

Village of Ruidoso

Affordable Housing Plan

May 2015

Prepared by:

Sites Southwest, LLC



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I. Executive Summary

The Village of Ruidoso is located in Lincoln County adjacent to the Lincoln National Forest. Ruidoso is a mountain resort in the southern Sacramento Mountains of South Central New Mexico. With a population just under 9,000, Ruidoso is the largest municipality in Lincoln County. The local economy is primarily tourism and real estate with more than 30,000 part-time residents visiting during the summer. The median age of full-time, year-round residents is 46, and the median household income is \$47,379.

The purpose of this plan is to identify housing needs and barriers to housing development within the Village and propose goals and implementation steps aimed at addressing housing needs. This report conforms to the guidelines set forth by the New Mexico Mortgage Finance Authority (MFA), which administers grants and technical support to New Mexico's municipalities and counties for affordable housing.

The plan is organized into the following sections:

Community Profile. This section describes demographic trends and projections, highlighting community characteristics that are relevant to housing needs. It includes data about populations that often have special housing needs, including single parent families, seniors, disabled individuals and people living in poverty. The community profile describes the types, condition and affordability of housing in the Village and surrounding communities. It also examines characteristics and affordability of for-sale housing currently on the market as well as available rental housing. Finally, it describes local programs and organizations working to address housing needs in Ruidoso and the surrounding region.

Housing Needs Assessment.

Based on the assessment of needs and available resources, the section provides a concise description of the specific housing needs by type, population and number of units needed.

Land Use and Policy Review. The policy review examines relevant planning documents, Village ordinances and their impacts on affordable housing. This section describes other governmental and non-governmental constraints to affordable housing development, including land use and environmental barriers. An analysis of development feasibility and the impact that various incentives would have on affordability is also included.

Goals, Policies and Quantifiable Objectives. This section puts forth ten-year objectives for the number of housing units by type to be built or rehabilitated. This section provides a description of projects and strategies that could be utilized by the Village of Ruidoso to address affordable housing needs and eliminate barriers, including project types, potential locations, opportunities for cooperation with other entities, and potential policy actions by the Village Council.

Data for this plan came from many sources. The most current sources of demographic data include American Community Survey 5-Year Estimates and the 2010 Census. Community input regarding housing needs was collected through meetings with local housing providers and people knowledgeable about the housing market in and around Ruidoso, interviews with key stakeholders and surveys of community businesses and workers.

Housing is generally considered to be affordable when a family pays no more than 30% of income for housing. The US Department of Housing and Urban Development defines the 2014 area median income (AMI) in Lincoln County for a household of three people (the typical household size) as \$51,600. The maximum house price affordable to households at 100% of AMI is \$190,000, and the maximum house price affordable to households at 120% of AMI is \$228,000. Most of the housing in Ruidoso was built in the 1970's and 1980's, and homes for sale at all price levels were built during that time period.

The makeup of the Village's housing stock and housing for sale reflect the area's location as a prime tourist destination. A significant portion of new residential construction is condominiums. An analysis of housing for sale found that 40% of the units affordable to households with income below 80% AMI are condominiums.

The following information summarizes the recommendations of the Affordable Housing Plan, including annual objectives and policy and program recommendations.

The identified needs in the study area are:

- **Rental housing** is needed to provide housing for local workers. Based on the characteristics of the local economy and wages in the largest economic sectors, there is a need for affordable housing. A single person or householder making between minimum wage and \$10 an hour for a 40-hour week would be considered very low income. Employment in the Village is heavily weighted to retail and hospitality employment, which tends to pay lower than average wages. It is difficult for these workers to find affordable housing. The greatest need appears to be one and two-bedroom apartments for households with incomes below 40% of AMI (up to \$22,000 per year). Given current constraints in the local housing market, there is a significant shortage of affordable rental housing available.
- **Homeownership.** For-sale housing of good quality is needed for families who wish to move from rentals to home ownership, entry level workers and their families, and empty nesters who wish to downsize. Housing that is priced under \$200,000 tends to be smaller, older and in poor condition. Housing may also be intended for seasonal use and vacation rentals, and is not well designed for long-term, year-round family housing. The greatest need is for single family homes with three or more bedrooms.
- **Senior housing** needs include both independent and assisted living, and affordable or subsidized options for low and moderate income seniors. La Tierra, with 60 units, as well as Casa Manana with 8 units, are the only existing senior housing option in Lincoln County.
- **Housing for people with disabilities.** The only housing available in Lincoln County for people with disabilities is located in Carrizozo.
- **Rehabilitation and repair programs.** Most of Ruidoso's housing stock was built in the 1970's and 1980's. About one-fourth of the housing stock was built prior to 1970.
- **Transitional housing.** There is a need for transitional housing for families and individuals leaving existing emergency housing programs and youth leaving foster care. There is no transitional housing in Lincoln County now. Woodland Ridge Condominiums has twelve units and can accommodate 48 people. The habitable units are currently full. Four units are being remodeled, and the manager noted a need for additional transitional housing.
- **Emergency housing assistance.** Homelessness was identified as a problem in Ruidoso, however the problem has been identified very recently and no reliable local estimate of the number of homeless exists. Local churches and the Ruidoso High School have alerted the village to this challenge and are working on steps to help mitigate the problem. However as of right now, there are no homeless shelters in Ruidoso, or Lincoln County. Although local churches offer food and clothing assistance

and some emergency rent assistance on a case by case basis, there are no permanent programs in place to assist households in need. Some organizations target emergency and short-term housing for victims of domestic violence, women and their children, but there is a need for a broader range of emergency assistance. The New Mexico Coalition to End Homelessness, which does not have member agencies in Lincoln County, does not include data for homeless persons in Lincoln County in its January 2013 point in time count or in previous reports. Counselors at Ruidoso High School report approximately ten homeless students.

The Village Council proposed to address these needs through a combination of the following strategies:

- Policy and regulatory changes,
- Development partnerships.
- Assistance to non-profit housing providers.
- Funding/financing that uses Village resources to leverage other public and private resources.

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II. Introduction

The State of New Mexico enacted a constitutional amendment to the New Mexico Constitution to create the Affordable Housing Act in 2007. The Affordable Housing Act permits State and local governments to provide or pay the cost of land buildings or necessary financing for affordable housing projects. Affordable housing projects are residential housing primarily for persons or households of low or moderate income.

Under the provisions of the Act, a municipality may:

- “A. donate, provide or pay all, or a portion, of the costs of land for the construction on the land of affordable housing;
- B. donate, provide or pay all or a portion of the costs of conversion or renovation of existing buildings into affordable housing;
- C. provide or pay the costs of financing or infrastructure necessary to support affordable housing projects; or
- D. provide or pay all or a portion of the costs of acquisition, development, construction, financing, operating or owning affordable housing.”

The Act requires the local governing body to adopt an Affordable Housing Plan and Ordinance if it wishes to provide donations towards affordable housing. The experience of the Village of Ruidoso and the analyses conducted for this plan indicate that such donations will help the village accomplish its housing goals. The New Mexico Mortgage Finance Authority (MFA) must review and approve the County’s affordable housing plan and ordinance before any donations may occur.

Organization of the Plan

The affordable housing plan identifies existing and projected future housing needs in the village of Ruidoso. This affordable housing plan contains the information that has been collected and analyzed to further an understanding the housing market and unmet needs in Ruidoso.

The affordable housing plan identifies specific obstacles to affordable housing and unique opportunities available to meet the needs identified in the community profile and housing needs assessment. Then, the plan recommends how, when, where and by whom local housing issues will be addressed. These recommendations are contained in goals, policies, and quantifiable objectives to increase affordability by housing types for owners and renters. The programs that are recommended, which include actions by the Town administration and other housing providers, address specific needs for construction, rehabilitation, preservation and financing of affordable housing.

The affordable housing plan is organized according to the MFA requirements for such plans, with the following sections:

Community Profile

- Demographics, including the characteristics of the local population and economic conditions.
- Housing, including general characteristics of Ruidoso’s existing housing stock.
- Current housing market, including housing for sale and rental housing
- Existing affordable housing resources

Housing Needs Assessment, including existing and projected needs.

Land Use and Policy Review, including potential affordable housing sites and constraints to developing affordable housing.

Goals, Policies and Quantifiable Objectives, including the target number of new and rehabilitated units per year by type.

Methodology

Four main types of information were used in compiling this document: 1) demographic, economic, and housing data 2) local housing and related information from surveys, local real estate data, stakeholder interviews and stakeholder meetings, 3) existing documents, plans and policies, and 4) information from websites, articles and other secondary sources.

Sources for statistical data include the 2010 US Census counts, the American Community Survey (ACS) 2008-2012 five year estimates, and the Bureau of Business and Economic Research at the University of New Mexico (BBER). The most up-to-date data was used when possible. Generally, 2010 is the most recent year for which comprehensive demographic and housing data are available, but sample data from the ACS updates this information and includes economic data.

The consultants conducted interviews with area developers, real estate agents, and nonprofit organizations to gain insight into the housing situation. A complete list of people interviewed can be found in Appendix A. A stakeholder meeting was held in December 2014 to kick off the project and obtain local housing information, perceptions of housing needs, and preferences for new housing opportunities.

The Village of Ruidoso's adopted Plans, regulations and policies were reviewed to determine how these impact the development of affordable housing. An annotated summary of these documents and potential impacts of current regulations are documented in the Land Use and Policy Review.

Public Participation

Public participation in the development of the Affordable housing plan included meetings and stakeholder interviews with local residents and business owners who are familiar with housing issues in Ruidoso, surveys of local employers and workers, and a public meeting to discuss affordable housing issues with a broader audience. The activities and meetings are summarized below.

Housing Advisory Committee. An advisory committee knowledgeable of local housing conditions provided ongoing input into the plan. This group includes Realtors, bankers, major employers, social service providers and others who work directly in housing of various types or are aware of the housing needs of the local workforce and special needs populations. Committee members provided qualitative input as well as housing data for the plan. Interested members of the public attended the committee meetings.

Stakeholder Interviews. The consultant team interviewed advisory committee members as well as service providers and housing developers in the region. The information provided through the stakeholder interviews included information about existing resources in the community, additional resources that could help meet housing needs, and unmet housing needs. A list of stakeholders interviewed is included in Appendix A.

Community Surveys. Two surveys were conducted in Ruidoso. These included a survey of employers to determine if and how the availability of affordable housing affects their employees, their ability to hire and retain employees, and their perception of the local housing market and housing needs. A second survey was provided to local workers to determine their perceptions of the local housing market and identify unmet needs, if any. Responses were received from 185 area residents and 35 businesses. A summary of survey results is contained in Appendix B.

Summary of Recommendations

The following information summarizes the recommendations of the Affordable Housing Plan, including annual objectives and policy and program recommendations.

Affordable Housing Goals

The housing goals to meet current and anticipated needs over the next ten years provide for a mix of housing types to meet the range of needs identified in the Village. The goals are summarized in Table 1

Table 1. Affordable Housing Goals

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

Policy and Program Recommendations

Policy and program recommendations describe the steps that the village can take to address existing barriers and constraints to housing development in Ruidoso. These recommendations are as follows:

1. Adoption of an Affordable Housing Plan and Ordinance. The Village will adopt the Affordable Housing Plan by resolution and an Affordable Housing Ordinance that documents the implementation strategies that the Village intends to use. The Plan and Ordinance will be reviewed and approved by MRA prior to any legal donation.

