lower cost of living in Valencia County as compared to Albuquerque. A large portion of the population commute to Albuquerque for jobs, and that is not expected to change to any significant degree. While the rate of job growth has not kept up with population growth, the Village of Los Lunas has been actively promoting economic development for the community.

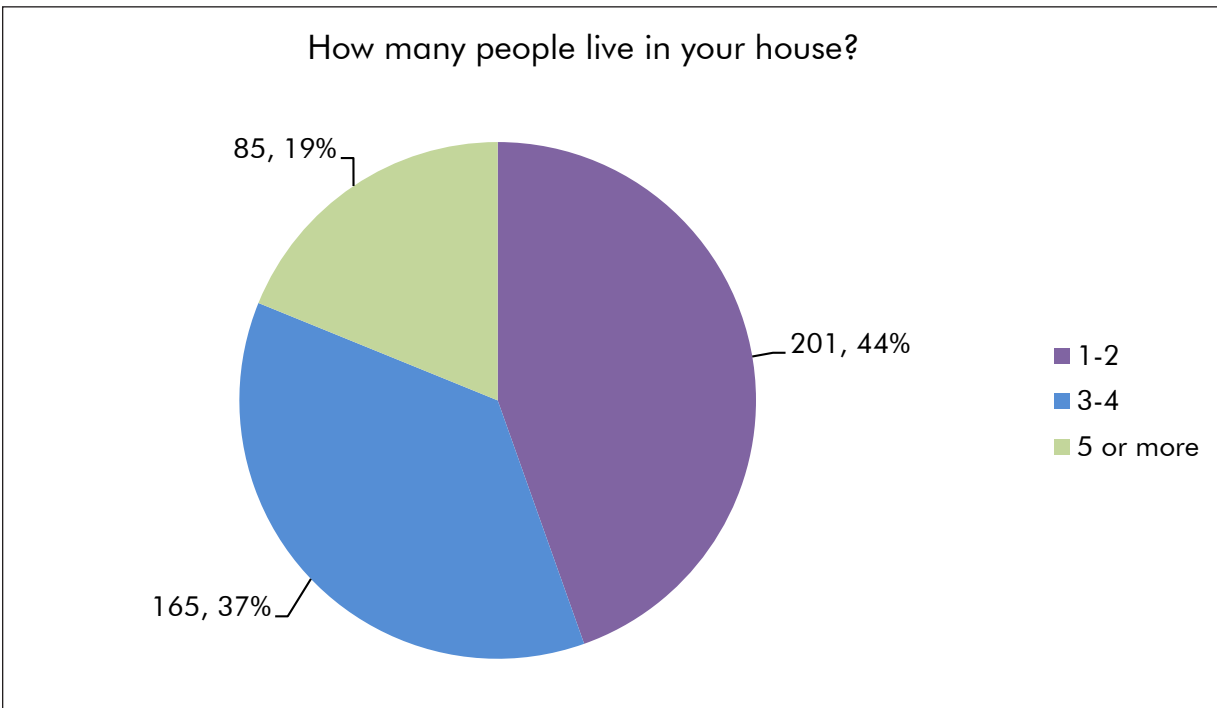
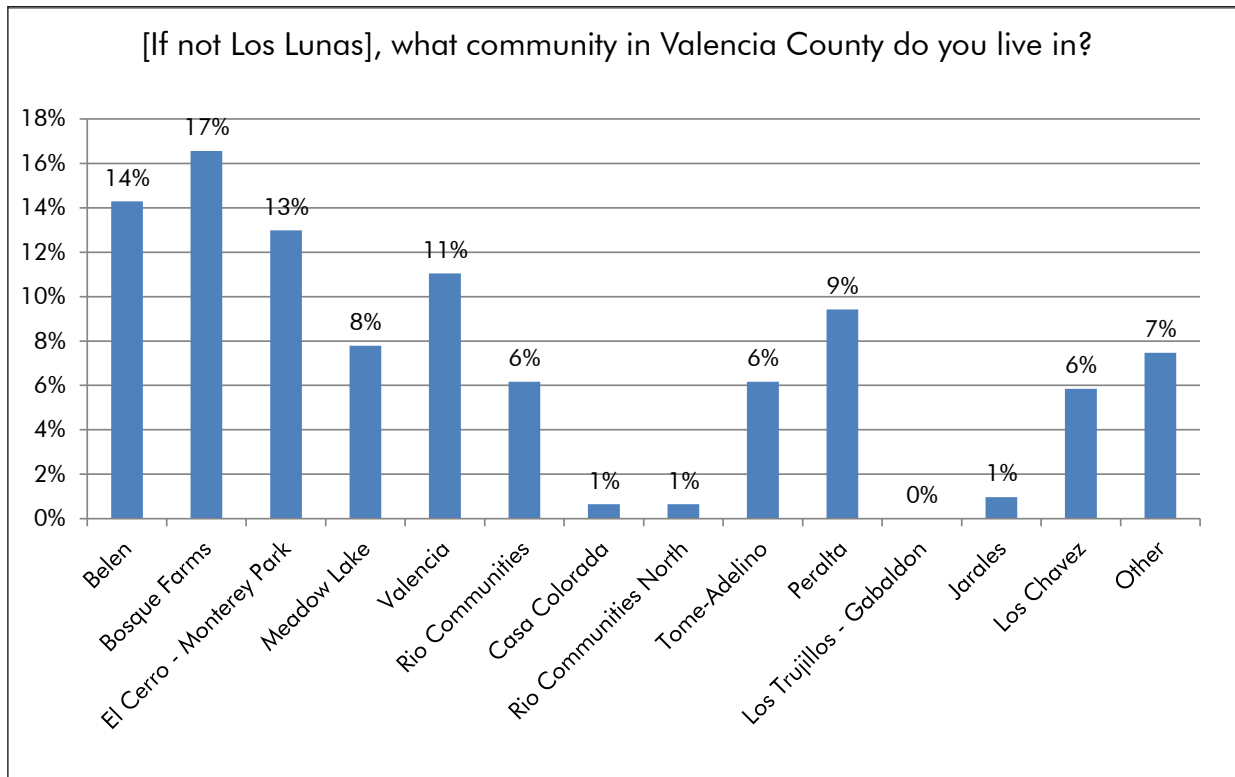
There is a lack of housing diversity in the community, particularly multi-family rentals. There is also a very high rate of housing rehabilitation needs within the unincorporated County area. Attracting new employers to the area would partially depend on the availability of safe and decent affordable housing, which both jurisdictions recognize as a pressing need.

