

Planning for NM's Future: Statewide Housing Needs

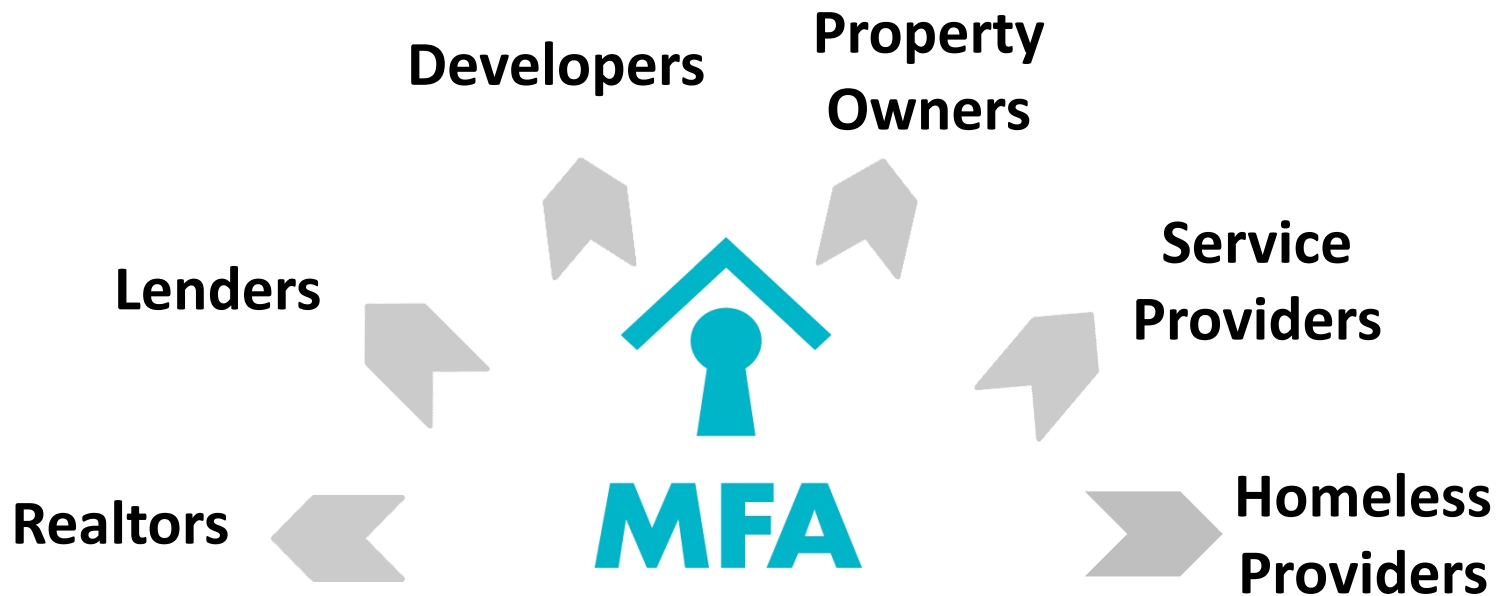
MFA Legislative Oversight Committee
November 10, 2016

Presenter:
Monica Abeita, Senior Policy and Program Advisor



What does MFA do?

*MFA provides **financing** for affordable housing to low to moderate income people. **MFA's partners provide actual services on the ground.***



What is low to moderate income?

*HUD sets income limits for the use of its funding based on
Area Median Income (AMI).*

