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Village of Ruidoso

## Legislative Oversight Committee

November 10, 2016

### Affordable Housing

- **NEED FOR AFFORDABLE HOUSING IN LOCAL COMMUNITIES**

- Improve Living Conditions
- Meet the hiring needs of Employers
  - Village of Ruidoso – 89% of employees cannot afford to live in VOR limits
  - Ruidoso Schools have lost teachers due to lack of affordable housing
  - Lincoln County Medical Center attempting to recruit medical staff and need affordable housing
  - Local business owners don't have workforce – need for housing identified
- Affordable Housing Generates Tax Revenues (Construction and Living Costs)
- Transitional housing needed for Youth

- **RUIDOSO STARTED WITH A GROUP OF COMMUNITY LEADERS WHO RECOGNIZED THE NEED FOR WORKFORCE/AFFORDABLE HOUSING**

- Village of Ruidoso
- Ruidoso Municipal Schools
- Ruidoso Valley Chamber of Commerce
- Lincoln County Medical Center
- Local Relators
- Local Contractors



**Need Housing for:** Teachers, Principals, Police, Firemen, Village employees, doctors, nurses, retail workers, etc.

- **FIRST STEP – FIRST CALL – NEW MEXICO MORTGAGE FINANCE AUTHORITY**

- The Mortgage Finance Authority Act, NMSA 1978, § 58-18-1 and the Affordable Housing Act, NMSA 1978 § 6-27-1 identifies procedures for Local Governments to participate in Affordable Housing activities.
  - AFFORDABLE HOUSING PLAN
- Assistance from NMMFA- \$20,000
  - Grant authorized for 1:1 grant for the cost of developing Housing Plan
  - RFP – Professional Services – Sites Southwest

- November 19, 2014 VOR Council approved
- Village of Ruidoso contributed \$20,000 – General Fund
- Sites Southwest began their effort on November 20, 2014
  - The Village would be required to create an internal Housing Review Team to collaborate with the consultant in developing the Housing Plan.
  - This team would solicit public input and required a minimum of 3 public meetings during the course of developing the plan.
- NMMFA provided Technical Assistance and participated in the Affordable Housing Committee meetings and review of the draft plan
  - NMMFA met with Affordable Housing Committee and discussed Goals and Implementation identified in the draft plan.
  - Included discussions with Village Mayor and Council members
- **NMMFA Approved Affordable Housing Plan - RESULTS**

Type of Housing	Target Income	Total Need	10 Year Goal
Home Ownership	1-3 person households, 60-80% AMI 3+ person households, up to 120% AMI	120 units existing need 25 units future need 60 units, existing need 15 units future need	220 units
Rental Housing	1-2 BR units, up to 60% AMI 2+ BR units, up to 80% AMI	160 units existing need 55 units future need 70 units existing need 20 units future need	305 units
Senior Independent Living	60% AMI and below	25 units existing need 25 units future need	25 units
Senior Assisted Living	60% AMI and below	15 units	15 units
Housing Rehabilitation	60% AMI and below	120 units – elderly 200 units – other single family 50 units – mobile home repair or replacement	20-50 units at 2-5 units per year
Transitional Housing	60% AMI and below	25 units	25 units
Emergency Services	60% AMI and below	20 families per year	20 families annually

- **AFFORDABLE HOUSING ORDINANCE**

- June 5, 2015 – Letter from NMMFA – Approved Affordable Housing Plan
- July 28, 2015 - Village Council approved Resolution 2015-16 Affordable Housing Plan
- January 12, 2016 Village Council approved Ordinance 2016-02 Establishing an Affordable Housing Program including procedures to administer