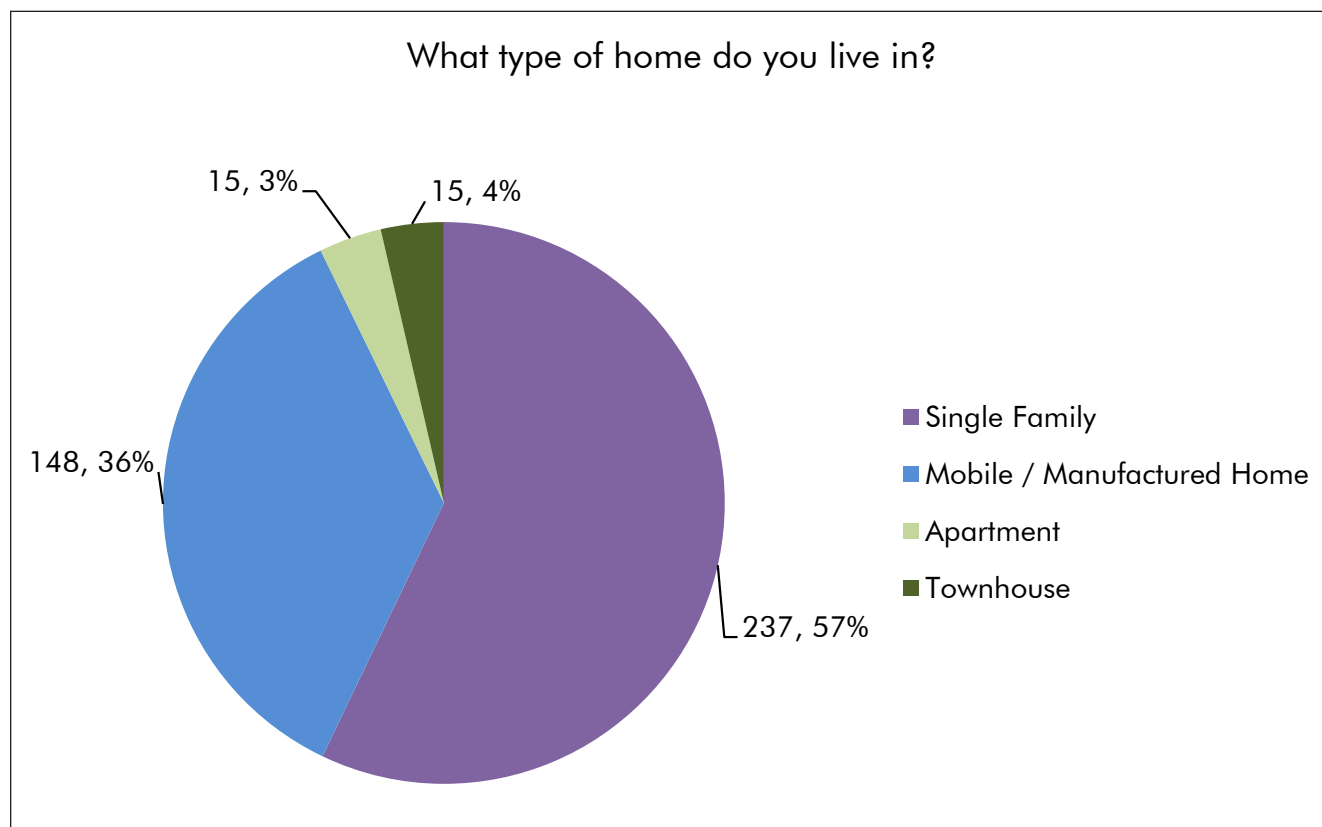
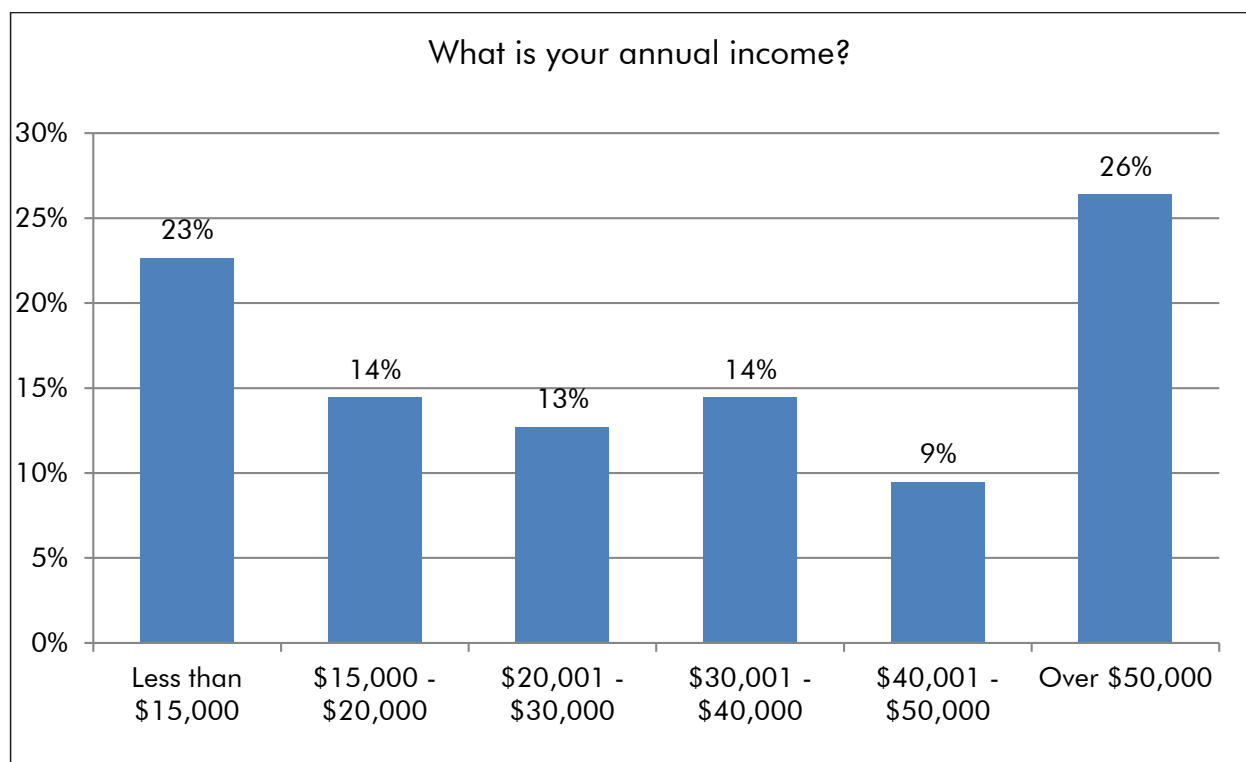
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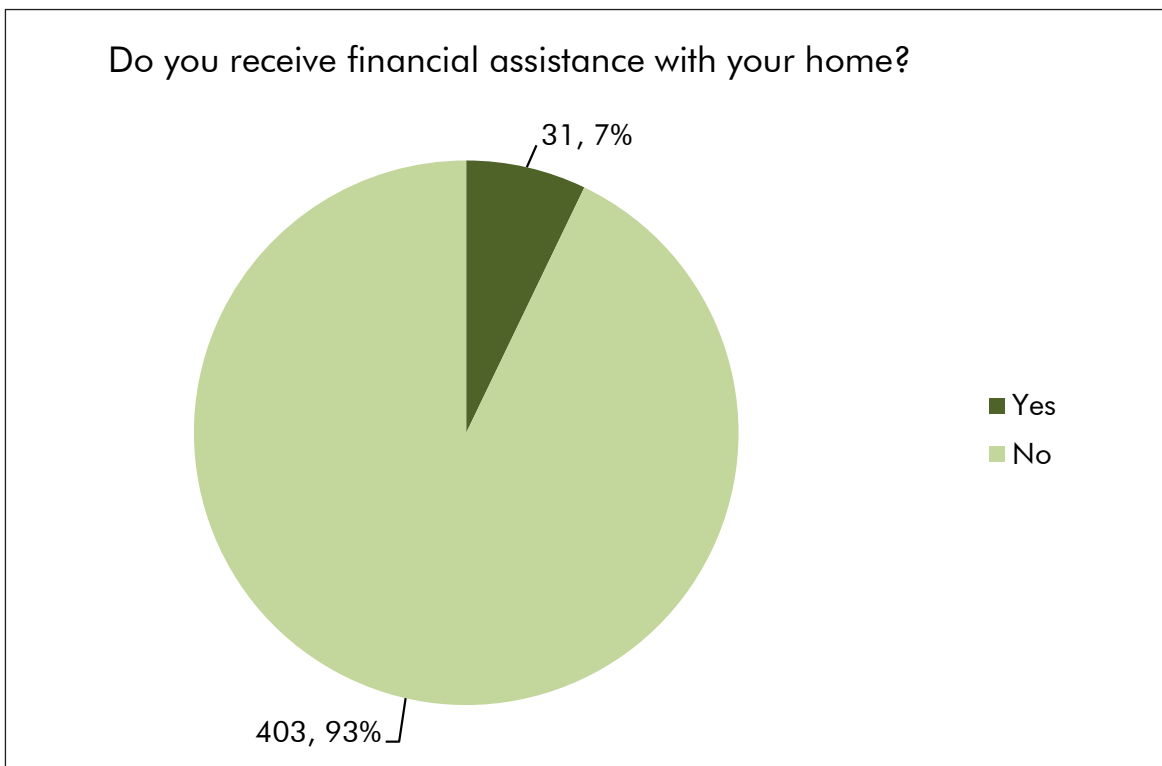
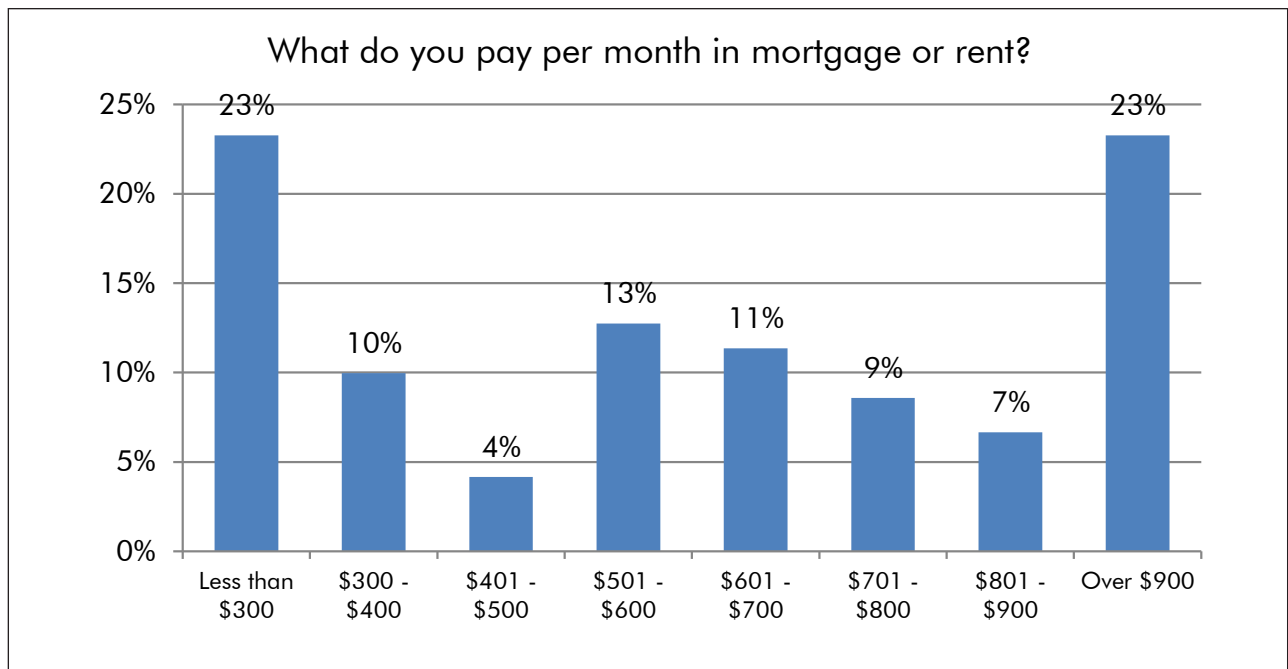
APPENDIX A: COMMUNITY HOUSING SURVEY

A community housing survey was distributed during the months of January and February of 2015. The survey was designed to supplement the housing needs assessment contained in the study and to ascertain the public perception of housing issues, both from a personal and community-wide viewpoint, within Valencia County. The survey was conducted both electronically through survey-monkey.com and as a written survey document. Paper surveys were distributed at local schools, senior centers, and at other local establishments within Los Lunas and Valencia County. A total of 458 surveys were collected (134 through Survey Monkey and 324 through the written survey). The following figures provide an overview of the survey results.