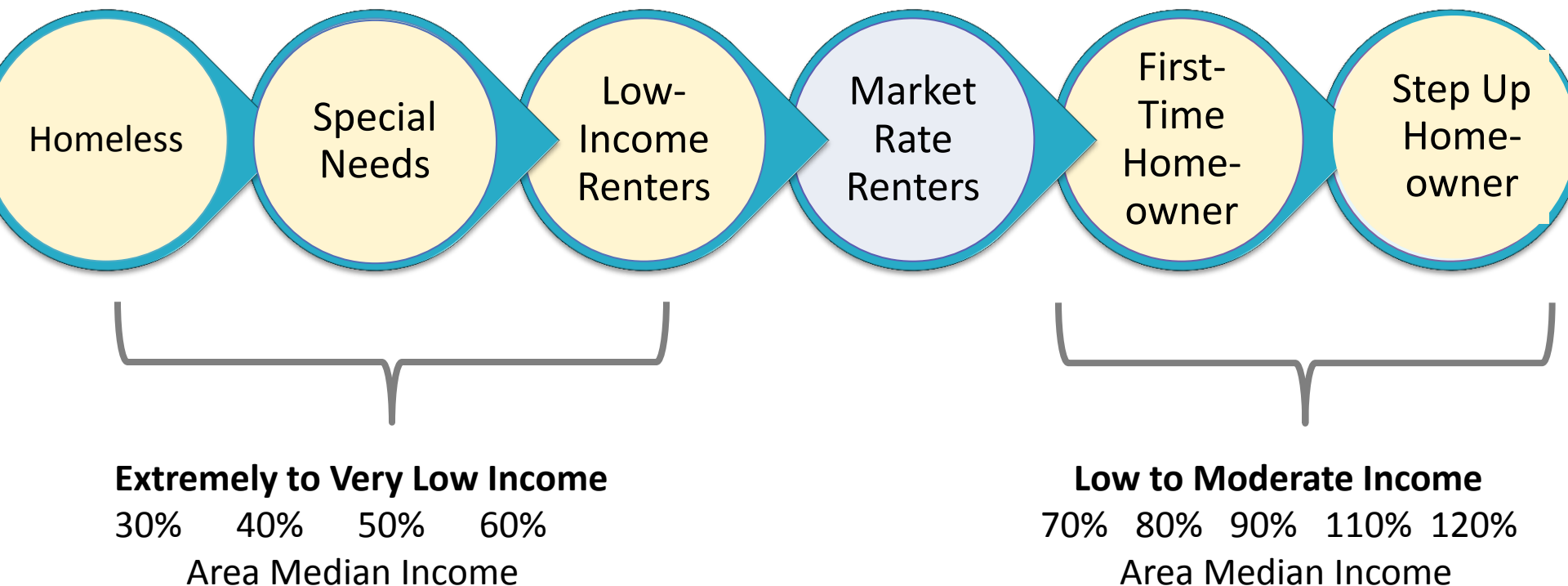
Area Median Income: HUD standard used to determine income limits for federal affordable housing programs. HUD Income limits vary by program, by county and by family size.

➤ Simplified example using US Census median HH income for Bernalillo County:

30% AMI	50% AMI	60% AMI	80% AMI	100% AMI	120% AMI
Extremely Low Income		Very Low Income	Low Income	Median HH Income	Moderate Income
\$14,517	\$24,195	\$29,034	\$38,712	\$48,390	\$58,068

Who does MFA serve?

*MFA programs serve most of the housing spectrum, provided households are **low to moderate income**.*



What is affordable housing?

*HUD defines housing as **affordable** if a household pays 30% or less of its income for rent and utilities.*

Simplified example using US Census median HH income for Bernalillo County (\$48,390):

Median HH income=\$48,390	30% AMI	50% AMI	60% AMI	80% AMI	120% AMI
Median HH Income	\$14,517	\$24,195	\$29,034	\$38,712	\$58,068
Annual Affordable Housing Payment	\$4,355	\$7,259	\$8,710	\$11,614	\$17,420
Monthly Affordable Housing Payment	\$363	\$605	\$726	\$968	\$1,452

Housing Needs Assessment

MFA is embarking on a new three-year strategic planning process in 2017. The new plan will cover FY 2018-2020. To guide the strategic plan, MFA is working to synthesize various data types and sources into a meaningful set of indicators for the state and each NM county:

Relevant data for affordable housing: Demographics, incomes, employment/economic trends, homeownership rates, growth rates, building permits, home sales and home sales prices, rents, foreclosures, age and type of housing stock, housing vacancy rates, affordable housing and social services.

Existing data sources:

- National studies estimate affordable housing needs in states or metropolitan areas. Examples:
 - 2016 Gap Report from the National Low Income Housing Coalition: NM needs 44,394 rental units priced under 30% AMI
 - 2016 Center for Supportive Housing analysis : NM needs 9,911 supportive housing units in NM for various populations
- NM local governments have Affordable Housing Plans that quantify their housing needs
- Market studies exist for specific affordable housing projects; MFA's assessment will not take the place of market studies