2. Consistency with existing plans. The issue of affordable housing will be included in the Village of Ruidoso Comprehensive Plan and documents related to economic development.
3. Modifications to existing ordinances. The Planning Department will review ordinances to identify potential impediments to the development of affordable housing. Specific recommendations include:
 - Amend the C-1, C-2 and C-3 zones to allow residential and mixed use development as a permitted use rather than conditional.
 - Reduce the minimum lot size in the R-1 and R-2 zones. In the R-1 zone, a lot size of 5,000 square feet for a single family house, with 2,500 per unit for a duplex, and in the R-2 zone, a lot size of 6,000 square feet should be considered.
 - Allow accessory dwelling units as a conditional use in the R-1 zone. The second unit should be clearly secondary and compatible in design. Site plan review would ensure that adequate open space and parking are provided on site.
4. Code enforcement. The Village Building Permits and Inspections Department proposes to develop a property maintenance code that establishes minimum maintenance standards for basic equipment, light, ventilation, heating, sanitation and fire safety.
5. Streamlined processes. The Village Community Development Department will standardize and streamline its current processes as recommended by this plan. Solutions will include creating flow charts of the process, clarifying expectations for developers, allowing administrative approvals for small projects and scheduling Planning and Zoning hearings to reduce the time between Planning and Zoning recommendations and Village Council hearings.
6. Reduced fees or fee waivers for affordable housing. The Council will waive permit fees on affordable new construction to reduce development costs. The typical fee for a single family home is \$2,200. Fee waivers will be applied to housing priced for households with incomes at 80% of AMI and below
7. Partnerships with other governmental and private entities. The Village will collaborate with major employers, including Ruidoso Public Schools, Lincoln County Medical Center and ENMU-Ruidoso, and non-profit housing providers to meet housing needs. Establishing the Affordable Housing Committee as a standing committee would maintain communication among stakeholders regarding affordable housing issues.
8. Development partnerships. The Village will partner with developers and builders to support affordable housing on both privately owned land. Village owned parcels can be sold or leased to generate revenue for affordable housing projects or traded for more level land that could be developed as affordable housing.
9. Establish a land trust. Excess land owned by the Village is a potential source of funding a land trust that can help fund Village housing initiatives.
10. Acquire lots that are affordably priced or can be acquired through foreclosure, tax liens or other similar means. It is more cost effective to acquire sites for a scattered site program than develop a new subdivision.
11. Infrastructure assistance. Infrastructure assistance could take the form of waiver of hookup fees (Village could pay fees from a pool of money designated for affordable housing assistance); rebate

of a portion of infrastructure costs paid by a private developer; construction of roads, utility lines and other public infrastructure to the site.

12. Facilitate public education. The Village will facilitate the communication of information about housing resources to the community and to families moving to Ruidoso.
13. Facilitate landlord education. The Village will proactively work with landlords to encourage their participation in the program so that renters seeking assistance through Section 8 vouchers have more options in Lincoln County.
14. Rehabilitation or replacement of existing structures. The Village will work with non-profit organizations to establish sources of funding for rehabilitation and replacement.
15. Incentives for providers to operate in Lincoln County. Partner with local and regional non-profit housing providers that serve or could serve communities in Lincoln County.
16. Partner with local mortgage lenders. Local lenders are potential entities to provide credit counseling, homeownership classes, and similar support for first time homebuyers. The Village will work through a local lender if it funds loans or grants for home buyer assistance or for home rehabilitation.
17. Homebuyer assistance. The Village will work with local and regional non-profits to provide assistance to potential home owners. This will range from homebuyer education to potentially, financial assistance to facilitate homeownership.
18. Low interest loans. The Village will work with MFA to develop a low interest loan program funded through revenues from the land trust.
19. Broaden financing through USDA, MFA and other programs for low to moderate income homebuyers and owners.

The office of the Village Manager will be the lead agency for affordable housing projects and programs undertaken by the Village.

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III. Community Profile

The Village of Ruidoso is located along US-70, 115 miles northeast of Las Cruces and 135 miles northeast of El Paso, Texas. The town is situated on the eastern slope of the Sacramento Mountain, at the foot of Sierra Blanca Peak. Today Ruidoso is the largest municipality in Lincoln County, which is geographically situated in south-central New Mexico.

In 2013, Ruidoso had a permanent population of 8,027 residents (American Community Survey), however the village is a popular destination for tourists. As such its population may increase during the summer and winter month to 30,000 people.

Ruidoso was incorporated 70 years ago; however remnants of pit structures and petroglyphs have been uncovered in the surrounding areas that trace human inhabitation back over 1000 years. These first traces are attributed to the Jornada Mogollon peoples that are said to have inhabited this area from 1000 A.D. to 1687 AD. Following the Jornada Mogollon peoples, Mescalero Apache tribes settled in Lincoln County in around 1400 A.D., using the Sacramento Mountains for hunting and fishing purposes.

During the 1540's the first Spanish explorers crossed New Mexico, but never officially settled the area, probably avoiding the harsh climate and lack of arable soils in favor of the more fertile grounds along the Rio Grande.

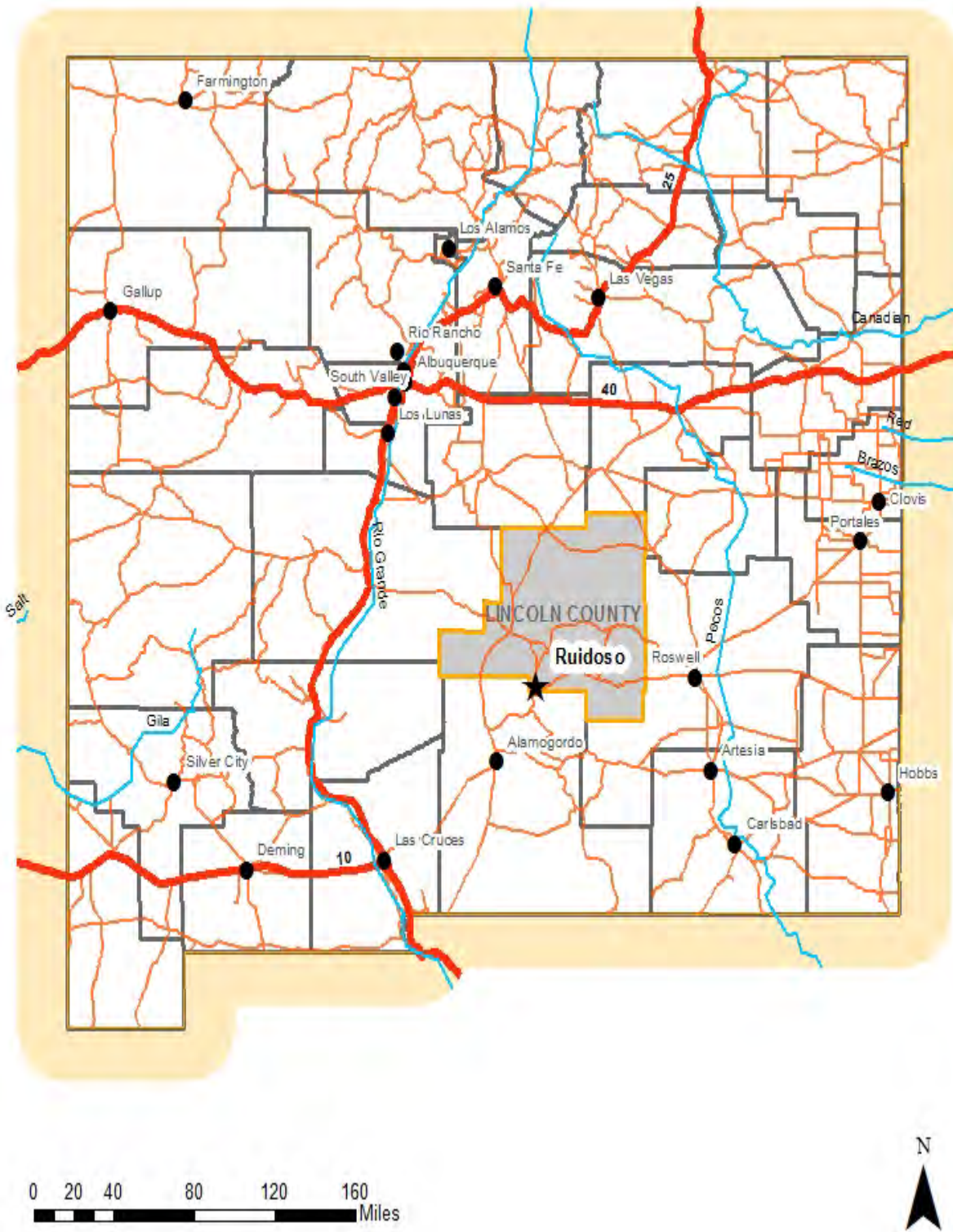
The Village of Ruidoso was first established in 1869 by Captain Paul Dowlin, when he constructed a mill along the Rio Ruidoso ('noisy river'). The town was then named after the mill, 'Dowlin's Mill'. In 1885 Dowlin's Mill was renamed to be called 'Ruidoso'. Initially the economy was based on mining and ranching. Starting in the 1940s and 1950s Ruidoso began to attract visitors from around the country to enjoy its mountainous environment. In the 1970s the village experienced an influx of retirement homes, second homes and resort related cabins. This trend continues today, as the local economy is principally based on tourism.

Ski Apache opened under the name "Sierra Blanca Ski Resort" during Christmas 1961. Since 1963, the resort has been owned and operated by the Mescalero Apache Tribe. Ski Apache boosted the local economy and is a popular tourist destination in the winter, contributing to year-round tourism in the area. Ski Apache is one of only a few ski resorts in southern New Mexico.

The Ruidoso area offers year round opportunities for outdoor recreation, including golf, hiking, and fishing, mountain biking and camping. Horseracing at Ruidoso Downs, shopping, arts events and cultural events round out the area's offerings to visitors.

The population of Ruidoso and Lincoln County has increased consistently since 1950, the first Census year after Ruidoso was incorporated in 1945. During that time, Ruidoso's population has increased from ten percent of the County's population to nearly 40 percent.

Figure 1. Village of Ruidoso Location Map



Population Growth

Current Population

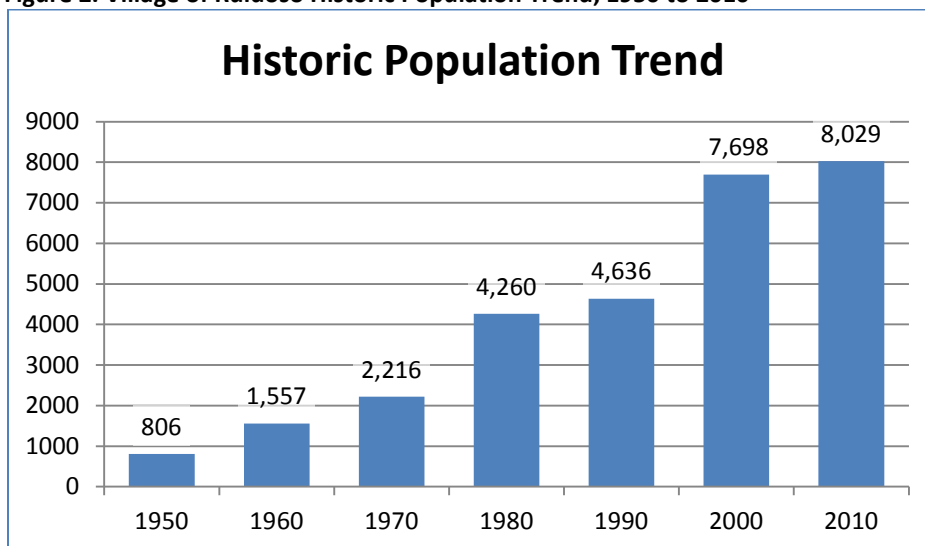
As of the 2010 Census count, there were 8,029 people, 3,784 households, 2,210 families residing in the Village of Ruidoso. The latest three-year American Community Survey (ACS) that included counts for this area, estimated the population at 8,055 in 2012.