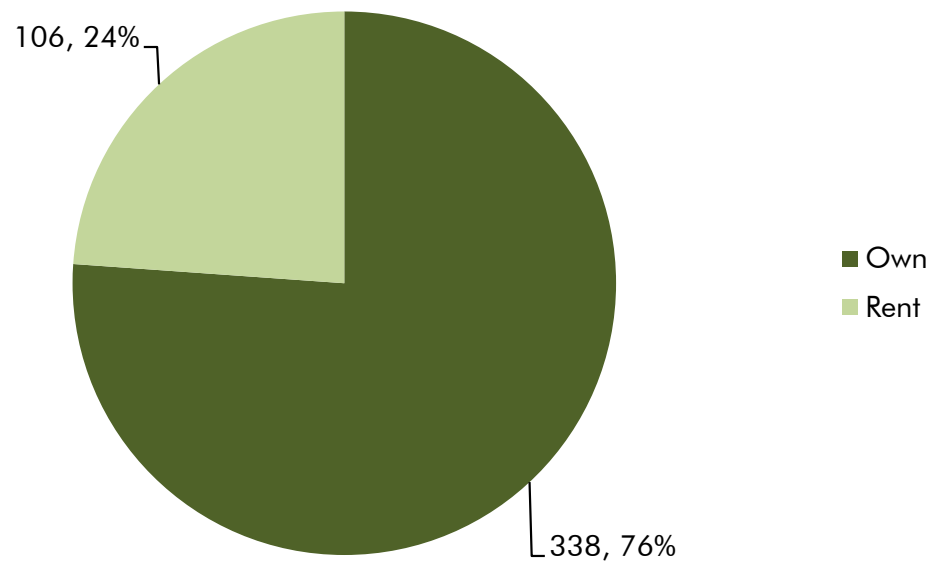




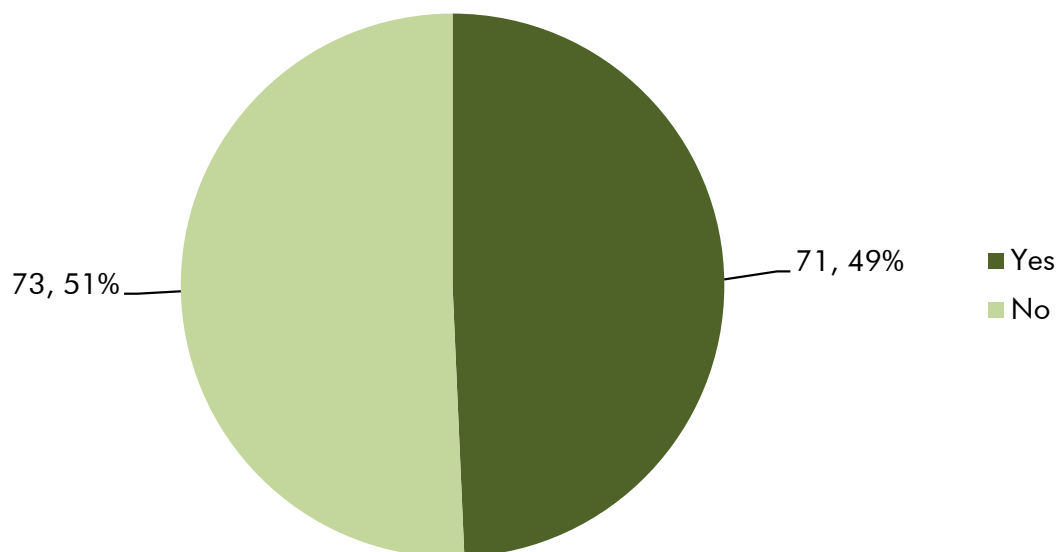


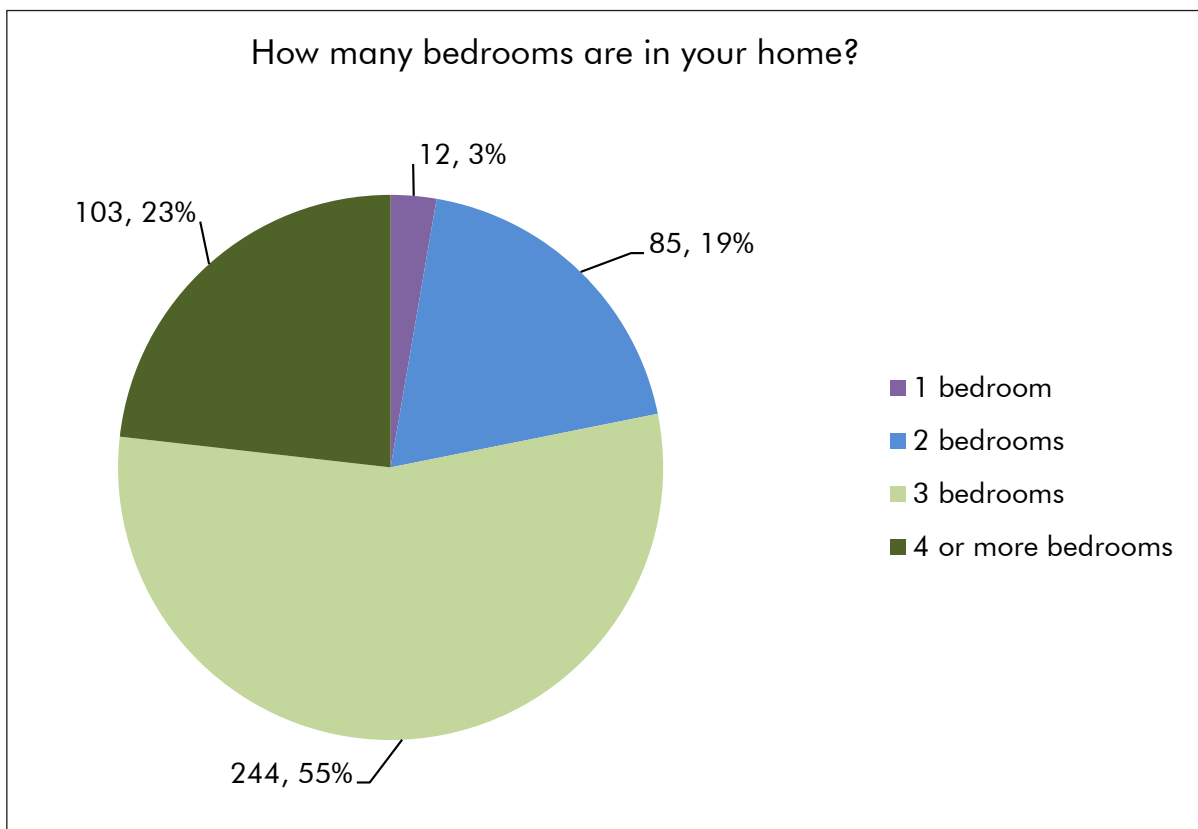
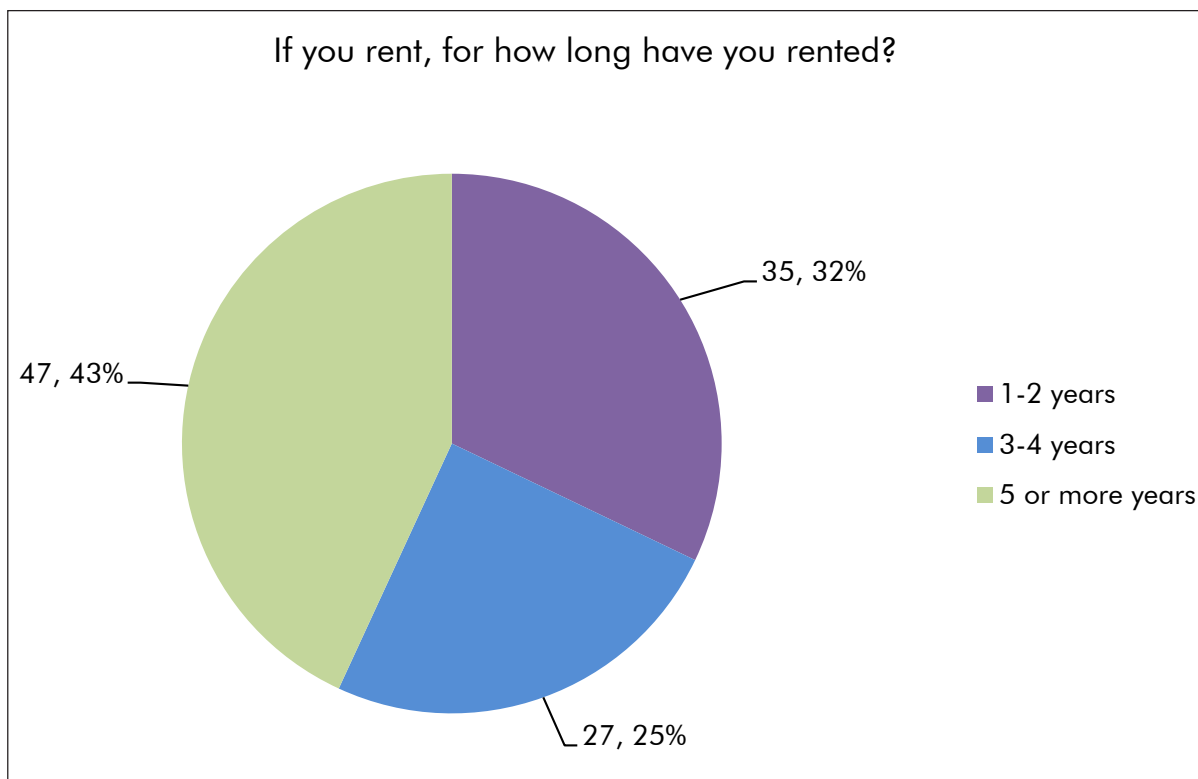


Do you own or rent your home?