APPENDIX A: STATE COMPARISONS

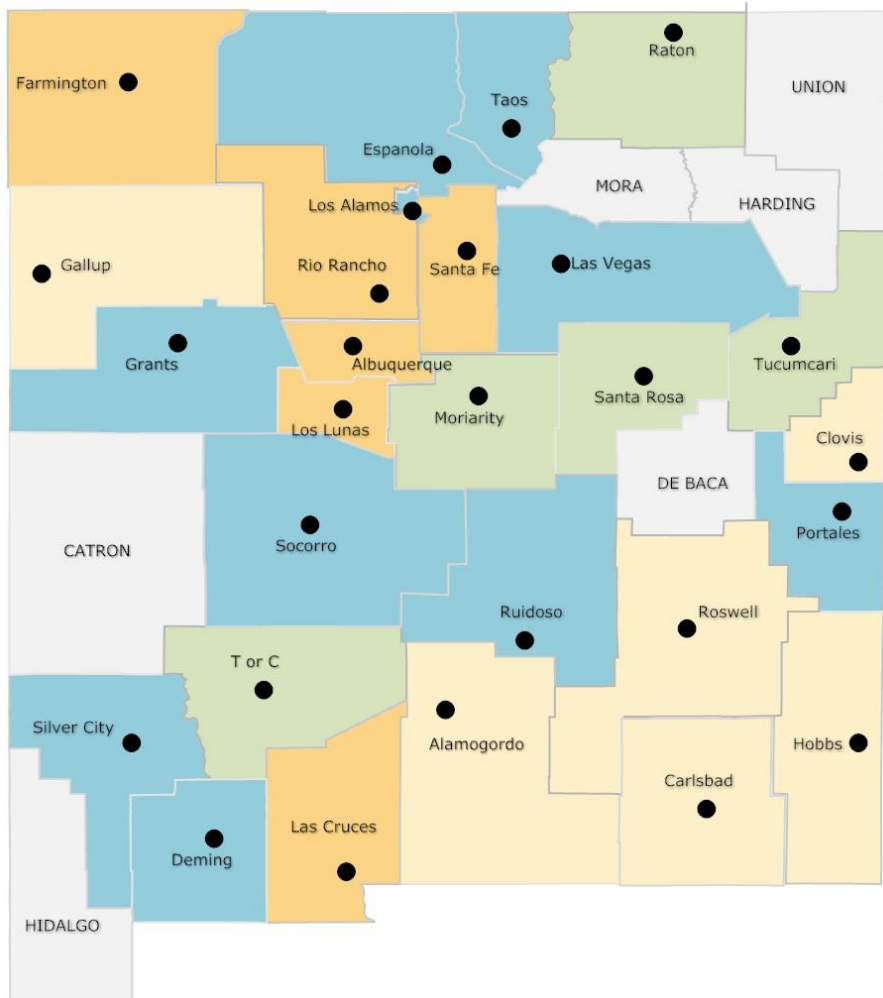
States in **RED** have less than the national level of affordable and available units per 100 households at or below the ELI threshold