Population Trends

Population growth in Ruidoso has been continuous, with sharp increases in the 1970's and 1990's. Growth rates have shifted in response to national economic conditions that impact travel and tourism. The recessions in the 1980's and 2000's dampened growth in those decades, but as the national economy rebounded, so did the growth of Ruidoso as a tourist destination.

As detailed in Figure 2, Census data indicate that the Village of Ruidoso population grew continuously from 1950 to 2010. During the first period the village increased by around 93%, to reach 1,557 residents in 1960. From 1970 and 1980, the population of Ruidoso nearly doubled and reached 4,260 residents. However, in the following decade, the population growth slowed as the village added only 376 residents. The population increased at a much more rapid pace between 1990 and 2000, reaching 7,636 residents by the end of the decade. In 2010 the Census counted 8,029 people living within the Ruidoso Village boundaries, for an increase of 331 people.

Figure 2. Village of Ruidoso Historic Population Trend, 1950 to 2010



Source: US Census, BBER

Table 2 Indicates that Ruidoso and other peer communities in Lincoln County have experience rapid population growth over the past decades. Capitan, Ruidoso and Ruidoso Downs added between 60 to 100 percent to their total population in the 1990-2000 decade. However, this trend has slowed in the most recent decade to between 3.2 and 4.3 percent. While most communities experienced positive population increases, population grew by only single digit rates in most communities. The Census reported a 54 percent increase in the population of Ruidoso Downs from 2000 to 2010. Growth in Ruidoso Downs included internal growth, annexation of Agua Fria Subdivision and the inclusion of areas that were omitted in the 2000 Census.

The growth in Ruidoso Downs is related in part to the Ruidoso economy and in part to traffic along US 70, a major link between Alamogordo and Roswell. Ruidoso Downs is an affordable location for local workers who cannot afford housing in Ruidoso. In the employee survey, 12 percent of respondents reported that they live in Ruidoso Downs. Respondents who live in Ruidoso Downs and other immediate communities are more likely to report that they cannot afford to buy or rent a house in Ruidoso than those who live in Carrizozo or Capitan, who are more likely to report that they prefer to live in a different community.

Table 2. Comparative Population Growth, Lincoln County and its Municipalities, 1990-2010

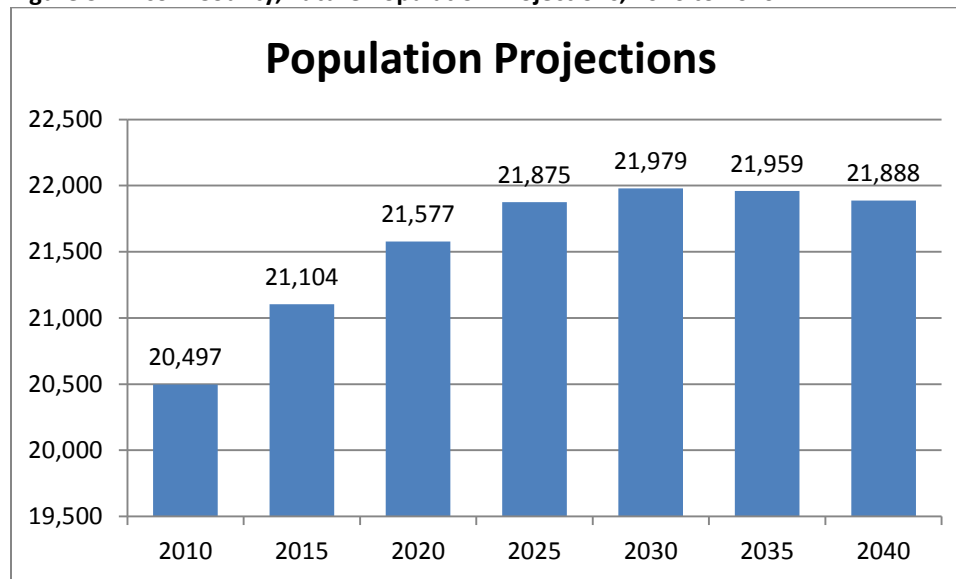
	1990	2000	2010	% Change 1990 - 2000	% Change 2000 – 2010	2012 Estimate
Capitan	840	1,443	1,489	71.8%	3.2%	1,574
Carrizozo	1,075	1,036	996	-3.6%	-3.9%	1,032
Corona	215	165	172	-23.3%	4.2%	188
Ruidoso	4,636	7,698	8,029	66.0%	4.3%	8,055
Ruidoso Downs	917	1,824	2,815	98.9%	54.3%	2,793
Lincoln County	12,219	19,411	20,497	58.8%	5.6%	20,309

Source: US Census, 1990—2010 * American Community Survey 2008-2012

Future Population

According to the Bureau of Business and Economic Research at the University of New Mexico (BBER) the overall population of Lincoln County is expected increase slowly over the next decades. By 2030, 21,959 people will be residing within communities in Lincoln County. However, by 2040 the BBER predicts a flattening of growth and a slight decrease in total population to 21,888.

Figure 3. Lincoln County, Future Population Projections, 2010 to 2040



Source: BBER

Table 3. Population Projections, 2010-2040

	Lincoln County						
	2010	2015	2020	2025	2030	2035	2040
Population Total	20,497	21,104	21,577	21,875	21,979	21,959	21,888

Source: BBER

Since 1980, the Village of Ruidoso has comprised approximately 39 percent of the County's total population. Assuming that this trend continues, anticipated growth of permanent residents in the Village over the next ten years is 500 people, or approximately 238 households.

The Ruidoso Valley Chamber of Commerce, which promotes economic development in Ruidoso and Lincoln County, promotes tourism and related businesses as the economic driver of the area's growth. The businesses in the area have diversified the types of activities and number of attractions in the area to create a year-round resort. From skiing in the winter to golf, fishing, hiking and camping in the summer, there are a wide range of options for outdoor activities. For visitors who are less interested in the outdoors, the area offers horse-racing, arts and cultural events. The Inn of the Mountain Gods attracts visitors to its resort and casino.

The area also attracts retirees, who are a growing segment of Ruidoso's population. Retirees enjoy the spectacular setting and local amenities as well as the availability of medical services and shopping. The Village is seeking to attract more retirees to the area.

Because of the decrease in the number of working age families, the Village has targeted workforce families to support a healthy economy and the Village's growth strategy.

Community Characteristics

There are several key findings that relate population and economic trends in Ruidoso that relate to housing needs.

The area is losing families. Stakeholder interviews and discussions with the Affordable Housing Committee noted the loss of families with children because of a lack of employment opportunities, low wages and housing costs. The survey responses of families with children and population statistics back up this observation. The decline of population in the 35-44 year old age group, along with a corresponding decline in the school age population, is striking. Employers attribute this loss to a lack of housing and report difficulty in recruiting and retaining workers in this age group.

The area appeals to retirees. At the same time, the percentage of older adults is increasing. Population characteristics of Ruidoso reflect its appeal to retirees. When compared to the state, Ruidoso and Lincoln County have a lower than average percentage of residents under the age of 45 and a higher than average percentage of residents age 45 and older. The area has also seen growth in non-family households, most of which are single people over the age of 65.

Local service industries attract younger, low wage workers. While the percentage of young adults is lower than the state as a whole, this is a growing age group. Employers in the local service industries are likely to hire in this age group. However, these young adults do not stay in the community and raise families. Local residents believe that this is due partly to a lack of high wage jobs. However, because there is little affordable housing available, young adult renters are not vested in Ruidoso and move on as they get older.

General population characteristics, including age, sex race and ethnicity are shown in Table 4, which includes a comparison among Ruidoso, Lincoln County and the state of New Mexico.

Table 4. Select Population Characteristics

	Ruidoso 2000	Ruidoso 2010	% Change Ruidoso 2000-2010	% Total Ruidoso (2010)	% Total Lincoln County (2010)	% Total New Mexico (2010)
Total Population	7,698	8,029				
Age Groups						
Under 5 years	348	402	15.5%	5.0%	4.8%	7.0%
5 to 9 years	450	416	-7.6%	5.2%	5.4%	7.0%
10 to 14 years	516	400	-22.4%	5.0%	5.3%	6.9%
15 to 19 years	432	402	-6.9%	5.0%	5.5%	7.3%
20 to 24 years	284	364	28.2%	4.5%	4.1%	6.9%
25 to 34 years	651	723	11.1%	9.0%	8.8%	13.0%
35 to 44 years	1,037	810	-21.9%	10.1%	9.9%	12.1%
45 to 54 years	1,214	1205	-0.7%	15.0%	15.9%	14.1%
55 to 59 years	529	733	38.5%	9.1%	9.2%	6.6%
60 to 64 years	577	669	15.9%	8.3%	9.4%	5.8%
65 to 74 years	1,074	1128	5.0%	14.0%	13.7%	7.5%
75 to 84 years	452	618	36.7%	7.7%	6.7%	4.2%
85 years and over	134	159	18.7%	2.0%	1.7%	1.6%
Median Age	46.2	49.6			49.4	36.7
Senior Population 65+ (Aged 65+)	1,660	1,905	14.8%	23.7%	22%	13.2%
Sex						
Male	3,653	3,842	5.2%	47.9%	49.1%	49.4%
Female	4,045	4,187	3.5%	52.1%	50.9%	50.6%
Race						
White	6,736	6,898	2.4%	85.9%	85.1%	68.4%
Black or African American	22	32	45.5%	0.4%	0.5%	2.1%
American/Alaskan Native	183	241	31.7%	3.0%	2.4%	9.4%
Asian	24	46	91.7%	0.6%	0.4%	1.4%
Some Other Race	573	618	7.9%	7.7%	9.2%	15%
Hispanic or Latino ethnicity	1,402	2,176	55.2%	27.1%	29.8%	46.3%
White Alone (Not Hispanic or Latino)		5,478		68.2%	66.4%	40.4%

Source: US Census, 2000 and 2010 unless otherwise indicated * 2000 number includes age interval and the interval below

Race and Ethnicity

In 2010, 27 percent of residents identified themselves as Hispanic of any race, a slightly lower percentage than in surrounding Lincoln County, and almost 20 percent lower than New Mexico. However their numbers increased by over 55 percent between 2000 and 2010. Non-Hispanic whites account for 68 percent of residents.

African Americans, American/Alaskan natives, and Asians together comprise 5.0 percent of Ruidoso residents, and 7.7 percent of Ruidoso residents described themselves as “some other race.” Ruidoso and Lincoln County are similar in their racial and ethnic make-up. In Lincoln County 30 percent identified themselves to be Hispanic of any race, a slightly higher percentage than Ruidoso. In Lincoln County, 66 percent of residents identified themselves as White, non-Hispanic, compared to 68.2 in Ruidoso.