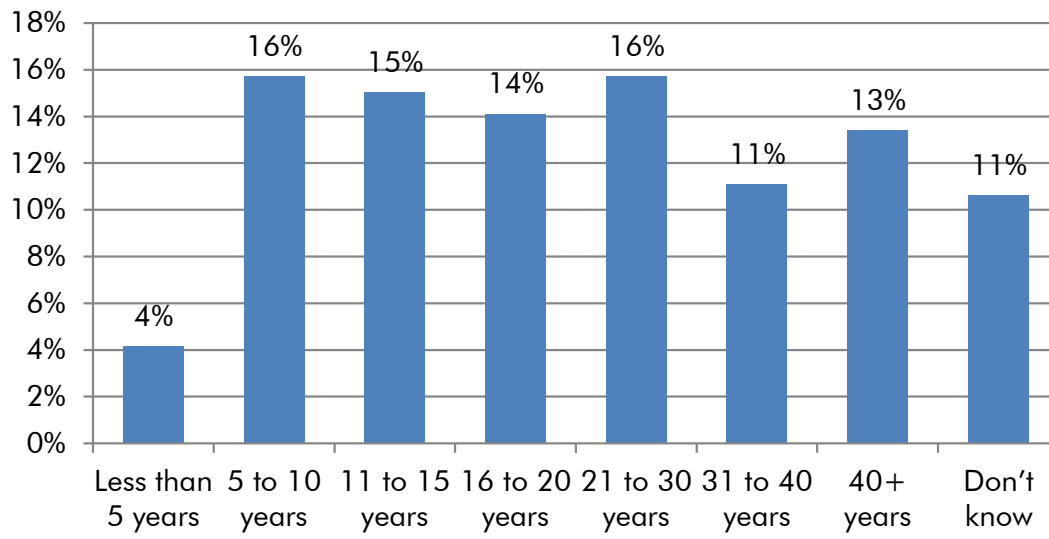


If you rent, are you interested in buying a home?

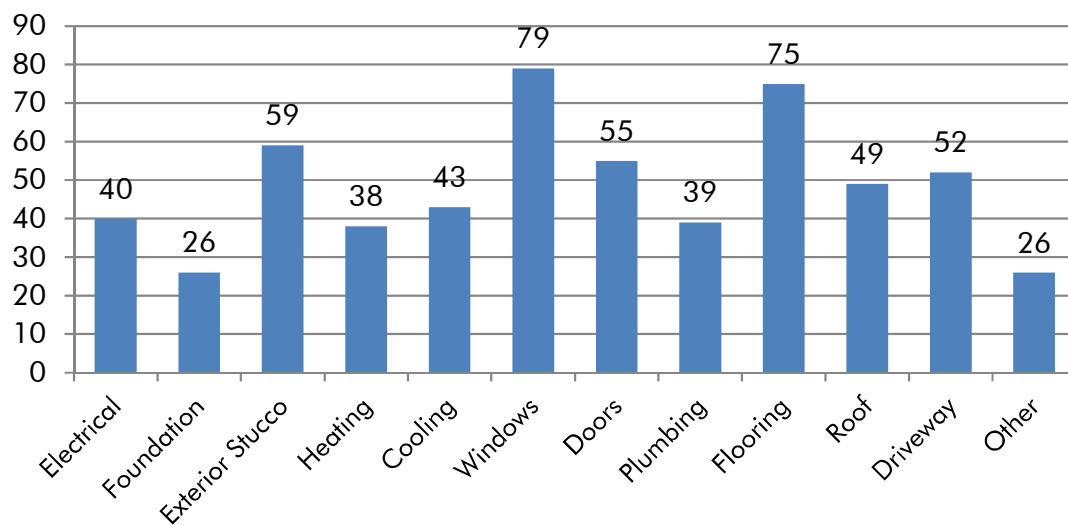


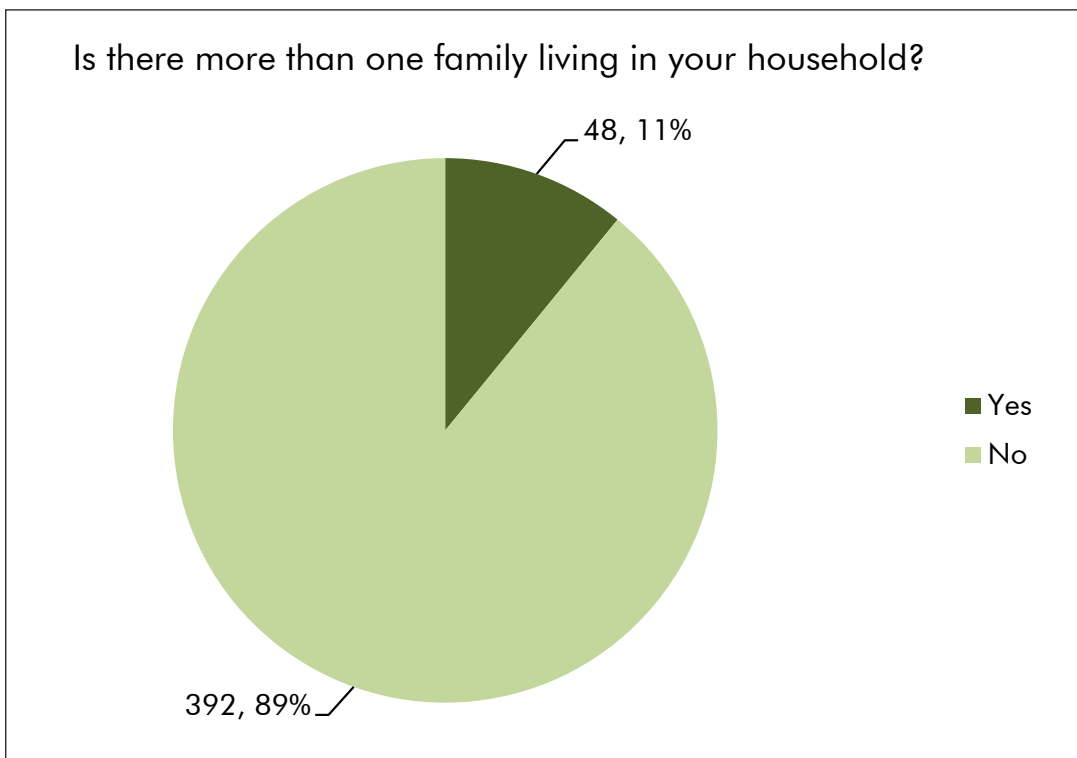
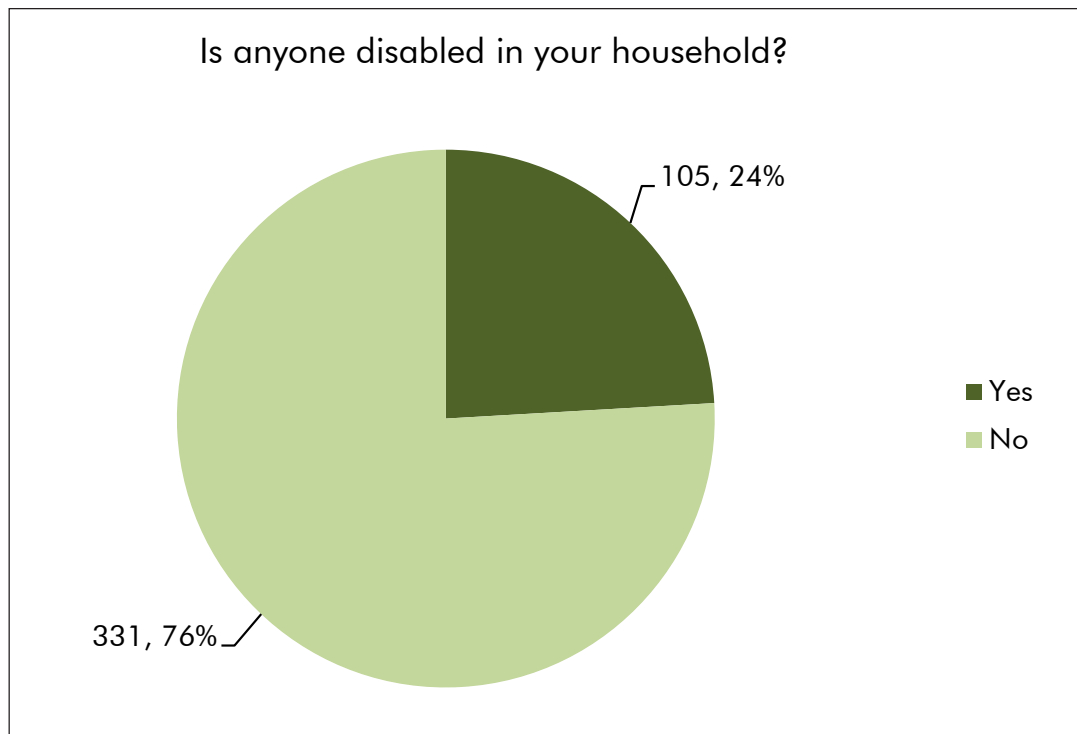


How old is your home?