Surplus (Deficit) of Affordable and Available Units			Affordable and Available Units per 100 Households at or below Threshold				% Within Each Income Category with Severe Housing Cost Burden			
State	At or below 15% AMI	At or below 30% AMI	At or below 15% AMI	At or below 30% AMI	At or below 50% AMI	At or below 80% AMI	At or below 15% AMI	At or below 30% AMI	Between 30% and 50% AMI	Between 50% and 80% AMI
Alabama	(56,193)	(95,350)	19	41	78	111	93%	75%	32%	5%
Alaska	(5,465)	(16,380)	5	21	51	100	97%	73%	33%	9%
Arizona	(70,965)	(150,897)	13	21	56	103	92%	81%	40%	9%
Arkansas	(23,863)	(47,314)	20	41	78	112	92%	74%	25%	6%
California	(418,873)	(1,003,110)	13	21	31	71	90%	80%	51%	18%
Colorado	(61,617)	(124,837)	16	25	55	99	89%	76%	31%	6%
Connecticut	(47,550)	(92,244)	23	36	65	103	82%	68%	28%	6%
Delaware	(9,804)	(16,623)	12	32	58	102	93%	78%	29%	8%
District of Columbia	(20,910)	(30,636)	30	40	67	90	73%	65%	31%	12%
Florida	(182,615)	(392,474)	13	22	35	82	95%	84%	58%	17%
Georgia	(111,799)	(224,362)	14	28	57	105	95%	81%	37%	7%
Hawaii	(11,765)	(22,005)	22	36	40	73	90%	71%	59%	30%
Idaho	(13,901)	(27,178)	15	27	61	101	88%	78%	27%	5%
Illinois	(160,083)	(306,252)	16	33	64	101	90%	73%	31%	6%
Indiana	(69,946)	(135,874)	17	30	73	110	93%	77%	25%	4%
Iowa	(28,774)	(54,739)	12	39	91	108	94%	68%	16%	3%
Kansas	(22,691)	(51,822)	16	39	80	111	92%	71%	26%	4%
Kentucky	(50,090)	(95,405)	19	38	74	106	92%	72%	24%	4%
Louisiana	(56,208)	(107,438)	16	35	61	106	95%	77%	36%	8%
Maine	(14,157)	(27,210)	20	40	65	108	94%	69%	26%	4%
Maryland	(61,694)	(120,059)	22	34	57	103	83%	74%	30%	5%
Massachusetts	(85,953)	(166,960)	29	45	62	95	75%	61%	28%	8%
Michigan	(111,655)	(233,456)	16	29	64	103	91%	77%	27%	5%
Minnesota	(47,706)	(110,406)	25	37	78	104	83%	65%	21%	4%
Mississippi	(32,940)	(51,881)	14	41	65	104	94%	75%	39%	7%
Missouri	(70,851)	(126,374)	13	37	79	109	92%	74%	23%	4%
Montana	(8,833)	(18,992)	22	41	74	105	93%	67%	27%	5%
Nebraska	(15,001)	(34,305)	21	36	83	107	90%	67%	16%	3%
Nevada	(27,237)	(65,667)	12	17	42	100	96%	85%	40%	11%
New Hampshire	(8,539)	(26,438)	20	32	61	103	80%	66%	24%	5%
New Jersey	(88,091)	(191,401)	16	31	42	89	89%	75%	47%	9%
New Mexico	(24,823)	(44,394)	13	28	59	106	88%	76%	33%	9%
New York	(293,601)	(624,688)	16	32	49	82	89%	73%	43%	12%
North Carolina	(99,053)	(213,782)	15	30	64	104	94%	79%	34%	6%
North Dakota	(6,092)	(10,035)	39	64	93	106	76%	57%	24%	5%
Ohio	(132,761)	(274,346)	25	38	80	108	86%	71%	25%	3%
Oklahoma	(36,959)	(65,888)	21	41	79	110	91%	72%	25%	4%
Oregon	(41,754)	(101,776)	13	22	37	92	92%	81%	38%	9%
Pennsylvania	(132,238)	(280,801)	17	35	68	103	91%	72%	29%	5%
Rhode Island	(15,545)	(31,845)	19	40	57	102	89%	67%	30%	8%
South Carolina	(39,990)	(80,750)	23	39	70	107	91%	76%	34%	8%
South Dakota	(7,695)	(15,682)	24	43	87	105	91%	62%	8%	3%
Tennessee	(66,061)	(135,702)	19	37	66	106	91%	72%	33%	6%
Texas	(264,447)	(595,231)	14	24	56	102	93%	78%	31%	6%
Utah	(18,890)	(38,447)	21	33	59	102	87%	72%	24%	3%
Vermont	(3,187)	(7,820)	23	53	57	97	81%	55%	32%	9%
Virginia	(85,959)	(165,134)	20	30	54	100	88%	77%	36%	7%
Washington	(77,053)	(165,764)	20	29	54	96	83%	73%	33%	5%
West Virginia	(16,885)	(26,655)	18	50	83	110	90%	68%	23%	4%
Wisconsin	(56,491)	(134,840)	11	26	73	103	94%	75%	23%	5%
Wyoming	(4,613)	(9,834)	11	41	89	109	88%	69%	19%	1%
USA Totals	(3,415,253)	(7,191,503)	17	31	57	96	90%	75%	36%	9%

Source: NLIHC Tabulations of 2014 ACS PUMS data

Urban and Regional Markets

More populated cities and counties are growing and younger,
with lower vacancies and unemployment



Urban Centers:

Growing cities
(50,000+) in MSAs with
low unemployment
and vacancy rates—
*they need and can
absorb new housing
development.*