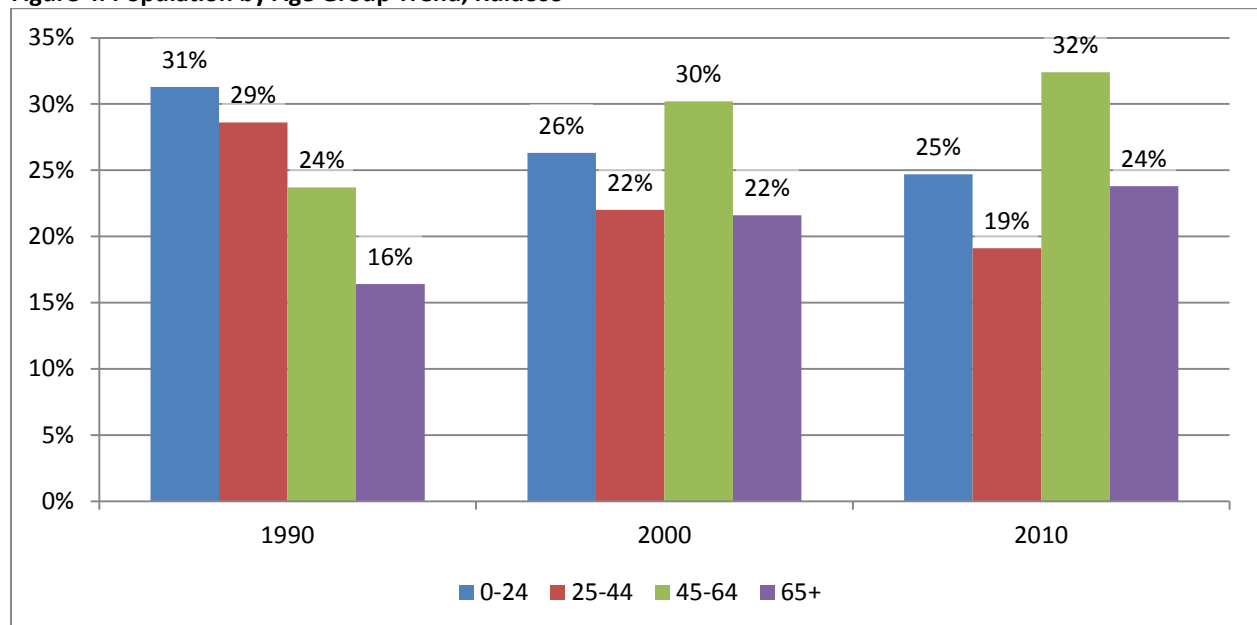
Table 4 illustrates the racial/ethnic composition of Ruidoso, Lincoln County, and New Mexico.

Age

In 2010 the median age of residents in Ruidoso and Lincoln County was on average older when compared with the state. The median age of Ruidoso was 49.6. The median age in Lincoln County was 49.4, while the median age of state residents was 36.7, about 12 years younger.

Figure 4 shows the shifts in population age in Ruidoso over time. The percentage of the population that is under 25 declined from 1990 to 2000, and again from 2000 to 2010. The percentage of residents between the age of 25 and 44 declined over the past two decades. While the percentages of children and younger adults have declined, the percentage of residents that are 45 or older has increased. In 1990 24 percent of the total population were aged 45 to 64, while 32 percent were counted in this age group in the 2010 Census. The percentage of population aged 65 or over increased from 16% in 1990 to 24% in 2010.

Figure 4. Population by Age Group Trend, Ruidoso

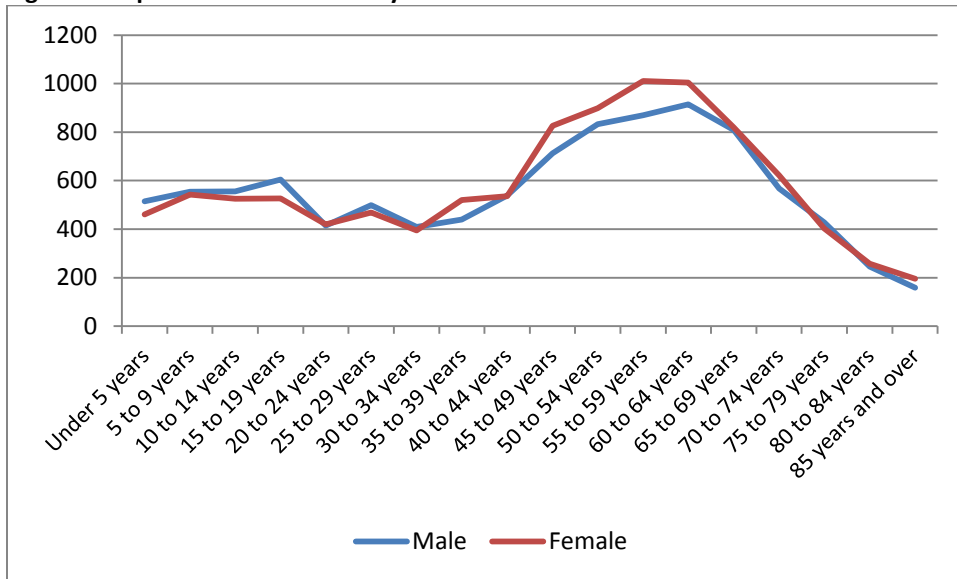


Source: US Census, 1990—2010

Gender Distribution

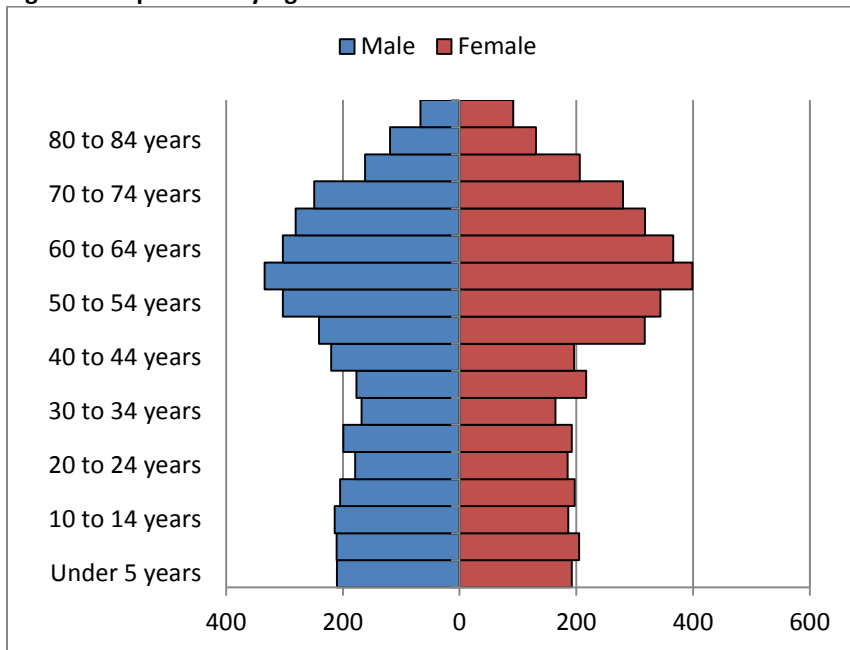
Overall there are more women than men residing in Ruidoso. As shown in Figure 4, the ages with the greatest difference are from 40 to 64 years. The number of males and females by age group is further illustrated in Figure 5. From a housing perspective, this is reflected in the number of female headed households, including single parent families and women living alone.

Figure 5. Population Distribution by Gender



US Census 2010

Figure 6. Population by Age and Gender



US Census 2010

Household Characteristics

Ruidoso had an average of 2.1 persons per household in 2010, which was somewhat lower than the average in 2000 (2.2) and quite a bit lower than the average household sizes in both Lincoln County and the state. Lincoln County had 3.2 persons per household in 2010, while the state as a whole had an average of 3.1 persons per household. The average family size in 2010 was 2.7.

The total number of non-family households in Ruidoso increased by some 30 percent between 2000 and 2010 and made up nearly a third of households, while Family households dropped by one percent. Family households with children under 18 years also dropped between 2000 and 2010, by some 11 percent. Married couple families with children under 18, however, recorded the highest loss, with a drop of some 22 percent. While households with children declined between 2000 and 2010, non-Family householders living alone increase by 27 percent. The largest increase was recorded however for non-Family householders 65 years and older with some 45 percent.

Table 5. Select Household Characteristics

	Ruidoso 2000	Ruidoso 2010	% Change Ruidoso 2000-	% Total Ruidoso (2010)	% Total Lincoln County (2010)	% Total New Mexico (2010)
Total Households	3,434	3,784	10.2%	--	9,219	791,395
Family Households	2,231	2,210	-0.9%	58.4%	63.6	65.5%
With children under 18 years	811	722	-11.1%	19.1%	20.1	29.1%
Married couple family	1,826	1,675	-8.3%	44.3%	49.5	45.3%
With children under 18 years	544	425	-21.9%	11.2%	12.6	17.9%
Female householder	303	383	26.4%	10.4%	9.8	14.0%
With children under 18 years	202	218	7.9%	5.8%	5.3	7.8%
Male householder	--	142	--	3.8%	4.2	6.2%
With children under 18 years	--	79	--	2.1%	2.3	3.4%
Non-Family Households	1,203	1,574	30.8%	41.6%	36.4	34.5%
Householder living alone	1,022	1,300	27.2%	34.3%	30.5	28.0%
householder 65 years+	388	562	44.8%	14.8%	12.6	9.3%
Households with individuals 65 years + older	1,142	1,393	22.1%	36.8%	35.4	25.3%
Average family size	2.7	2.9	-4.5%	2.2%	2.6	2.6
Average household size	2.2	2.2	-0.7%	2.7%	3.2	3.1

Source: US Census, 2000 and 2010

Income and Poverty

The 2013 median household income in the Village of Ruidoso (reported in 2013 for the past 12 months) was \$47,379 as estimated in the 2009-2013 ACS, a 27 percent increase since 1999. The median household income in Ruidoso is a little higher than in Lincoln County or in the state of New Mexico. In 2013 an estimated 12 percent of individuals and seven percent of families had incomes below the poverty level. When compared to Lincoln County, Ruidoso has a lower percentage of individuals and families living in poverty. The percentage of children below 18 living in poverty was about 20 percent in Ruidoso, compared to 27 in Lincoln County and 30 percent in New Mexico.

The percentage of households in Ruidoso receiving Social Security income is nearly 50% higher than the state, reflecting in part the retiree population. The percentages of households in Ruidoso that receive cash public assistance and food stamps are higher than the state average in these categories. Ruidoso households were less likely in 2010 to receive SSI assistance than households in either Lincoln County or the state. However the numbers for SSI assistance are small and the difference between the Village and the County could be due to reporting or margins of error in sample data. The percentage of households in Ruidoso receiving SSI in 1999 (3%) was more similar to Lincoln County (3.7%).

Table 6. Income and Poverty, 1999 and 2013 (ACS Tables DP03 (Income) and S1701 S1702 (Poverty)

	Ruidoso 1999	Ruidoso 2013*	% Change 1999- 2013*	% Total Ruidoso 2013*	Lincoln County 2013*	New Mexico 2013*
Income						
Median Household Income	\$37,107	\$47,379	27.18%	--	\$43,014	\$44,927
Median Family Income	\$44,846	\$54,024	30.54%	--	\$49,213	\$54,513
Per Capita Income	\$22,721	\$26,290	15.44%	--	\$25,449	\$23,763
Households receiving Social Security (SS) income in the past 12 months	1,275	1,607	26.04%	44.0%	44.4%	30.4%
Households receiving Supplemental Security Income (SSI)	106	23	-78.30%	0.6%	3.0%	5.6%
Households receiving cash public assistance	89	125	-7.7%	3.4%	3.8%	2.7%
Households receiving food stamps/SNAP benefits	--	565	--	15.5%	13.3%	14.3%
Poverty						
Total Population (16 years and over)	6,213	6,429	--	--	16,974	1,612,730
Individuals below poverty level	739	771	4.4%	12.0%	14.7%	20.4%
Families below poverty level	590	456	-22.6%	7.1%	9.7%	15.6%
Children under 18 below poverty level	1,491	1,279	-14.2%	19.9%	26.8%	28.9%
Individuals 65 years and older below poverty level	621	604	2.67%	9.4%	8.7%	12.1%

Source: US Census 2000; *2009-2013 American Community Survey 5-Year Estimates

There are big differences in incomes by household or family type in the Village of Ruidoso, as shown in Table 7. The Census defines a family as a group of two people or more (one of whom is the householder) related by birth, marriage, or adoption and residing together. A household consists of all the people who occupy a housing unit, including single person households and groups of unrelated people.

Elderly householders as a group have income levels of about 84 percent of the median household income on average. However, elderly people living alone have very low household incomes.