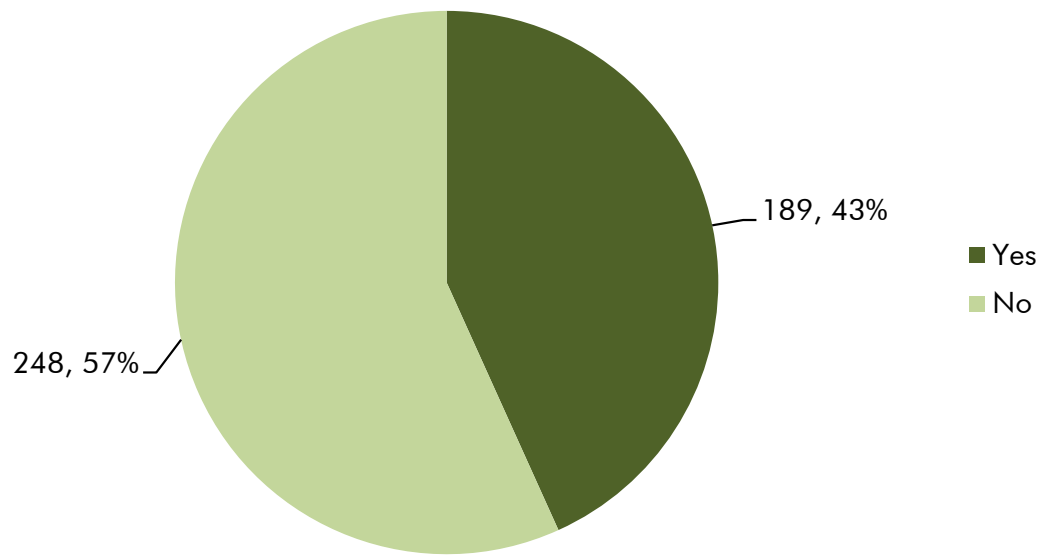


Does your home need repair of any of the following?

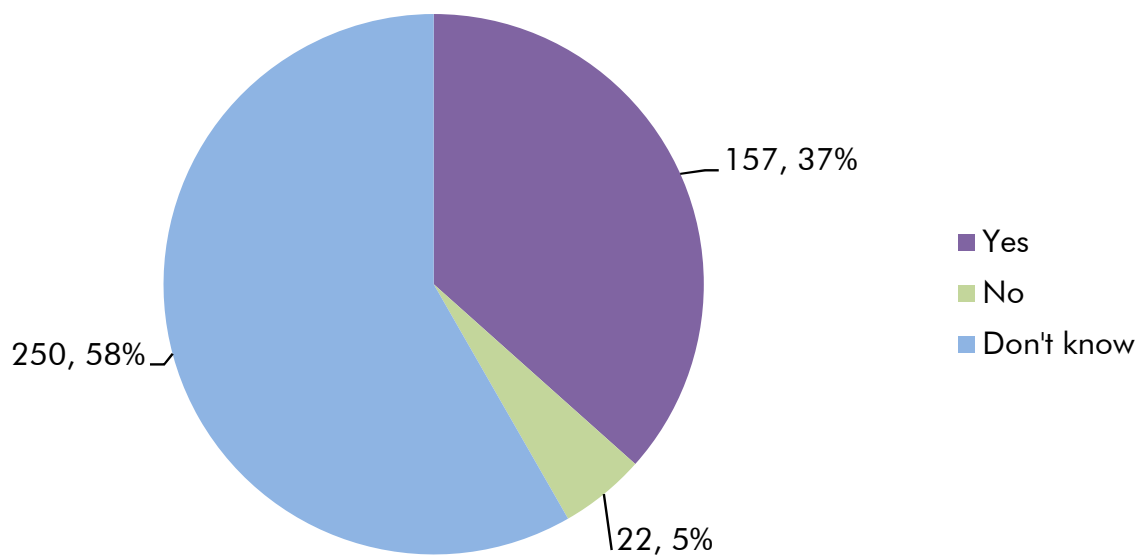




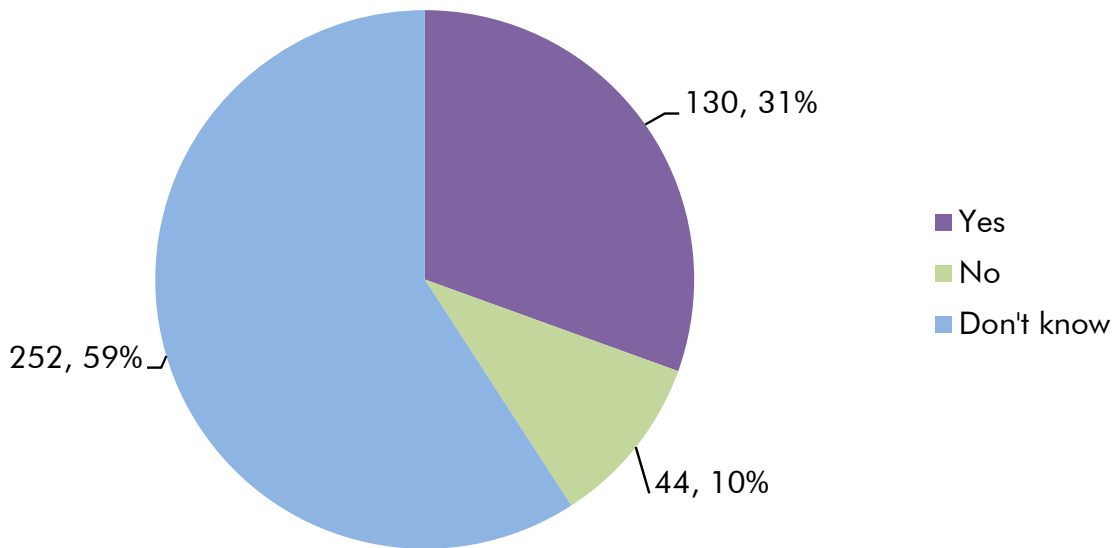
Are there any seniors living in your household?



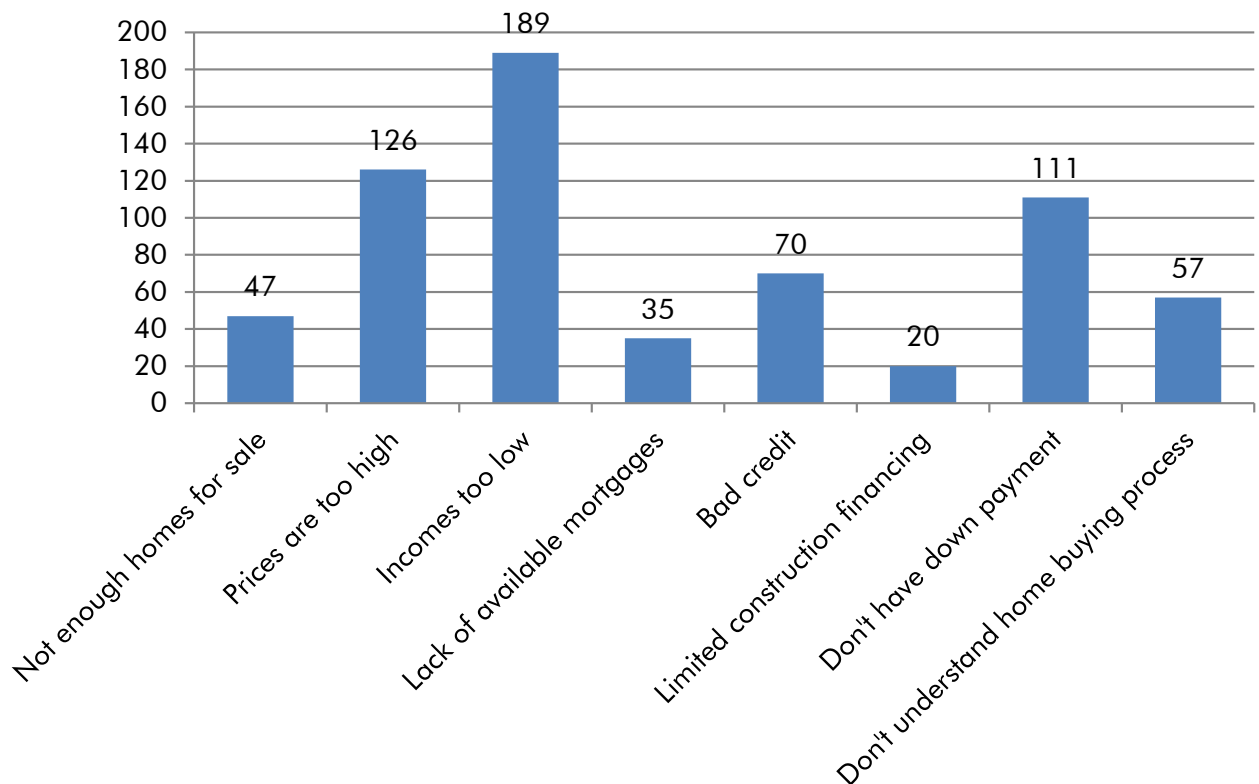
Is there a lack of affordable housing in Los Lunas / Valencia County for RENTERS?