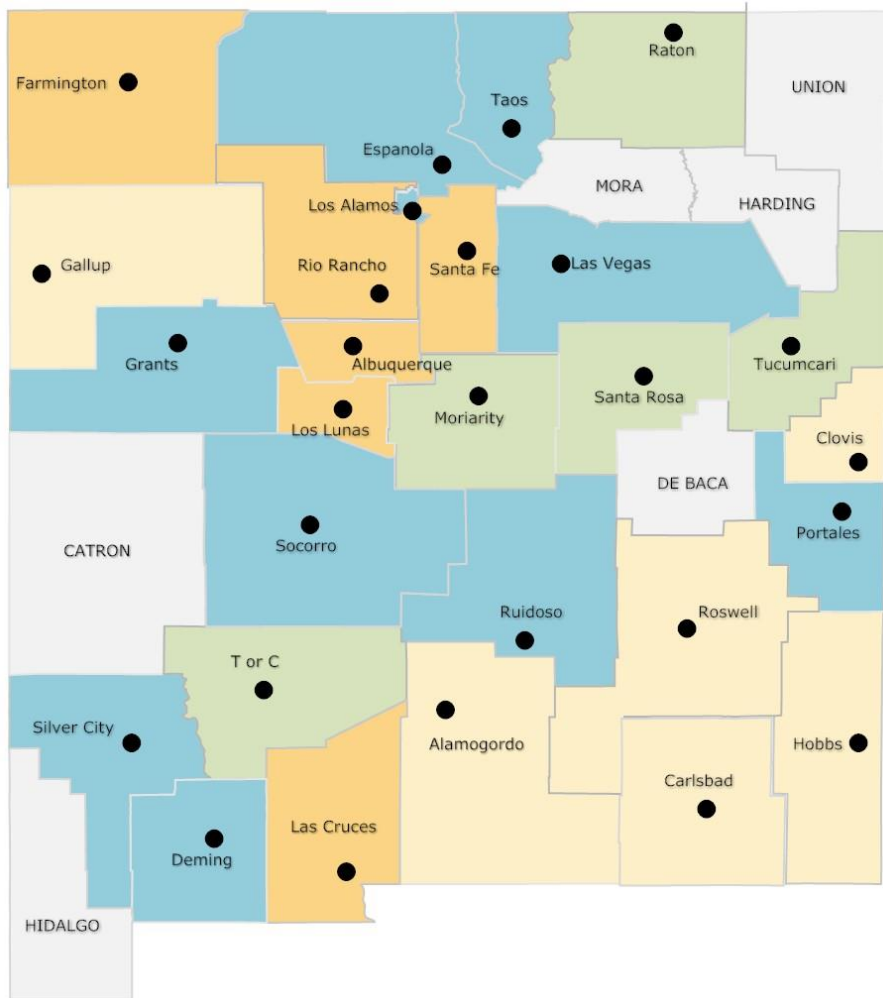
- Albuquerque
- Rio Rancho
- Las Cruces
- Santa Fe
- Farmington Area
- Valencia Co.

Regional Hubs: Mid-
sized (20,000-50,000),
mostly growing cities
that serve as the
economic base for a
large region—*housing
needed to address
growth and older
housing stock.*

- Hobbs
- Roswell
- Carlsbad
- Clovis
- Gallup
- Alamogordo

Rural Markets

Smaller cities and counties are generally losing population and aging, with higher vacancies and unemployment



Rural Hubs: Small cities (roughly 10,000-20,000) that are growing slowly or losing population but provide an economic base to stabilize and revitalize rural areas—*varying degrees of new housing and rehabilitation are needed.*

- Los Alamos
- Española
- Deming
- Taos
- Las Vegas
- Grants
- Socorro
- Ruidoso
- Silver City

Rural Communities: Small, aging communities (under 10,000) that are losing population but are well-located along the Interstate—*primary needs are rehab and senior housing.*

- T or C/ Elephant Butte
- Raton
- Tucumcari
- Moriarty/ Estancia
- Santa Rosa

Extremely Rural Counties: Counties with populations under 5,000 that are losing population and have limited potential for growth—*primary needs are rehab and senior housing.*

- Mora
- Union
- Hidalgo
- Catron
- DeBaca
- Harding

Drivers of Housing Demand

Besides growth, old/poor housing stock, growing senior needs, affordability issues and unique market conditions may also create demand for new affordable housing.

Indicators	Urban Markets	Regional Markets	Rural Hubs	Other Rural
Pop. Growth	Mostly Positive	Mostly Positive	Low to Negative	Negative
Demographics	Younger, Families	Younger, Families	Mostly Aging	Aging
Economy	Diverse	Oil & Gas	Tourism/ Retail/Ag.	Tourism /Ag.
Unemployment	Medium	Medium	Medium-High	Mostly High
Housing Age	Newer	Older	Mostly Older	Old
Housing Vacancy	Low	Low	Low-High	High
Affordability	Good, S.F. is High Cost Area	Generally Good	Some High Cost Areas	Generally Good

Gap Analysis

MFA's Strategic Management Committee will engage in a detailed gap analysis as part of the strategic plan process. Here are some gaps identified to date:

Gaps	More Resources Needed
Resources for transitional housing	Subsidies for households earning less than 30% AMI
Financing geared toward smaller, mixed-income and/or mixed-use developments	Rental financing
Service providers in some parts of the state	Rehabilitation funding
Single family housing starts	Down Payment Assistance

Economic Impact of Affordable Housing

MFA Production-2015

	Single Family Home Sales	Single Family Development	Multifamily Development	Rehabilitation & Weatherization
Source	National Association of Realtors	National Association of Home Builders	National Association of Home Builders	National Association of Home Builders
Methodology	Each home sale adds \$23,000 to the economy	Direct & indirect impact of const. activity for 100 homes: <ul style="list-style-type: none"> • 213 jobs • \$14.2mm in local income • \$1.3mm in govt' revenue 	Direct & indirect impact of const. activity for 100 units: <ul style="list-style-type: none"> • 80 jobs • \$5.3mm in local income • \$500k in govt' revenue 	Impact of \$10mm spent on residential remodeling: <ul style="list-style-type: none"> • 43 jobs • \$4.7mm in local income • \$294k in govt' revenue
Unit	1,456 mortgages	53 homes	847 units	\$6,907,115 in expenditures
Economic Impact	\$33.5 million	<ul style="list-style-type: none"> • 112 jobs • \$7.5mm in local income • \$706,543 in govt' revenue 	<ul style="list-style-type: none"> • 678 jobs • \$45.0mm in local income • \$4.3mm in govt' revenue 	<ul style="list-style-type: none"> • 30 jobs • \$3.3mm in local income • \$206,000 in local govt' revenue

Estimated Economic Impact of Single Family New Construction

53 Units															
Local Income and Jobs By Industry						Phase I: Direct and Indirect Impact of Construction Activity					Phase II: Induced Effect of Spending Income and Tax Revenue from Phase I				
											Phase III: Ongoing Annual Effect That Occurs Because Units Are Occupied				
Industry	Local Income	Local Business Owners' Income	Local Wages and Salaries	Wages and Salaries Per Full-time Job	Number of Local Jobs Supported	Local Income	Local Business Owners' Income	Local Wages and Salaries	Wages and Salaries Per Full-time Job	Number of Local Jobs Supported	Local Income	Local Business Owners' Income	Local Wages and Salaries	Wages and Salaries Per Full-time Job	Number of Local Jobs Supported
Construction	\$5,171,793	\$1,333,851	\$3,837,942	\$49,000	78	\$168,805	\$65,402	\$103,403	\$49,000	2	\$88,669	\$34,026	\$54,643	\$49,000	1
Manufacturing	\$742	\$53	\$742	\$51,000	0	\$742	\$53	\$689	\$51,000	0	\$371	\$53	\$318	\$51,000	0
Transportation	\$11,819	\$1,590	\$10,229	\$42,000	0	\$12,402	\$1,696	\$10,706	\$38,000	1	\$5,194	\$689	\$4,505	\$41,000	0
Communications	\$77,433	\$23,638	\$53,742	\$75,000	1	\$217,141	\$74,200	\$142,941	\$74,000	2	\$99,057	\$33,708	\$65,349	\$74,000	1
Utilities	\$22,260	\$8,639	\$13,621	\$84,000	0	\$104,622	\$41,287	\$63,282	\$84,000	1	\$54,908	\$21,624	\$33,284	\$84,000	1
Wholesale & Retail Trade	\$759,066	\$138,966	\$620,100	\$36,000	17	\$611,143	\$115,063	\$496,080	\$32,000	15	\$300,404	\$56,551	\$243,853	\$32,000	7
Finance & Insurance	\$168,063	\$13,674	\$154,336	\$83,000	2	\$153,594	\$13,886	\$139,708	\$74,000	2	\$96,884	\$8,798	\$88,086	\$73,000	1
Real Estate	\$342,486	\$301,517	\$40,969	\$51,000	1	\$643,420	\$566,411	\$77,009	\$51,000	2	\$179,670	\$158,152	\$21,518	\$51,000	1
Personal & Repair Services	\$52,735	\$19,875	\$32,860	\$33,000	1	\$130,804	\$60,102	\$70,702	\$33,000	2	\$49,979	\$23,055	\$26,924	\$33,000	1
Services to Dwellings/Buildings	\$30,210	\$5,989	\$24,221	\$33,000	1	\$31,429	\$6,254	\$25,175	\$33,000	1	\$16,218	\$3,233	\$12,985	\$33,000	1
Business & Professional Services	\$729,015	\$217,512	\$511,503	\$58,000	9	\$345,613	\$102,608	\$243,058	\$52,000	5	\$158,841	\$47,912	\$110,929	\$52,000	2
Eating & Drinking Places	\$25,069	\$3,392	\$21,677	\$20,000	1	\$179,087	\$24,115	\$155,025	\$20,000	8	\$88,510	\$11,925	\$76,585	\$20,000	4
Automobile Repair & Service	\$24,963	\$7,738	\$17,225	\$33,000	1	\$88,086	\$26,818	\$61,215	\$33,000	2	\$41,499	\$12,667	\$28,832	\$33,000	1
Entertainment Services	\$4,346	\$901	\$3,445	\$45,000	0	\$42,082	\$11,607	\$30,475	\$37,000	1	\$25,917	\$7,102	\$18,815	\$34,000	1
Health, Education & Social Services	\$954	\$265	\$742	\$38,000	0	\$491,946	\$61,957	\$429,989	\$49,000	9	\$217,724	\$28,302	\$189,422	\$48,000	4
Local Government	\$10,070	\$0	\$10,070	\$54,000	0	\$327,328	\$0	\$327,328	\$50,000	6	\$125,027	\$0	\$125,027	\$50,000	3
Other	\$112,625	\$40,651	\$71,974	\$44,000	2	\$96,725	\$34,450	\$62,275	\$35,000	2	\$73,352	\$28,090	\$45,262	\$35,000	1
Total	\$7,543,649	\$2,118,251	\$5,425,398	\$48,000	112	\$3,644,969	\$1,205,909	\$2,439,060	\$41,000	60	\$1,622,224	\$475,887	\$1,146,337	\$41,000	28