Single parent families, whether headed by a male or female householder, have income levels below the median household income. Male headed families, with no wife present, have incomes that are 77 percent of the median. Female headed families overall have household incomes of 96% of the median, but an estimated 87 female-headed households with children, which represent just under a third of female headed households, have income below the poverty level.

Household types with the lowest incomes include female headed non-family households, including women living alone, and male householders living alone. Within those categories, elderly male householders living alone have the lowest incomes of any category.

Families with no children under 18 present and married couple families have the highest incomes.

Table 7. Median Income by Demographic Characteristics, Village of Ruidoso, 2013

	Number	Percent	Median Income	% of Village Median Household Income
Households	3,650		\$47,379	100.0%
Families	1,980	100%	\$54,024	114.0%
With children under 18 years	885	44.70%	\$48,825	103.1%
With no children under 18 years	1,095	55.30%	\$65,313	137.9%
Married couple families	1,652	83.40%	\$63,150	133.3%
Female-headed families, no husband present	272	13.70%	\$45,382	95.8%
Male-headed families, no wife present	56	2.80%	\$36,439	76.9%
Non-Family Households	1,670	100%	\$26,711	56.4%
Female householder	866	51.90%	\$22,175	47.9%
Male Householder	804	48.10%	\$40,833	86.2%
Householder Living Alone	1,422		\$25,083	
Male Householder living alone	616	36.90%	\$27,071	57.1%
Female householder living alone	806	48.30%	\$21,201	44.8%
Householder 65 years or older living alone	640	38.32%	--	--
Male Householder 65 years or older living alone	108	0.65%	\$11,667	24.6%
Female Householder 65 years or older living alone	539	32.28%	\$22,708	47.9%
Household Income by Age of Householder				
25 to 44 years	884	24.3%	\$49,503	104.5%
45 to 64 years	1,531	42.2%	\$47,619	100.5%
65 years and over	1,217	33.5%	\$39,858	84.1%
Race and Ethnicity				
Hispanic or Latino, any race	580	15.90%	\$47,833	101.0%
White, not Hispanic	2,871	78.70%	\$46,947	99.1%
Other race	199	5.4%	\$48,494	102.4%

Source: - 2011-2013 American Community Survey 3-Year Estimates.

Table 8 shows the estimated 2013 distribution of households by income in the Village of Ruidoso, Lincoln County and the State of New Mexico. Ruidoso has the highest percentage of households in the \$35,000 to \$49,999 income range, followed by households in the \$50,000 to \$74,999 income range. However 23 percent of households earn \$15,000 to \$34,999, seven percent of households earn between \$10,000 and \$14,999, and 7.3 percent earn less than \$10,000 annually.

Table 8. Income Distribution, 2012

	Total # Households, Village of Ruidoso	% Total Village of Ruidoso	% Total Lincoln County	% Total New Mexico
Less than \$10,000	266	7.3%	8.2%	9.4%
\$10,000-\$14,999	251	6.9%	6.5%	6.4%
\$15,000 to \$24,999	386	10.6%	12.4%	12.9%
\$25,000 to \$34,999	359	9.8%	12.7%	11.4%
\$35,000 to \$49,999	861	23.6%	21.9%	14.4%
\$50,000 to \$74,999	645	17.7%	15.7%	17.2%
\$75,000 to \$99,999	383	10.5%	9.5%	11.3%
\$100,000 to \$149,000	252	6.9%	7.3%	10.6%
\$150,000 to \$199,999	208	5.7%	3.7%	3.6%
\$200,000 or more	39	1.1%	2.2%	2.9%

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

Table 9 shows the estimated percentage of households in Ruidoso found at each income range in 2013, and compared to area median income (AMI). Because the average family size is 2.9, and the average household size is 2.2, AMI for a three person household is used in the analyses of incomes and housing affordability.

According to the 2011-2013 ACS five-year estimates, an estimated 25.6 percent of households have incomes at or below 50 percent of the area median income; 5.1 percent had incomes between 50 and 60 percent AMI; 13.8 percent have incomes between 60 and 80 percent of AMI. An estimated 14.8 percent of households have incomes between 80 and 100 percent AMI. Finally an estimated 1/3 of the Ruidoso households have incomes at or above 120 percent of the area median income.

Table 9. Estimate of Households in Ruidoso by % AMI, 2013

% AMI	AMI	Income Range							Total	% of Total
		Less than \$10,000	\$10,000 to \$14,999	\$15,000 to \$24,999	\$25,000 to \$34,999	\$35,000 to \$49,999	\$50,000 to \$74,999	\$75,000 or more		
30%	< \$15,480	266	251	19					536	14.7%
40%	\$15,481-\$20,640			199					199	5.5%
50%	\$20,541-\$25,800			168	29				197	5.4%
60%	\$25,800-\$30,960				185				185	5.1%
70%	\$30,961-\$36,120				145	64			209	5.7%
80%	\$36,121-\$41,280					296			296	8.1%
90%	\$41,281-\$46,440					501	(92)		409	11.2%
100%	\$46,441-\$51,600						133		133	3.6%
120%	\$51,601-\$61,920						266		266	7.3%
Over 120%	\$61,921+						337	882	1,219	33.4%
Total		266	251	386	359	861	645	882	3,650	100.0%

Sources: American Community Survey 2009-2013 5-year Estimates, HUD 2014, Sites Southwest
AMI assumes three person households.

Groups with Special Needs

There are several categories of households and individuals in Ruidoso that may have special housing needs. These include single parent families, who are likely to have lower incomes than average, as well as the elderly, those with disabilities, the homeless and families experiencing some type of emergency situation. These groups may need short term emergency assistance or longer term assistance, including affordable housing and/or supportive services. Census data and information gathered through interviews with local service providers in the Ruidoso area indicate that the groups described below have affordable housing needs.

Single-parent Families. Single-parent families are generally at an income disadvantage because there is often only one income earner. In the Village of Ruidoso, female-headed families (no husband present)

as a whole have incomes that are 96% of the village median. In contrast, male-headed households (no wife present) have incomes close to the median income, earning around with 77% of the median household income. Census data indicate that there are approximately 272 female headed families in the Village of Ruidoso. An estimated 190 of these families are single parent, female headed families with children under 18. As noted above, 87 female headed families with children under 18 have incomes below poverty level.

Seniors. Seniors are one of the fastest growing demographic groups in the country. By 2030, the US Census Bureau predicts that 26.4% of the New Mexico population will be made up by seniors.¹ Seniors make up 17% of Ruidoso residents and are the householder in one-third of households.

Seniors often experience changing housing needs as they age. Initially, many wish to downsize and have less responsibility for the maintenance that comes from owning one's home, while later, they may have health issues that require additional care and special housing needs. Potential housing types that may appeal to seniors include active living (retirement) communities that provide a range of opportunities (both independent and group housing care facilities), condominiums and apartments. Stakeholders note that seniors have to leave Ruidoso as their housing needs change because there are no options available locally.

Because seniors are often on a fixed income, there is a greater need for some type of housing assistance, either housing designed specifically for the elderly or rehabilitation assistance so that they can build in accessibility features that allow them to stay in their homes. Elderly single person households have among the lowest incomes in Ruidoso.

Individuals with Disabilities. Individuals with physical disabilities and mental illnesses, including substance abuse issues, have a variety of unique housing needs. Those with physical disabilities may require ADA-accessible homes, an additional living space for a full-time caregiver within their homes, or an assisted living facility. People with severe mental health issues may not be capable of living on their own, and could also require assisted living facilities, while those with substance abuse problems often require transitional housing that provides a range of counseling, education, and employment services.

Table 10 shows the Census estimates of disabled individuals in Ruidoso, Lincoln County and New Mexico in 2013. Disabilities include (vision and hearing, physical, and mental disabilities as well as inability to take care on oneself, problems going outside the home, limitations on the ability to work, and inability to live independently.

ACS estimates indicate that 18 percent of Ruidoso residents over five years old have some type of disability. This ranges from 2.6% of children between 5 and 17 to 40.3% of adults aged 65 or more. The most common disability among the elderly is hearing loss, but significant percentages have a physical or cognitive disability, and 11% have a disability that affects their ability to live independently. About 23 percent of the disabled population is employed. Housing assistance for individuals with disabilities can range from accessibility modifications to homes and apartments to group housing with some type of assistance or support.

Because disabilities can vary widely in the impact they have on an individual's life, employment capabilities, and housing needs, it is hard to estimate the precise housing needs (in terms of numbers) of disabled people in Ruidoso from ACS data alone.

¹ US Census Bureau, Interim Population Projections, 2005.

Table 10. Population with a Disability, 2013

	Ruidoso Disabled Individuals 2013	% of Lincoln County Population (2013)	% of New Mexico Population (2013)
Total Population	8,027		
Disabled Individuals	1,471	20.4%	14.1%
5 to 17 years - % of total population with a disability	2.60%	2.6%	4.6%
With a hearing difficulty	0.0%	0.0%	0.7%
With a vision difficulty	0.0%	0.0%	0.0%
With a physical disability/ambulatory difficulty	0.0%	0.3%	1.1%
With a mental disability/cognitive difficulty	0.0%	0.7%	0.7%
With a self-care disability/self-care difficulty	2.6%	1.3%	0.8%
18 to 64 years - % of total population with a disability	14.9%	2,065	12.2%
With a hearing difficulty	5.1%	5.6%	2.9%
With a vision difficulty	2.5%	5.6%	2.5%
With a physical disability/ambulatory difficulty	4.8%	8.8%	6.4%
With a mental disability/cognitive difficulty	4.4%	5.3%	5.3%
With a self-care disability/self-care difficulty	1.5%	3.0%	2.4%
With an independent living difficulty	4.7%	5.8%	4.4%
65 years and older - % of total population with disability	40.3%	41.3%	41.3%
With a hearing difficulty	27.1%	22.2%	19.8%
With a vision difficulty	8.1%	8.3%	9.4%
With a physical disability/ambulatory difficulty	15.5%	20.3%	26.1%
With a mental disability/cognitive difficulty	9.5%	10.3%	11.3%
With a self-care disability/self-care difficulty	6.3%	7.0%	9.5%
With independent living disability/difficulty	10.9%	13.6%	17.2%
Number employed (disabled population, ages 18 – 64)	396	985	52,710

Source: American Community Survey 2009-2013. *Excludes population under 5 years

Women Experiencing Domestic Violence. Women experiencing domestic violence have a range of housing needs. They are often in need of both affordable housing and additional supportive services such as mental health services and substance abuse counseling. They may need assistance with job skills and other support services as well as with transitional and permanent affordable housing.

Veterans. According to the local chapters of VFW and Vietnam Veterans of America, there are an estimated 2,000 veterans in Lincoln County and 300 to 500 within the Village. Veterans of recent wars (1990 and later) have experienced poor credit ratings and are not able to secure financing to purchase a home. The Census places the number of veterans in Ruidoso higher, at 849, of whom 500 are younger than 65 and 22.5% are veterans of the more recent wars. An estimated 224 veterans have a service related disability, 82 of whom have a disability rating of 70 percent or higher. Veterans as a whole are over twice as likely as non-veteran adults over age 18 to be disabled, but less than half as likely to be

living in poverty. Based on Census data and interviews, the greatest needs are for accessibility and credit counseling.

Homeless. There are no statistics regarding homelessness in Lincoln County. The New Mexico Coalition to End Homelessness does not have data for the number of homeless in the County in existing reports, and the newest data, which is currently being processed, does not include counts for Lincoln County. However, there are residents of Ruidoso who are homeless or at risk for homelessness. In addition to the people needing emergency shelter identified above, the schools have identified a small number of students who are living with friends and are seeking a more permanent housing solution for them. Local churches have identified youth who are 18 and existing the foster care system at risk for homelessness. Other services that can help prevent homelessness include one-time assistance with utility and mortgage payments and rent.