Is there a lack of affordable housing in Los Lunas / Valencia County for OWNERS?



In your opinion, what are the biggest obstacles to buying a home in Los Lunas or Valencia County? (Check all that apply)



APPENDIX B: DEFINITIONS

The source for the following definitions is the New Mexico Mortgage Finance Affordable Housing Act Rules, which are pursuant to the Mortgage Finance Authority Act, NMSA 1978 §58-18-1 et seq. and the Affordable Housing Act, NMSA 1978, §6-27-1 et seq. These definitions are incorporated in the Valencia County/ Village of Los Lunas Joint Affordable Housing Plan to assist readers in understanding some of the terminology used in the document.

Act: Affordable Housing Act, §6-27-1 et seq. NMSA 1978.

Affordable: means consistent with minimum rent and/or income limitations set forth in the MFA Act, and in guidelines established by the MFA.

Affordable housing: residential housing primarily for persons or households of low or moderate income.

Affordable housing funds: any or all funds awarded or to be awarded, loaned, or otherwise distributed under the Act.

Congregate housing facility: residential housing designed for occupancy by more than four persons of low or moderate income living independently of each other. The facility may contain group dining, recreational, health care, or other community living facilities, and each unit shall contain at least its own living, sleeping, and bathing facilities.

Household: one or more persons occupying a housing unit.

HUD: United States Department of Housing and Urban Development.

Market value: price at which buyers and sellers trade similar items in an open marketplace. In the absence of a marketplace, it is the estimated highest value a buyer would be warranted in paying and a seller justified in accepted, provided both parties were fully informed and acted intelligently and voluntarily.

MFA: New Mexico Mortgage Finance Authority.

Multi-family housing project: residential housing that is designed for occupancy by more than four persons or families living independently of each other or living in a congregate housing facility, at least 60% of whom are persons of low or moderate income, including without limitation, persons of low or moderate income who are elderly and handicapped as determined by the governmental entity and/or the MFA, provided that the percentage of low-income persons and families shall be at least the minimum, if any, required by federal tax law.

Multi-family housing program: a program involving a congregate housing facility, a multiple family housing project, or a transitional housing facility.

Persons of low or moderate income: persons and families within the state who are determined by the MFA to lack sufficient income to pay enough to cause private enterprise to build an adequate supply of decent, safe, and sanitary residential housing in their locality or in an area reasonably

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accessible to their locality and whose incomes are below the income levels established by the MFA to be in need of the assistance made available by the Act, taking into consideration, without limitation, such factors as defined under the Act. For the purposes of this definition, the word “families” shall mean a group of persons consisting of, but not limited to, the head of a household; his or her spouse, if any; and children, if any, who are allowable as personal exemptions for federal income tax purposes.

Rehabilitation: the substantial renovation or reconstruction of an existing single family residence or a multi-family housing project, which complies with requirements established by the MFA. Rehabilitation shall not include routine or ordinary repairs, improvements or maintenance, such as interior decorating, remodeling or exterior painting, except in conjunction with other substantial renovation or reconstruction.

State: State of New Mexico.

Transitional housing facility: residential housing that is designed for temporary or transitional occupancy by persons of low or moderate income or special needs.

APPENDIX C: HOUSING RESOURCES and PROGRAMS

HOMELESS, SPECIAL NEEDS, & RENTAL ASSISTANCE PROGRAMS		
PROGRAM	GRANTOR	NOTES
Continuum of Care (COC)	MFA/NM Coalition to End Homelessness	A partnership between MFA and the New Mexico Coalition to End Homelessness, this program funds agencies that provide assistance for people experiencing homelessness. Services include prevention, street outreach, emergency shelter, transitional housing and permanent supportive housing.
Daniels Fund	Private	Daniels Fund awards grants to nonprofit organizations. One of the grant focus areas includes Homeless and Disadvantaged Families & Individuals. Grant funding may be used towards emergency shelter or transitional housing with supportive services. http://www.danielsfund.org/Grants/index.asp
Domanica Foundation	Private	Domanica Foundation awards up to \$5,000 to nonprofit organizations to help fund project oriented, educational and social programs including homeless programs. http://www.domanicafoundation.org/
Emergency Housing Assistance Program (EHAP)	MFA	Support for community non-profits and local governments that provide emergency and transitional housing and supportive services for individuals and families who are experiencing homelessness or at risk of becoming homeless.
Emergency Shelter Grant (ESG)	HUD/CoC	Competitively grant program for emergency shelters and other short-term housing assistance for the homeless and those at risk of becoming homeless. Part of HUD's Continuum of Care programs coordinated on the state level.
Housing Opportunity for Persons with AIDS (HOPWA)	MFA	Provides supportive housing and case management services to individuals who have been diagnosed with HIV/AIDS to prevent homelessness.
Linkages Program	MFA	A permanent supportive housing voucher program for persons with behavioral health disorders who have experienced long-term homelessness. Services are provided through community partnerships between local or regional public housing authorities and licensed behavior health providers.
Rental Assistance Program (RAP)	MFA	A short and medium term rental assistance program for low-income individuals and families who are experiencing homelessness or who are at risk of becoming homeless. Assistance can include payments for security deposits and utility bills.
Rural Rental Assistance Program	USDA	The Rural Rental Assistance (RA) program provides an additional source of support for households with incomes too low to pay the HCFP subsidized (basic) rent from their own resources.

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Supportive Housing Program (SHP)	HUD/CoC	Competitively awarded grant program for transitional housing combined with supportive services. Part of HUD's Continuum of Care programs coordinated on the state level.
Shelter Plus Care	HUD/CoC	Competitively awarded grant program for long-term housing combined with supportive services for chronic homeless with disabilities. Part of HUD's Continuum of Care programs coordinated on the state level.
Section 8 Moderate Rehabilitation Single Room Occupancy (SRO)	HUD	Moderate rehabilitation program that supports the creation of Single Room Occupancy (SRO) with dedicated rental assistance vouchers.
Emergency Homeless Assistance Program (EHAP)	MFA	ESG and state funds awarded through RFP for emergency shelters.
Housing Opportunities for People with AIDS	HUD	Federal program that provides funding to support housing for housing people with HIV/AIDS.
HUD Section 811	HUD	Support to non-profits for the creation of rental housing with supportive services for the very low income and disabled.
HUD Section 202	HUD	Capital advances to non-profit organizations for the creation of affordable rental housing for very low-income seniors.
HUD Section 231	HUD	Mortgage insurance loans for the rehabilitation of multifamily rental housing for the elderly/disabled.

RESOURCES FOR RENTAL HOUSING

PROGRAM	GRANTOR	NOTES
Section 8 Housing Choice Vouchers	HUD	Floating rental voucher that subsidizes rent in market rate rental units for low-income and disabled people. Managed by public housing authorities (PHAs).
Project Based Section 8 Vouchers	HUD	Rental vouchers that are attached to a specific housing project.
Mortgage Insurance for Single Room Occupancy (SRO) Projects	HUD	Section 221(d)(3) and 221(d)(4) insures mortgage loans for projects containing SRO units.

HOMEOWNERSHIP PROGRAMS		
PROGRAM	GRANTOR	NOTES
Bank of America Foundation	-	Bank of America Foundation funds programs focused on creating and preserving affordable housing and homeownership opportunities, foreclosure counseling and mitigation, real-estate owned (REO) disposition and programs that help individuals and families create better money habits and become more financially capable. http://about.bankofamerica.com/en-us/global-impact/charitable-foundation-funding.html
Bank of the West	-	Bank of the West provides grants that benefit low- to moderate-income individuals and communities. In New Mexico, Bank of the West provides grants that will serve the following counties: Bernalillo, Sandoval, Valencia, and Doña Ana. The Charitable Giving Categories include Community and Economic Development category includes the following activities: <ul style="list-style-type: none"> • Creation, preservation or rehabilitation of affordable housing • Homeownership and credit counseling programs for low- to moderate-income individuals • Financing services and technical assistance programs for small businesses and farms • Asset creation and preservation programs for low- to moderate-income individuals https://www.bankofthewest.com/about-us/community-support.html
Building Trust	MFA	Below-market rate loans to Native American Families or individuals from federal recognized tribes who have a home site lease on trust land to buy, build or make repairs on existing homes. First-time home-buyer requirements are waived.
Helping Hand	MFA	\$8,000 for down payment and closing cost assistance to low-income families in which one family member has a disability. Helping Hand is a 0% loan due on sale, transfer or refinance of the home. Guidelines may vary by location.
HERO	MFA	The HERO program is a first mortgage loan that includes a 3.5% down payment assistance grant. The grant does not need to be repaid. HERO is available to low-to moderate-income households in which at least one member is a public safety worker, healthcare worker, educational worker or an active or reserve member of the armed forces. The HERO program is a 30-year, fixed-rate, FHA-insured mortgage loan.
Housing Counseling Grant	HUD	Competitively awarded grant funding for HUD certified housing counseling organizations. Provides funding for housing counseling and group education. Primary focus on homeownership but can also cover homelessness prevention, rental and post-purchase counseling and education.