Local Government General Revenue by Type	Phase I: Construction Activity	Phase II: Induced Effect	Phase III: Ongoing Annual Effect
Taxes			
Business Property Taxes	\$29,044	\$124,709	\$54,908
Residential Property Taxes	\$0	\$0	\$148,930
General Sales Taxes	\$54,537	\$40,386	\$17,808
Specific Excise Taxes	\$3,975	\$16,960	\$7,473
Income Taxes	\$14,840	\$9,752	\$4,346
License Taxes	\$848	\$742	\$318
Other Taxes	\$3,763	\$15,741	\$6,943
Total Taxes	\$107,007	\$208,290	\$240,726

User Fees & Charges			
Residential Permit/Impact Fees	\$419,495	\$0	\$0
Utilities & Other Gov't. Enterprises	\$76,797	\$139,443	\$84,429
Hospital Charges	\$33,231	\$51,834	\$41,605
Transportation Charges	\$13,939	\$6,731	\$2,968
Education Charges	\$14,575	\$7,049	\$3,127
Other Fees & Charges	\$41,499	\$47,647	\$21,041
Total Fees & Charges	\$599,536	\$252,704	\$153,170

Total General Revenue	\$706,543	\$460,994	\$393,896
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Estimated Economic Impact of Multifamily New Construction