Local Economy

Ruidoso’s economy is predominantly tourism and real estate. Major facilities in the area include Ski Apache, Ruidoso Downs Racetrack, the Inn of the Mountain Gods and Spencer Theater. Lincoln National Forest, Old Lincoln State Monument and Smokey Bear Historical Park are located nearby. The area hosts festivals year round, and outdoor activities include golf, hiking and horseback riding as well as winter snow sports. Museums, art galleries, restaurants, and casinos draw visitors.

Ruidoso has 6,429 residents aged 16 or over, of which 3,938 are in the labor force. Residents who are not in the labor force may be homemakers, retired or students. The unemployment rate reported by the Census based on the worker’s home location is 6.5%. This is higher than unemployment reported by the State for 2014.

While Ruidoso has workers in diverse occupation types and industries, the largest number of employed residents, 30 percent, are employed in the arts, entertainment, recreation, accommodation and food services; 22.5 percent are providing educational services, health care and social assistance; and 11 percent are employed in the retail sector. In Lincoln County, 22 percent are employed in the arts, entertainment, recreation, accommodation and food services; 17 percent provide educational services, health care and social assistance; and 13 percent are employed in the retail sector.

Table 11. Employment Characteristics

	Ruidoso	Lincoln County	New Mexico
Unemployment January 2015, Bureau of Labor Statistics	NA	6.0%	6.2%
Population 16 and over, 2013, American Community Survey	6,429	16,974	1,612,730
In the labor force	3,928	56.7%	60.7%
Civilian labor force	3,928	64.5%	60.7%
Employed	54.6%	51.8%	54.4%
Not in labor force	38.9%	43.3%	39.3%
Civilian employed population 16 years old and over	3,509	8,794	876,823
Private wage and salary worker	67.4%	64.7%	70.0%
Government workers	27.4%	24.3%	22.8%
Self-employed	4.3%	10.4%	7.0%
Occupation			
Management, business, science, and arts occupations	33.5%	28.6%	35.2%
Service occupations	31.2%	28.9%	20.5%
Sales and office occupations	18.0%	22.0%	23.5%
Natural resources, construction, and maintenance occupations	11.0%	13.1%	11.6%

	Ruidoso	Lincoln County	New Mexico
Production, transportation, and material moving	6.3%	7.5%	9.1
Industry			
Agriculture, forestry, fishing and hunting, and mining	3.2%	5.7%	4.4%
Construction	5.9%	8.8%	7.1%
Manufacturing	0.8%	1.0%	5.1%
Wholesale trade	0.0%	0.4%	2.1%
Retail trade	11.2%	13.0%	13.5%
Transportation and warehousing, and utilities	3.0%	3.3%	4.5%
Information	3.0%	2.7%	1.7%
Finance and insurance, and real estate, rental and leasing	7.3%	6.1%	4.7%
Professional, scientific, and management, and administrative and waste management services	3.9%	5.4%	10.8%
Educational services, and health care and social assistance	22.5%	17.8%	24.9%
Arts, entertainment, and recreation, and accommodation and food services	30.6%	22.0%	10.7%
Other services, except public administration	4.4%	6.1%	4.8%
Public administration	2.7%	7.6%	8.0%

Source: 2009-2013 American Community Survey 5-Year Estimates; Bureau of Labor Statistics Local Area Unemployment Statistics.

According to local experts, the combination of a tourism focus and local service jobs has resulted in housing that is priced too high for many local workers. In addition, the higher rents generated by seasonal, temporary use of housing by tourists competes with long term rents for local workers.

Wages and Earnings

The most recent quarter for which employment and wages data are available for the state and counties is the second quarter of 2014. This information is not available for Ruidoso. Wages in Lincoln County are lower than in the State as a whole. Private wages are significantly lower in Lincoln County than in the State, and lower than government wages. When industry is taken into account, the generally low wages are related to the predominance of jobs in industry classes with traditional low wages: retail trade; arts, entertainment and recreation; and accommodation and food services. These classifications are the top three in terms of number of jobs in the County.

Table 12. Private Employment and Wages, 2Q2014

Area	Employment (Quarterly Average)	Average Weekly Wages	Average Weekly Wages, Private	Average Weekly Wages, Government
New Mexico	799,108	\$794	\$756	\$923
Lincoln County	6,640	\$562	\$499	\$839

Source: NM Department of Workforce Solutions

Table 13. Employment and Wages by Industry, Lincoln County, 2Q2014

Industry	Quarterly Average Employment	Average Weekly Wages
Agriculture, Forestry, Fishing & Hunting	66	\$543
Utilities	80	\$1,037
Construction	325	\$491
Manufacturing	64	\$553
Wholesale Trade	49	\$695
Retail Trade	1,181	\$433
Transportation and Warehousing	48	\$523
Information	77	\$409

Industry	Quarterly Average Employment	Average Weekly Wages
Finance and Insurance	154	\$709
Real Estate and Rental and Leasing	142	\$548
Professional and Technical Services	225	\$894
Administrative and Waste Services	161	\$539
Educational Services	17	\$397
Health Care and Social Assistance	590	\$993
Arts, Entertainment and Recreation	670	\$354
Accommodation and Food Services	1,339	\$279
Other Services	203	\$404

Source: NM Department of Workforce Solutions

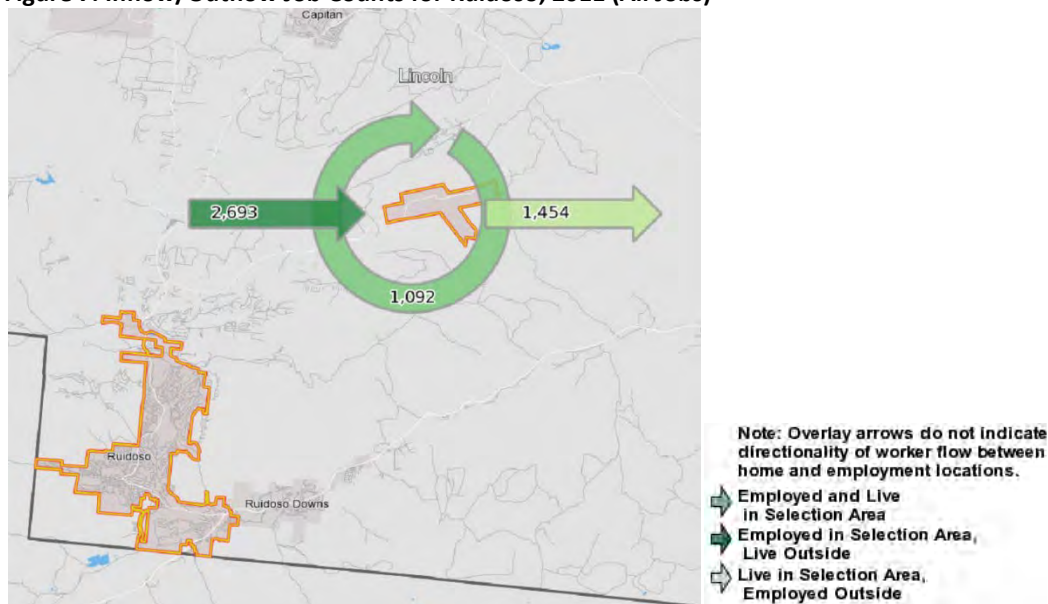
Location of Jobs vs. Worker Place of Residence

Interviews with major employers and Realtors indicate a shortage of housing for local workers, resulting in workers having to commute into Ruidoso from outlying communities. Some of this is because of a housing shortage in general, and some is the result of housing that is priced out of the range of local retail and service workers. In addition, vacationers compete with potential residents for housing.

To determine the magnitude of commuting, the Census Bureau’s Longitudinal Employer-Household Dynamics (LEHD) Origin-Destination Employment Statistics were reviewed for 2011, the most recent year for which data are available for Ruidoso. Census counts of workers by home and place of work indicate that in total 3,785 people are employed in Ruidoso. Of those who are employed in Ruidoso, 71% live outside of the Village and 29% live within the village boundaries.

An estimated 1,454 Ruidoso residents work outside the Village, as shown in Figure 7. Note that the location graphic is centered on Ruidoso Airport, which is within the City limits but removed from the main village. The selection area is within the outlines.

Figure 7. Inflow/Outflow Job Counts for Ruidoso, 2011 (All Jobs)



Source: U.S. Census, LEHD Statistics—Ruidoso Data

Recognizing that some of the major employers are located just outside the Village limits; information for Lincoln County was also analyzed. The results are shown in Table 14. While employees who work in

Lincoln County also live outside of the County, this is much less pronounced than the number of workers who commute into Ruidoso from outside the Village.

Table 14. Inflow/Outflow Job Counts (All Jobs) by Area, 2011

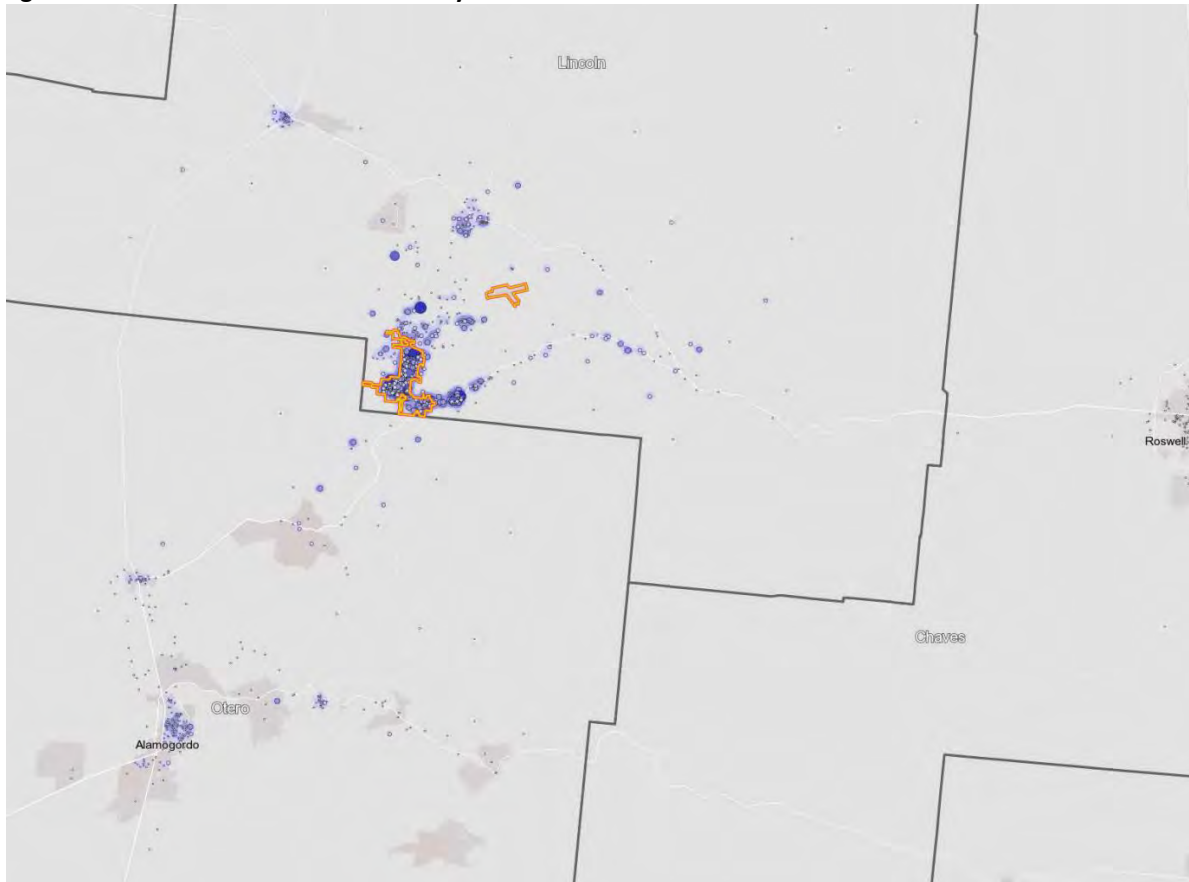
	Ruidoso		Lincoln County	
	Count	Share	Count	Share
Employed in the Area	3,785	100.0%	6,193	100.0%
Employed in the Area but Living Outside	2,693	71.1%	2,609	42.1%
Employed and Living in the Area	1,092	28.9%	3,585	57.9%
Living in the Area	2,546	100.0%	6,547	100.0%
Living in the Area but Employed Outside	1,454	57.1%	2,962	45.2%
Living and Employed in the Area	1,092	42.9%	3,585	54.8%

Source: U.S. Census LEHD Origin-Destination Employment Statistics

The majority (57%) of people who are employed in Ruidoso for their primary job live in Lincoln County. Next are Otero and Chavez Counties, which are adjacent to Lincoln County. The LEHD data reports that some workers commute from as far away as Las Cruces, Albuquerque and Hobbs. Figure 8 shows the closed areas from which Ruidoso workers commute.