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Helping Hand	MFA	Up to \$8,000 down payment assistance for families with at least one member who is disabled who are below 80% AML.
HOME Rehabilitation (REHAB)	MFA	Assistance for low-income homeowners to make necessary home repairs. MFA selects local housing authorities, community non-profit organizations and local governments to administer the program in communities throughout the state, excluding the cities of Albuquerque and Las Cruces.
Housing Counseling	-	Pre-purchase housing counseling for prospective buyers funded by U.S. Department of Housing and Urban Development (HUD) grants. Counseling is done by sub-grantees selected by MFA.
Housing Application Packaging Grants	USDA	Housing Application Packaging Grants provide government funds to tax-exempt public agencies and private non-profit organizations to package applications for submission to Housing and Community Facilities Programs.
Individual Development Accounts	DHHS	Funding for matched savings plans for extremely low-income households that can be used for down payment, education, or transportation expenses.
Individual Water and Waste Grants	USDA	Individual Water and Waste Water Grants provide Government funds to households residing in an area recognized as a colonia before October 1, 1989.
Mortgage Booster	MFA	A fixed-rate second mortgage that is used in conjunction with either a MortgageSaver or MortgageSaver Zero first mortgage. Mortgage Booster features a 30-year term and a maximum loan amount of \$8,000. Mortgage Booster has a 6% interest rate.
MortgageSaver	MFA	30-year fixed below-market rate mortgage loans priced with 1% discount and 1% origination fee for low to moderate-income first-time homebuyers.
MortgageSaver Zero	MFA	Thirty-year fixed rate mortgage for low and moderate-income households, no discount or origination points.
MortgageSaver Plus	MFA	30-year fixed rate mortgage program that includes a 3.5% grant to offset down payment and closing costs for low- to moderate-income first-time homebuyers. MortgageSaver Plus carries a slightly higher interest rate than MortgageSaver and MortgageSaver Zero loan products and features a 0% origination and 0% discount fee.
MortgageSaver Zero	MFA	30-year fixed-rate mortgage loans priced with 0% discount and 0% origination fee for low- to moderate-income first-time homebuyers.
MortgageSaver Xtra	MFA	30-year fixed rate mortgage with very low interest rate and no discount or origination point for buyers below 50% AML.

Municipal Funds	City/County	To be developed mechanism for providing direct support for homeownership related activities by non-profits.
New Mexico EnergySmart (Weatherization)	MFA	Assistance for qualified households to improve their homes' energy efficiency and reduce utility expenses by as much as \$500 per year. Homes receive an average of \$5,000 in energy efficiency upgrades through the program, which may include insulation, caulking, new windows and/or new heating systems.
Partners Program	MFA	First mortgages for families earning less than 60% of the area median income. Mortgages are procured through non-profit housing providers.
PaymentSaver	MFA	A second mortgage loan that provides 8% of the sales price of the home (up to \$8,000) for down payment, closing costs, principal reduction and/or interest rate buydown for lower income families in eligible areas of the state. PaymentSaver is a 0% loan due on sale, transfer or refinance, loan due on sale, transfer or refinance of the home.
PaymentSaver Smart Choice	MFA	Down payment Assistance program that provides \$15,000 in the form of a soft second mortgage for participants in the Section 8 Voucher program.
Rural Housing Guaranteed Loan	USDA	Applicants for loans may have an income of up to 115% of the median income for the area. Area income limits for this program are here. Families must be without adequate housing, but be able to afford the mortgage payments, including taxes and insurance. In addition, applicants must have reasonable credit histories.
Rural Housing Site Loans	USDA	Rural Housing Site Loans are made to provide financing for the purchase and development of housing sites for low- and moderate-income families.
Rural Repair and Rehabilitation Loan and Grant	USDA	The Very Low-Income Housing Repair program provides loans and grants to very low-income homeowners to repair, improve, or modernize their dwellings or to remove health and safety hazards. Rural Housing Repair and Rehabilitation Grants are funded directly by the Government. A grant is available to dwelling owner/occupant who is 62 years of age or older. Funds may only be used for repairs or improvements to remove health and safety hazards, or to complete repairs to make the dwelling accessible for household members with disabilities.
Section 502 Mutual Self-Help Loan	USDA	The Section 502 Mutual Self-Help Housing Loan program is used primarily to help very low- and low-income households construct their own homes.
Section 502 Rural Housing Direct Loan	USDA	Section 502 loans are primarily used to help low-income individuals or households purchase homes in rural areas. Funds can be used to acquire, build (including funds to purchase and prepare sites and to provide water and sewage facilities), repair, renovate or relocate a home.

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Self-Help Technical Assistance Grants	USDA	To provide financial assistance to qualified non-profit organizations and public bodies that will aid needy very low and low-income individuals and their families to build homes in rural areas by the self help method. Any State, political subdivision, private or public nonprofit corporation is eligible to apply.
Smart Choice	MFA	In areas where the local public housing authority offers the Section 8 Housing Choice Voucher Home-ownership program, program participants may be eligible for a Smart Choice down payment and closing costs assistance loan of \$15,000. Smart Choice features a 0% interest rate and is due on the sale, transfer or refinance of the home.
Streamline 203(K)	MFA	A 30-year, fixed rate FHA first mortgage that includes up to \$35,000 for home improvements or energy efficiency upgrades. Down payment assistance programs may be used in conjunction with this loan.
Technical and Supervisory Assistance Grants	USDA	To assist low-income rural families in obtaining adequate housing to meet their family's needs and/or to provide the necessary guidance to promote their continued occupancy of already adequate housing. These objectives will be accomplished through the establishment or support of housing delivery and counseling projects run by eligible applicants.
US Bank	-	US Bank provides grants to nonprofit organizations. One of the funding priorities is affordable housing. Eligible activities include: <ul style="list-style-type: none"> • Organizations that support the preservation, rehabilitation and construction of quality affordable housing that assists low- and moderate-income populations. • Programs that provide home buyer counseling and related financial education to low- and moderate-income individuals and families. https://www.usbank.com/community/charitable-giving.html
203(b) Mortgage	FHA	Federally backed mortgage insurance with low down payment requirements and 30-year conventional terms.
203(k) Mortgage	FHA	Federally backed mortgage that includes additional funds beyond the purchase price of the home for rehabilitation and non-luxury upgrades.

HOUSING DEVELOPMENT PROGRAMS		
PROGRAM	GRANTOR	NOTES
ACCESS Loan	MFA	Streamlined Risk Sharing construction and permanent loans up to \$2 million for small-scale affordable rental housing projects.
Bank of the West	-	<p>Bank of the West provides grants that benefit low- to moderate-income individuals and communities. In New Mexico, Bank of the West provides grants that will serve the following counties: Bernalillo, Sandoval, Valencia and Doña Ana. The Charitable Giving Categories include Community and Economic Development category includes the following activities:</p> <ul style="list-style-type: none"> • Creation, preservation or rehabilitation of affordable housing • Homeownership and credit counseling programs for low- to moderate-income individuals • Financing services and technical assistance programs for small businesses and farms • Asset creation and preservation programs for low- to moderate-income individuals <p>https://www.bankofthewest.com/about-us/community-support.html</p>
Bond Financing	MFA	MFA may issue tax exempt bond financing for affordable multifamily housing developments.
"Build It!" Loan Guaranty Program	MFA	Up to a 50% guaranty of interim loans used to acquire, build or rehabilitate affordable rental and for-sale housing. Build It! Is available to non-profit organizations, for profit corporations, units of local government, housing authorities and tribal entities.
Calvert Social Investment Foundation		Calvert Social Investment Foundation lends to established community organizations including, CDFIs, loan funds, microfinance institutions, affordable housing developers and, social enterprises. Funds may be used towards loan capital and pre-development costs. http://www.calvertfoundation.org/
CDFI Ventana Fund	US Department of Treasury	The Fund provides capital to Community Development Financial Institutions (CDFIs) that serve low-income people and distressed communities. It also offers incentives to traditional banks and thrifts that partner with CDFIs or that invest in distressed communities.
Community Housing Development Organization (CHDO) Operating Fund Program	MFA	Operating funds designed to increase production capacity in non-profit organizations that develop affordable housing.