847 Units															
Local Income and Jobs By Industry						Phase II: Induced Effect of Spending Income and Tax Revenue from Phase I					Phase III: Ongoing Annual Effect That Occurs Because Units Are Occupied				
Phase I: Direct and Indirect Impact of Construction Activity															
Industry	Local Income	Local Business Owners' Income	Local Wages and Salaries	Wages and Salaries Per Full-time Job	Number of Local Jobs Supported	Local Income	Local Business Owners' Income	Local Wages and Salaries	Wages and Salaries Per Full-time Job	Number of Local Jobs Supported	Local Income	Local Business Owners' Income	Local Wages and Salaries	Wages and Salaries Per Full-time Job	Number of Local Jobs Supported
Construction	\$31,399,137	\$8,097,320	\$23,301,817	\$49,000	474	\$1,007,930	\$390,467	\$617,463	\$49,000	8	\$426,041	\$153,307	\$272,734	\$49,000	8
Manufacturing	\$4,235	\$0	\$4,235	\$51,000	0	\$4,235	\$0	\$4,235	\$51,000	0	\$2,541	\$0	\$2,541	\$51,000	0
Transportation	\$71,148	\$9,317	\$61,831	\$42,000	0	\$73,689	\$10,164	\$63,525	\$38,000	0	\$72,842	\$10,164	\$62,678	\$35,000	0
Communications	\$465,850	\$142,296	\$323,554	\$75,000	8	\$1,296,757	\$442,981	\$853,776	\$74,000	8	\$879,186	\$299,838	\$579,348	\$74,000	8
Utilities	\$131,285	\$50,820	\$80,465	\$84,000	0	\$625,086	\$246,477	\$377,762	\$84,000	8	\$272,734	\$106,722	\$166,012	\$84,000	0
Wholesale & Retail Trade	\$4,546,696	\$831,754	\$3,714,942	\$37,000	102	\$3,649,723	\$686,917	\$2,962,806	\$32,000	93	\$3,055,129	\$576,807	\$2,478,322	\$32,000	76
Finance & Insurance	\$1,002,848	\$81,312	\$921,536	\$83,000	8	\$917,301	\$83,006	\$834,295	\$74,000	8	\$583,583	\$52,514	\$531,069	\$74,000	8
Real Estate	\$1,464,463	\$1,289,134	\$175,329	\$51,000	0	\$3,842,839	\$3,382,918	\$459,921	\$51,000	8	\$8,186,255	\$7,206,276	\$979,979	\$51,000	17
Personal & Repair Services	\$318,472	\$120,274	\$198,198	\$33,000	8	\$780,934	\$359,128	\$422,653	\$33,000	17	\$555,632	\$263,417	\$292,215	\$33,000	8
Services to Dwellings/Buildings	\$177,870	\$35,574	\$142,296	\$33,000	8	\$188,034	\$37,268	\$150,766	\$33,000	8	\$150,766	\$29,645	\$121,121	\$33,000	0
Business & Professional Services	\$4,386,613	\$1,308,615	\$3,077,998	\$58,000	51	\$2,065,833	\$613,228	\$1,452,605	\$52,000	25	\$1,519,518	\$442,981	\$1,076,537	\$50,000	25
Eating & Drinking Places	\$149,919	\$20,328	\$129,591	\$20,000	8	\$1,069,761	\$143,990	\$925,771	\$20,000	42	\$703,010	\$94,864	\$608,146	\$20,000	34
Automobile Repair & Service	\$150,766	\$46,585	\$104,181	\$33,000	0	\$525,987	\$160,083	\$365,904	\$33,000	8	\$309,155	\$94,017	\$215,138	\$33,000	8
Entertainment Services	\$25,410	\$5,082	\$20,328	\$45,000	0	\$251,559	\$69,454	\$182,105	\$37,000	8	\$156,695	\$44,044	\$112,651	\$38,000	0
Health, Education & Social Services	\$5,929	\$1,694	\$4,235	\$38,000	0	\$2,938,243	\$370,139	\$2,568,104	\$49,000	51	\$1,851,542	\$225,302	\$1,626,240	\$48,000	34
Local Government	\$54,208	\$0	\$54,208	\$54,000	0	\$1,965,040	\$0	\$1,965,040	\$50,000	42	\$1,179,024	\$0	\$1,179,024	\$51,000	25
Other	\$681,835	\$245,630	\$436,205	\$44,000	8	\$577,654	\$205,821	\$371,833	\$35,000	8	\$298,144	\$113,498	\$184,646	\$35,000	8
Total	\$45,036,684	\$12,285,735	\$32,750,949	\$48,000	678	\$21,780,605	\$7,202,041	\$14,578,564	\$41,000	347	\$20,201,797	\$9,713,396	\$10,488,401	\$41,000	263

Local Government General Revenue by Type	Phase I: Construction Activity	Phase II: Induced Effect	Phase III: Ongoing Annual Effect
Taxes			
Business Property Taxes	\$147,378	\$745,360	\$813,120
Residential Property Taxes	\$0	\$0	\$914,760
General Sales Taxes	\$325,248	\$237,160	\$262,570
Specific Excise Taxes	\$20,328	\$101,640	\$110,110
Income Taxes	\$88,088	\$59,290	\$59,290
License Taxes	\$5,082	\$8,470	\$8,470
Other Taxes	\$19,481	\$93,170	\$101,640
Total Taxes	\$605,605	\$1,245,090	\$2,269,960

User Fees & Charges			
Residential Permit/Impact Fees	\$2,577,421	\$0	\$0
Utilities & Other Gov't. Enterprises	\$458,227	\$830,060	\$736,890
Hospital Charges	\$198,198	\$313,390	\$355,740
Transportation Charges	\$83,006	\$42,350	\$33,880
Education Charges	\$87,241	\$42,350	\$42,350
Other Fees & Charges	\$241,395	\$287,980	\$296,450
Total Fees & Charges	\$3,645,488	\$1,516,130	\$1,465,310

Total General Revenue	\$4,251,093	\$2,761,220	\$3,735,270
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