Most respondents to the survey of area workers who commute into Ruidoso to work commute from Ruidoso Downs, Capitan, and elsewhere in Lincoln County. Three report commuting from Otero County communities.

Figure 8. Locations of Ruidoso Workers by Home Location



Housing Characteristics

The American Community Survey estimates that there are 8,593 housing units in the Village of Ruidoso of all types—single family, apartments, and mobile homes—of which 42 percent are occupied and 58 percent were vacant or intended for seasonal use when the Census was conducted. The high vacancy rate is related to the large number of vacation homes in the area. In fact, over 76 percent of vacant homes (and 44 percent of the total housing stock) are vacant for seasonal, recreational and occasional use. While not specifically identified as seasonal rentals, it is likely that some of the housing for rent is vacation rentals.

It is difficult to separate the seasonal housing from the total housing stock for several reasons. When a unit is for sale, the buyer could be a resident, an investor or a second home buyer. Permanent residents are competing for the same housing as investors and second home buyers. In the rental market, a landlord may have a preference for a visitor over a permanent resident because of the high rates paid for short term rentals. It is common for homeowners to lease out their homes for the weekend while they visit family or friends or their own second home elsewhere. The Village zoning ordinance allows this with a permit, as will be discussed later in the report, and this has been noted as a significant benefit for both tourism and personal income. To try and separate the two markets, differences in housing characteristics are discussed by occupancy, assuming that occupied units represent the characteristics of housing occupied by permanent residents.

More than half of dwellings in Ruidoso are single family detached homes (64.8%), 17 percent are mobile homes, and 17 percent are attached single family or multifamily units. The Census defined a one-unit structure that has one or more walls extending from ground to roof separating the unit from adjoining structures, such as a townhouse. This category includes one-unit structures that are attached to nonresidential structures, such as a housing unit attached to a business. Apartment units are defined as structures that contain two or more housing units. For a small apartment building of two to four units, the difference between a multifamily structure and a 1-unit attached structure would be the wall that separates the units.

Table 15. Housing Characteristics

	Total # Village of Ruidoso	Total % Village of Ruidoso	Total % Lincoln County	Total % New Mexico
Total housing units	8,593	100.00%	17,513	902,302
Occupied housing units	3,650	42.5%	49.6%	84.4%
Owner-occupied (% total occupied)	2,613	71.6%	78.8%	68.7%
Renter-occupied (% total occupied)	1,037	28.4%	21.2%	31.3%
Vacant housing units	4,943	57.5%	50.4%	15.6%
Homeowner vacancy rate	--	9.6%	6.9%	2.3%
Rental vacancy rate	--	29.9%	22.4%	8.2%
Average HH size for owner-occupied	--	2.02%	2.24%	2.71%
Vacancy Status	4,943	100%	8,828	140,364
For rent	451	9.1%	538	21,770
Rented, not occupied	20	0.4%	20	3,524
For sale only	282	5.7%	525	12,267
Sold, not occupied	50	1.0%	251	4,635
For seasonal, recreational, or occasional use	3,785	76.6%	6,456	50,744
Other vacant	355	7.2%	1,038	46,445
Average HH size for renter-occupied	2.62	--	2.60	2.55
Type of housing by units in structure				

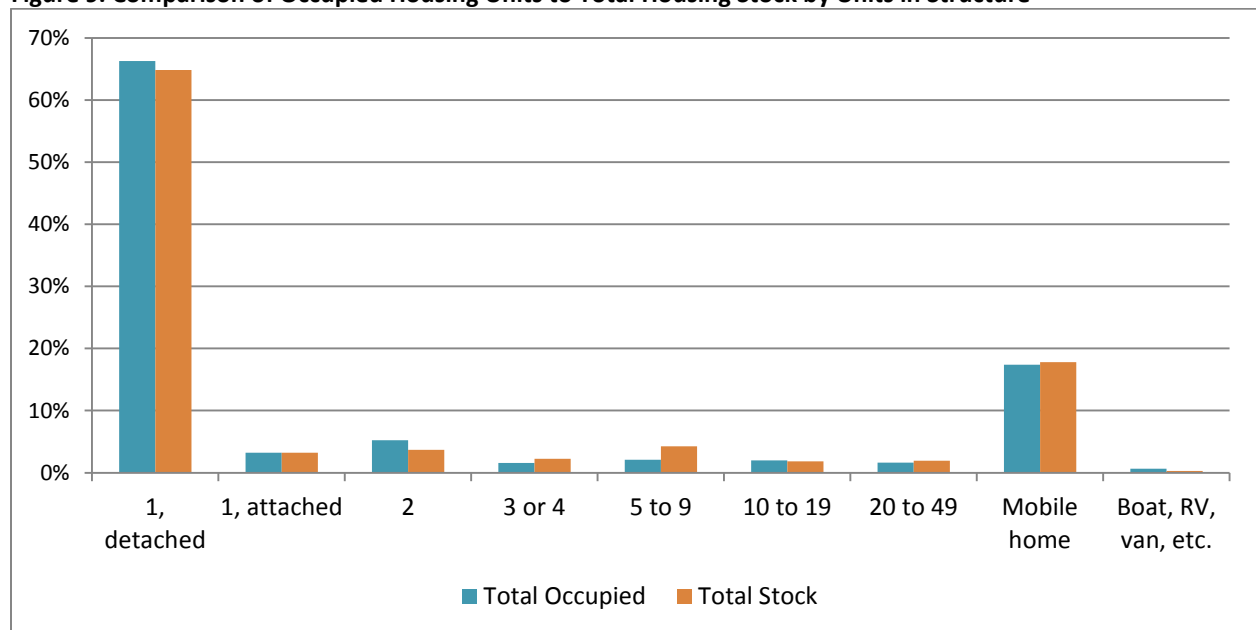
	Total # Village of Ruidoso	Total % Village of Ruidoso	Total % Lincoln County	Total % New Mexico
1, detached	5,570	64.8%	65.0%	64.7%
1, attached	275	3.2%	3.0%	3.8%
2	315	3.7%	2.2%	1.9%
3 to 4	193	2.2%	1.7%	3.6%
5 to 9	364	4.2%	2.8%	2.8%
10 to 19	155	1.8%	1.6%	2.6%
20 or more	167	1.9%	1.1%	3.9%
Mobile home	1,531	17.8%	22.4%	16.6%
Boat, RV, van, etc.	23	0.3%	0.2%	0.1%

Source: 2019-2013 American Community Survey 5-Year Estimates

A comparison of housing characteristics by occupancy indicates that owners are more likely to live in single family detached units than other types – 77 percent of owners live in a single family detached house, and 17 percent live in mobile homes. Between one and two percent of owners live in 1-unit attached units, duplexes, or large multifamily complexes, or condos. Renters live in a wider variety of housing types. Just under 40 percent live in single family detached homes and 17 percent live in mobile homes. The remaining renters are distributed among all attached and multifamily types.

The types of housing represented in the total housing stock are comparable to occupied units as shown in Figure 9. This chart shows occupied and total units by number of units in structure. Permanent residents are less likely to live in complexes with five to nine units and more likely to live in a single family detached home or duplex.

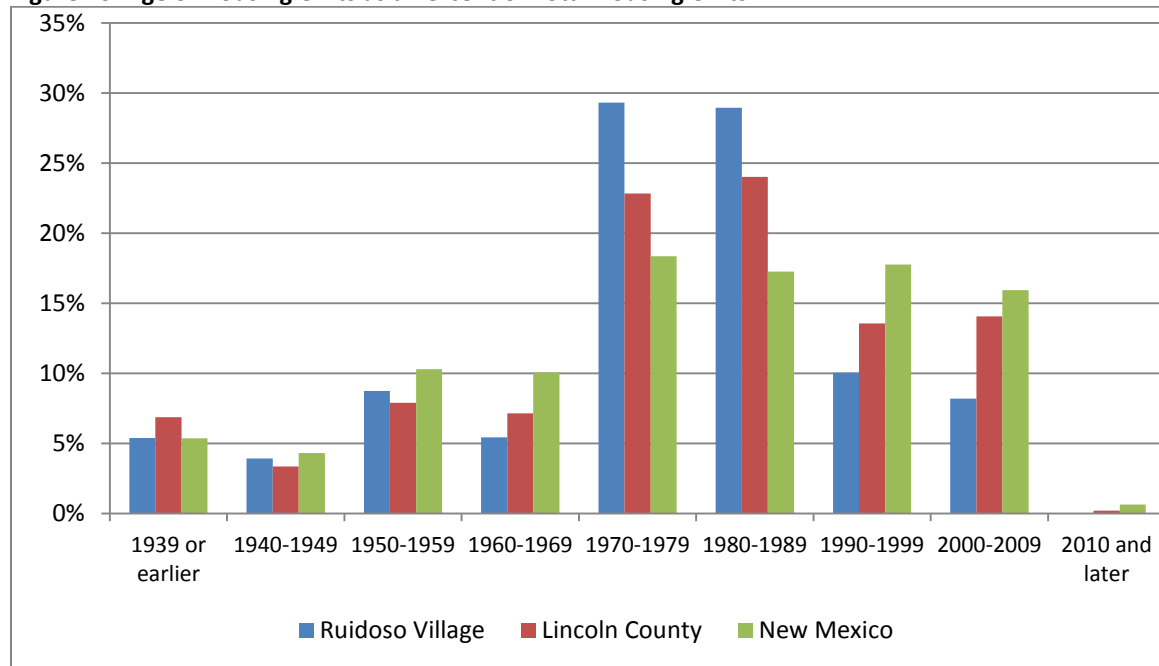
Figure 9. Comparison of Occupied Housing Units to Total Housing Stock by Units in Structure



The peak of new residential construction in Ruidoso was between 1970 and 1990 when nearly 60 percent of the total housing stock was constructed. The Census reports that 5,000 homes were built in the Village during that 20-year period. Housing construction slowed dramatically after 1989, adding 863

dwelling units from 1990 to 2000 and 705 units from 2000 to 2009. A dramatic decline in construction occurred during the 2006-2009 recession.