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Colonias Infrastructure Funds	New Mexico Finance Authority	The Colonias Infrastructure Board awards funding for infrastructure projects in designated Colonias to improve quality of life and economic development. Public infrastructure, providing access to affordable housing, is an eligible activity. Match requirement. Open application cycle. http://www.nmfa.net/financing/colonias-loans-and-grants/colonias-infrastructure-board/
Community Development Block Grant (CDBG)	State of New Mexico Department of Finance & Administration (DFA)	CDBG funds are granted to projects which benefit low to moderate income beneficiaries and improve areas of slum & blight. Permanent housing structures are an eligible activity which must benefit specific groups including, persons who have been abused, who are elderly, disabled, homeless or persons living with disease. CDBG funding requires citizen participation and matching funds. There is an annual application process. http://nmdfa.state.nm.us/cdbg_Information_1.aspx
Community Housing Development Organization	MFA/HUD	Federal designation for non-profit organizations with proven development capacity that allows access to specific pools of HOME funding for affordable housing development and operational overhead.
Elderly / Assisted Living Resources	MFA	Funds for facilities that can be created through new construction, acquisition / rehab or existing properties, and conversions of non-residential buildings. This facilities are designed to meet the needs of particular resident populations, such as the elderly or people with certain kinds of disabilities.
Farm Labor Housing Loans and Grants	USDA	The Farm Labor Housing Loan and Grant program provides capital financing for the development of housing for domestic farm laborers.
FDIC, Community Affairs Program (CRA), Dallas Region	-	Banks develop a CRA strategy based on community needs, public plans and initiatives. CRA investments support activities that revitalize or stabilize the community, including affordable housing. Low-interest loans may be structured for a rehabilitation product for low-moderate income homeowners. Investments may also be made towards the rehabilitation or new construction of multi-family rental. http://www.fdic.gov/consumers/community/
FHA Section 207	FHA	Mortgage insurance for market stable rental projects up to 90% LTV.
FHA Section 207/233(F)	FHA	Mortgage insurance for acquisition/rehabilitation of multifamily rental projects or five or more units that were originally financed with FHA or conventional loans.
FHA Section 221(d)(3) 221(d)(4)	FHA	Mortgage insurance for market rate single room occupancy (SRO) multifamily.

Guaranteed Rental Housing	USDA	The Rural Housing Programs guarantees loans under the Rural Rental Housing Guaranteed loan program for development of multi-family housing facilities in rural areas of the United States. Loan guarantees are provided for the construction, acquisition, or rehabilitation of rural multi-family housing.
Home Depot Foundation, Community Impact Grants Program	Home Depot Foundation	Home Depot Foundation, Community Impact Grants Program, awards up to \$5,000 to registered nonprofit organizations to help fund community projects. Framing Hope provides a donation of materials to non-profit organizations that focus on affordable housing. http://www.homedepotfoundation.org/
HOME Rental Loan Program	MFA	Funds are designed to provide gap financing for a variety of affordable and special needs housing projects throughout the state of New Mexico.
Housing Preservation Grants	USDA	The Housing Preservation Grant (HPG) program provides grants to sponsoring organizations for the repair or rehabilitation of low- and very low-income multi-family housing.
Industrial Revenue Bonds (IRB)	Local municipalities and counties	Pursuant to the Industrial Revenue Bond Act, New Mexico municipalities and counties are authorized to issue IRBs to stimulate the expansion and relocation of commercial and industrial projects in the state. IRB financing is available for land, buildings and equipment for headquarter office buildings, warehouses, manufacturing facilities, service-oriented facilities not primarily engaged in the sale of goods and commodities at retail, a 501(c)3 non-profit organization, and all expenses, attorneys', engineering and architects' fees, premiums and commissions that the commission may deem necessary. Approximately 30 communities in New Mexico have issued IRBs. Refer to NM State Statute 4-59 et. al. NMSA. Local Fees attached to Services. Local municipalities and counties may include fees on applications and/or permits which may be used to fund a local general fund for affordable housing.
Land Title Trust Fund (LTF)	MFA	Loans or grants to provide housing for low-income persons whose household income does not exceed 80% of area median income. MFA awards funds quarterly on a competitive basis to eligible applicants that include non-profit organizations, governmental housing agencies, housing authorities, governmental entities, governmental instrumentalities, tribal governments, and tribal housing agencies.

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Local Economic Development Act (LEDA)	New Mexico Economic Development Department	Similar to the Affordable Housing Act, LEDA allows public resources to be used towards economic development projects. LEDA allows for public/private partnerships to foster local economic development. 83 communities in New Mexico have passed the Local Development Act. Eligible projects must create jobs. Funds may be used towards new construction, rehabilitation, and/or infrastructure. MFA has a Memorandum of Understanding with NM Economic Development Department to allow LEDA funds to be used in mixed-use projects which include affordable housing. http://gonm.biz/Local_Economic_Development_Act.aspx
Local Funding, Bonds or General Fund	-	Local municipalities and counties may allocate general funds or issue bonds towards affordable housing which may include financing of acquisition, construction, and/or rehabilitation.
Low Income Housing Tax Credit (LIHTC)	MFA	A federal tax-based program that encourages private investment for the construction or rehabilitation of affordable rental housing. Each year, MFA awards funds on a competitive basis, as outlined in the Qualified Allocation Plan.
Multi-Family Housing Preservation and Revitalization (MPR) Loans and Grants	USDA	The goal of the MPR program is to restructure Rural Rental Housing loans and Off-Farm Labor Housing loans and provide grants to revitalize Multi-Family Housing projects in order to extend the affordable use of these projects without displacing tenants due to increased rents.
Municipal Funds	City	To be developed mechanism to provide land and/or cash donation for the development of an affordable rental housing project.
NM Affordable Housing Tax Credit Program	MFA	Provides state tax credits to individuals, businesses and local governments that provide donations of land, buildings, materials, cash or services to affordable housing projects approved by MFA or cash donations made to the MFA Charitable Trust. The credit is equal to 50% of the value of the donation. Project sponsors can apply for an eligible affordable housing project designation and for a reservation of credits as outlined in the Notice of Funding Availability.
NM Housing Trust Fund	MFA	Provides financing for affordable housing initiatives targeted primarily to low- to moderate-income households. MFA awards funds on a competitive basis as outlined in the Notice of Funding Availability. Eligible applicants include non-profit and for-profit housing developers and providers, units of local government, housing authorities and tribal entities.
NM State Affordable Housing Tax Credit	MFA	A charitable state tax credit for up to 50% of the value of donations (cash, land, buildings or services) for affordable housing projects approved by the MFA, or for donations made directly to the NM Affordable Housing Charitable Trust.

Preservation Revolving Loan Fund	MFA	Provides loans to rehabilitate housing. Eligible borrowers include governmental housing agencies, regional housing authorities, government entities, governmental instrumentalities, etc.
Primero Investment Fund	MFA	Provides loans to meet the financial needs of affordable housing development initiatives that cannot be accommodated with other sources. For-profit and non-profit sponsors, public or government agencies including tribal entities are all eligible to apply. Permanent supportive housing pre-development and development grants are available for projects that set aside units for permanent supportive housing.
Risk Sharing Loans HUD 542(c) and USDA 538	MFA	Construction and permanent loan programs aimed at the production and preservation of affordable, low-income rental housing units. Both programs require set-asides for a specific number of units to be rented to lower income tenants. These loans are often combined with Federal Low Income Housing Tax Credits and/or HOME Rental loans. Risk Sharing loans can also provide credit enhancements for tax-exempt bond financing.
Rural Housing Site Loans	USDA	Rural Housing Site Loans are made to provide financing for the purchase and development of housing sites for low- and moderate-income families.
Rural Rental Housing	USDA	This program is adaptable for participation by a wide variety of owners. Loans can be made to individuals, trusts, associations, partnerships, limited partnerships, State or local public agencies, consumer cooperatives, and profit or nonprofit corporations.
Tax-Exempt Bonds	MFA	MFA is a qualified issuer of tax-exempt bond financing and 501(C)3 bond financing for multi-family developments throughout the state. Risk Share financing can be utilized for credit enhancement. Federally mandated tenant income restrictions apply.
US Bank	-	US Bank provides grants to nonprofit organizations. One of the funding priorities is affordable housing. Eligible activities include: <ul style="list-style-type: none"> • Organizations that support the preservation, rehabilitation and construction of quality affordable housing that assists low- and moderate-income populations. • Programs that provide home buyer counseling and related financial education to low- and moderate-income individuals and families. https://www.usbank.com/community/charitable-giving.html

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Wells Fargo Foundation	-	Wells Fargo Foundation awards grants to nonprofit organizations, including qualified governmental entities. One of the grant priority areas is Community Development which includes building and sustaining affordable housing. https://www.wellsfargo.com/about/charitable/nm_guidelines
W.K. Kellogg Foundation	-	W.K. Kellogg Foundation concentrates two-thirds of its grant awards in several priority areas including New Mexico. The Kellogg Foundation concentrates on “early childhood (prenatal to age 8), within the context of families and communities, offers the best opportunity to dramatically reduce the vulnerability caused by poverty and racial inequity over time.” Past grantees include affordable housing developers and organizations. http://www.wkkf.org/
542 (C) FHA-Insured Multi-Family Loan Program	MFA	Construction and permanent loans for affordable rental developments. Loans of \$2 million or less may be funded by MFA and are termed ACCESS loans, which are designed to minimize transaction and due diligence costs and expedite processing for small projects. Eligible projects include new construction, substantial rehabilitation, refinancing or acquisition of projects having no less than five units per site. Detached, semi-detached, row houses or multi-family structures.
538 Rural Loan Program	MFA	Construction and permanent loans for affordable rental developments in an eligible rural area.

GREEN BUILDING FOR AFFORDABLE HOUSING RESOURCES

PROGRAM	GRANTOR	NOTES
Energy\$avers – Housing Development	MFA	This program offers below market interest rate loans for energy efficiency improvements, including alternative energy upgrades, to new housing development projects and to projects involving the acquisition and rehabilitation of existing rental and for-sale housing throughout the state.
New Mexico Energy\$mart	MFA	Formerly called the Weatherization Assistance Program, this free service, for income-qualified households, provides limited assistance to improve the energy efficiency of their homes and reduce their utility expenses. The program is administered through community-based non-profit organizations.

For more information on each funding source, refer to MFA’s Rental Development webpage: <http://www.housingnm.org/rental-development>