- **POLICY AND PROGRAM RECOMMENDATIONS (Not all )**

- Modification To Existing Ordinances
  - Amend C-1, C-2 and C-3 zones to make residential permitted instead of conditional
  - Reduce minimum lot size in R-1 and R-2
    - R-1 zone, a lot size of 5,000 sq ft for a single family house with 2,500 per unit for a duplex
    - R-2 zone, a lot size of 6,000 sq ft.
  - Allow accessory units on single family lots
- Code Enforcement
  - Adopt building maintenance code to improve condition of long term rentals
  - Revising Short Term Rental Ordinance
- Streamlined Processes
  - Allow administrative approvals for small projects
  - Change P&Z hearing schedule to reduce time – accommodate developers
    - Reduce time between P&Z and Council Hearing
- Village participate in Development Projects that meet affordability goals
  - Reduce fees or fee waivers
  - Village assistance with infrastructure costs
  - Land Donation (donation below market sale, land lease)
  - Acquisition/land bank attractively priced lots for scattered site housing
- Explore NMMFA and USDA Opportunities
  - Leverage Resources

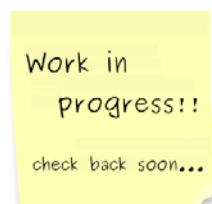
- **CHALLENGES IN BUILDING AFFORDABLE HOUSING**

- Ruidoso is a resort community; 69% of existing housing not occupied full-time
- Affordable Housing is used primarily for vacation housing
- Available housing and apartments are scarce
- Much of the vacant housing is in the Short Term Rental pool and not available for long term residents. Rents are more lucrative for short term rentals
- The Village allows short term rentals in its residential districts, which is great for tourism and great for the property owner. Not as great for people trying to find long term rental housing

- **Because of steep topography, land is difficult and expensive to develop, resulting in higher housing costs.**
  - Site Development Costs are out of range
  - Rural location and suppliers create added cost



- **DEVELOPED ORDINANCE – HOUSING LAND BANK AND TRUST FUND**
  - Public Hearing and Council Approval – February 9, 2016
  - March 8, 2016 – Village Council approved Ordinance 2016-07 Establishing an Affordable Housing Land bank and Trust Fund.
    - For the development of affordable housing projects in accordance with both the Affordable Housing Act and Affordable Housing Ordinance.
    - Identify methods to allow the dedication of land to the Affordable Housing Land Bank
      - Funds dedicated to qualified affordable housing projects
      - Not intended to be the sole sources of land or funding for affordable housing
- **CURRENT PROGRESS AND DEDICATED FUNDS FOR IMPLEMENTATION**
  - Village sold a large track of land to Housing Developer – Grindstone Subdivision
    - Funds deposited in the Housing Trust Fund
    - Developer will build some affordable homes \$200k >
  - Village sold a smaller track of land – Closing scheduled for November 2016
    - Funds to be deposited in Trust Fund
- **SOLUTIONS THROUGH COLLABORATION**
  - **Collaboration between Village of Ruidoso, Ruidoso Municipal Schools and Lincoln County Medical Center**
    - Potential Land Swap – Presbyterian owned
    - Land Swap with Ruidoso Schools
    - Potential Annexation
    - Potential Public Infrastructure Investment



# Potential Land Swap

## Potential Site



- Land currently owned by Presbyterian
- Land is adjacent to Ruidoso Middle School
- Village of Ruidoso
  - Land Bank and Trust Fund – Provide Infrastructure



### ○ AFFORDABLE HOUSING MAKES ECONOMIC SENSE

- Strengthens local workforce availability
- Supports teachers, nurses, law enforcement and firefighters
- Increases property tax and GRT
- Invigorates the residential construction industry
- Utilizes and leverages Federal and State grants/programs
- Stimulates enrollment in public schools
- Improves the community's Quality of life



### ○ Legislative Oversight Committee

- **Vision** - All New Mexicans will have quality affordable housing opportunities
- **Mission** - Provide innovative products, education and services in collaboration with strategic partners to finance the purchase, construction and preservation of quality affordable housing to strengthen the social and economic development of New Mexico.
- **Core Values** –
  - Provide prompt, courteous, quality service.
  - Allocate resources to serve those with the greatest need while promoting partnerships to maximize housing opportunities.
  - Promote sustainable growth, innovation and environmentally conscious practices.



To the Legislature for supporting New Mexico Communities with funding for Affordable Housing.

Thank you Senator Ingle for sponsoring the Bill!