Figure 10. Age of Housing Units as a Percent of Total Housing Units



Source: American Community Survey 2011-2013

Table 16. Housing by Year Built

Year Built	Ruidoso	% Ruidoso	Lincoln County	% Lincoln County	New Mexico	% New Mexico
2010 and later	0	0.00%	35	0.2%	5,713	0.6%
2000-2009	705	8.20%	2,463	14.1%	143,696	15.9%
1990-1999	863	10.04%	2,377	13.6%	160,339	17.8%
1980-1989	2,488	28.95%	4,208	24.0%	155,843	17.3%
1970-1979	2,518	29.30%	3,998	22.8%	165,666	18.4%
1960-1969	468	5.45%	1,253	7.2%	90,833	10.1%
1950-1959	751	8.74%	1,385	7.91%	92,901	10.3%
1940-1949	337	3.92%	589	3.4%	38,884	4.3%
1939 or earlier	463	5.39%	1,205	6.9%	48,427	5.4%

Source: American Community Survey 2011-2013

Other indicators of housing condition include whether or not homes have complete kitchen and plumbing facilities. In Ruidoso, 44 dwelling lack complete kitchen facilities, while 66 dwelling units lack complete plumbing facilities. These percentages are comparable to the county and the state. Housing in Ruidoso and Lincoln County is more likely to be crowded than is typical for the State. An estimated 5.1% of Ruidoso’s housing units are overcrowded, while 8.0% are severely overcrowded. This compares to 5.1% crowded and 2.2% severely overcrowded in New Mexico as a whole. Most of the overcrowding in Ruidoso occurs in rental units. Over seven percent of renters experience overcrowding and eight percent are severely overcrowded, while there are almost no reported owner occupied homes that suffer from these conditions. Census reports of overcrowding are consistent with the observation of Housing Advisory Committee members that service workers often share housing, with a large number of

workers living in a single unit. Households with three to five adults and no children comprise 16% of the responses to the housing survey. Those who would consider moving would prefer a larger house to accommodate unrelated adults living together.

Table 17. Housing Condition Indicators

	Ruidoso	% Ruidoso	Lincoln County	% Lincoln County	New Mexico	% New Mexico
Housing Facilities						
Lacking complete kitchen facilities	44	1.2%	130	1.5%	9463	1.2%
Lacking complete plumbing facilities	66	1.8%	214	2.3%	9384	1.2%
Home Heating Fuel						
Utility gas	2,705	74.1%	5,091	58.6%	511,332	67.1%
Bottled, tank, LP gas	155	4.2%	1,076	12.4%	69,822	9.2%
Electricity	547	15.0%	1,224	14.1%	118,711	15.6%
Fuel oil, kerosene, etc.	0	0.0%	0	0.0%	1,024	0.1%
coal, or other fuel	0	0.0%	0	0.0%	284	0.0%
Wood	243	6.7%	1,265	14.6%	50,689	6.7%
Solar	0	0.0%	0	0.0%	2,172	0.3%
Other fuel	0	0.0%	29	0.3%	6,494	0.9%
No fuel used	0	0.0%	0	0.0%	1,410	0.2%
Overcrowded Housing Units						
Overcrowded	101	7.5%	219	7.0%	19,402	5.1%
Severely overcrowded	83	8.0%	178	5.8%	7,488	2.2%

Source: 2011-13 American Community Survey 3-Year Estimates

Estimating rehabilitation needs is difficult because there is no systematic assessment of housing condition. A study completed in 2003 tested a number of variables from the American Housing Survey and data from the local county tax appraiser. The study included 180,000 owner-occupied and 42,000 rental housing units in two Florida metropolitan areas to determine which variables are the best indicators of housing condition as indicated by the ratio of value to the new value of a similar unit.² The study found age to be a particularly important indicator of the quality of a unit. Although there is some variation in owned housing as compared to rentals, the data indicated that after 40 years, the percentage of units considered to need rehabilitation increased dramatically in each decade. The findings of this study were used to estimate rehabilitation needs in Ruidoso. These assumptions will be compared to the building permits issued for substantial repairs and renovations compared to total permits issued.

The Census reports housing by tenure and age. This information was compared to the estimated percentages of owner and renter occupied housing needing repair in each age group. In total an estimated 323 owner occupied units and 281 renter occupied units are of an age that some level of rehabilitation is likely to be needed. The information in Table 19 estimates the number of these units that would be occupied by cost burdened households who would not be able to afford needed repairs. Rehabilitation programs will focus on owner occupied housing, but rehabilitation of rental housing can be accomplished through code enforcement and working with landlords to bring units to an acceptable standard. The estimated need for rehabilitation assistance is shown in Table 19.

Estimates based on age were discussed with local developers and Realtors and Village code enforcement staff. Local developers observed that prior to 1970, Ruidoso housing was primarily vacation homes.

² Smith, Marc T., Margaret S. Murray and William O'Dell, "Estimating the Need for Single Family Rehabilitation," *The Journal of Regional Analysis & Policy*, vol. 33, issue 2, 2003.

Manufactured homes built prior to 1976 do not meet HUD standards, and it is no longer possible to finance them. Their opinion was that all housing built prior to 1970 needs repair, and mobile homes built prior to 1976 need to be replaced. The total number of owner-occupied units meeting this criterion is 1,200 single family units and 131 manufactured units. Based on research of rehabilitation needs by age of housing and discussions with Village staff and Realtors, the following percentages were used to estimate rehabilitation needs. "NA" indicates that there is no housing reported for the category.

Table 18. Rehabilitation Assumptions

Year Housing Built	Single Family Detached or Attached		Multifamily		Mobile Home	
	Owner	Renter	Owner	Renter	Owner	Renter
1980 or later	0%	0%	0%	0%	0%	0%
1960 to 1979	20%	20%	20%	20%	100%	NA
1940 to 1959	75%	100%	75%	100%	100%	100%
1939 or earlier	94%	100%	94%	NA	100%	NA

Table 19. Estimate of Rehabilitation Needs

Type of Housing	Estimated # Units Needing Repair or Rehabilitation	Anticipated Level of Repair
Single Family Detached	120 owner occupied, elderly 200 owner occupied, other cost burdened households	Needed repairs include accessibility, cosmetic repairs, weatherization and updating of electrical, plumbing and HVAC systems
Multifamily	29 renter occupied, elderly 240 renter occupied, other cost burdened renters	Code compliance
Manufactured Housing	50 owner occupied 68 renter occupied	Mobile homes built prior to 1976 HUD code; Repair or replacement

Housing Affordability and Market Analysis

There are several ways to determine the level of affordable housing in a given community. The first is by examining the number of households experiencing a housing cost burden. A cost burden indicates that housing is not affordable and exists when a household pays over 30 percent of their income on housing and related expenses.

According to the most recent data from the American Community Survey, 41 percent of households in Ruidoso may experience a housing cost burden, with home owners and renters being equally affected. Compared to the County and State, renters fare better in Ruidoso, while a higher percentage of home owners in Ruidoso experience housing cost burdens.

Table 20. Households with a Housing Cost Burden, 2013

	Total Households	Cost Burdened Households, Ruidoso	% Total, Ruidoso	% Total, Lincoln County	% Total, New Mexico
Total	3,650	1,073	29.4%	26.4%	30.5%
Owner Households	2,613	780	29.9%	24.6%	25.3%
Renter Households	1,037	293	28.25%	34.2%	42.4%

Source: American Community Survey 3-year Estimates, 2011-2013

As indicated in Table 21, comparing housing burden by income group, owners and renters in the lower income ranges experience housing cost burden at a much higher rate than higher income levels.

In the income range of \$20,000 or less, 77 percent of all households experience a housing cost burden. This includes 315 owner households and 114 renters. Of households earning \$20,000 to 34,999 annually, 45 percent experience a housing cost burden. Of households with incomes \$34,999 to \$49,999, 27 percent have a housing cost burden. An estimated 620 owner households and 913 renter households with incomes below the median area income experience a cost burden. The approximate relationship of Census income levels to AMI is shown in the Table 21.

Table 21. Households with a Housing Burden by Income Level

	Approx	Total	% with a Cost	Households with a Cost Burden	
	%AMI	Households	Burden	Owners	Renters
Total Households		3,650	29.4%	2,613	1,037
Households paying 30% of income or more for housing				780	293
-Less than \$20,000	< 40%	557	77.0%	315	114
-\$20,000-\$34,999	40-70%	579	44.7%	118	141
-\$35,000-\$49,999	70-100%	849	26.5%	187	38
-\$50,000-\$74,999	100 to 120%+	645	19.5%	126	0
-\$75,000 or more	> 120%	882	3.9%	34	0

Source: American Community Survey 3-Year Estimates, 2011-2013

*Households with a cost burden as a percentage of the total households at each income level.

Census data reporting the distribution of cost burdened households by age of householder indicate that about two-thirds of owner householders with a cost burden are 35-64 years old and one-third are 65 or older. While younger renter householders have a cost burden, 64 percent of renter householders with a cost burden are 35 to 64 years old, and 21 percent are 65 or older. These households may need assistance or may consider relocating to more affordable housing at some point. There are 780 owner households and 293 renter households with a cost burden.

Table 22. Households with a Cost Burden by Age of Householder

	Owners		Renters	
	Number	Percent*	Number	Percent*
Total Households	2,613	100%	1,037	100%
Households Paying 30%+ of income for housing	780	29.85%	293	28.3%
- By Age of Householder				
15-24 Years	0	0.0%	18	6.1%
25-34 Years	0	0.0%	27	9.2%
35-64 Years	523	67.0%	187	63.8%
65 Years and Over	257	32.9%	61	20.8%

Source: American Community Survey, 2011-13 estimates

*Households with a cost burden as a percentage of the total householders at each age range.

In addition to examining the number of cost burdened households, another way to measure housing affordability is by determining the price-to-income ratio, which compares the median price of homes for sale with the median household income in a given community.

Homes for Sale

A review of the housing market indicates a wide range of home prices. Snapshot of the local market of homes for sale was made by reviewing listings of homes for sale. There is no distinction between

permanent housing and second homes, and a home could be purchased by a permanent resident, an investor or as a second home.

MLS listings of homes for sale in Lincoln County were obtained through local Realtors. A total of 414 homes were listed for sale in December 2014, including mobile homes. These listings were compared to the distribution of households by percent of area median income, as reflected in Table 23. Generally the data shows that the number of homes for sale affordable to income ranges below 60% AMI is proportionally far fewer than homes for sale affordable to higher income households.

The median home price for homes for sale in December 2014 was \$194,900, compared to the median income of \$51,600. Households with a median income would be able to afford a median priced home in Ruidoso. However, when the type of housing is taken into account, the homes available to households with incomes at low income levels tend to be condos, manufactured housing or mobile homes. These are often designed as vacation homes, which means that the layout, size, number of bedrooms and bathrooms may not be desirable for year-round occupancy. Therefore, families at lower income levels are competing with higher income households for the homes available that are desirable for year-round occupancy.

Table 23. Affordability of Homes for Sale

Household Income*	Percentage of Area Median Income (AMI)	Approximate % of Households at this Income Level	Price of Homes Affordable at this Income Level	Homes in Price Range on the Market	Percent of Homes for Sale
< \$15,480	Up to 30% AMI	15.7%	\$56,840 or less	7	1.7%
\$15,481-\$20,640	30-40% AMI	6.7%	\$56,840 to \$75,984	11	2.7%
\$20,541-\$25,800	40-50% AMI	6.0%	\$75,984 to \$94,931	24	5.8%
\$25,800-\$30,960	50-60% AMI	2.1%	\$94,931 to \$113,877	31	7.5%
\$30,961-\$41,280	60-80% AMI	21.2%	\$113,877 to \$151,771	72	17.4%
\$41,281-\$51,600	80-100% AMI	9.8%	\$151,771 to \$189,861	56	13.6%
\$51,601-\$61,920	100-120% AMI	11.6%	\$189,861 to \$227,952	58	14.0%
\$61,921 +	120% AMI+	29.8%	\$227,952 and up	154	37.3%

Sources: American Community Survey, 2009-2013 5-year Estimates, HUD HOME Income Limits; Realtor.com

*Assumes three-person household, 0.045 percent interest rate, 30 year term

Homes affordable to lower income households are generally small and older, although all the ages of all homes for sale reflect the building boom years of the 1970's and 1980's. Lower priced homes tend to be smaller, with fewer bedrooms and more likely to be a condo or manufactured or mobile home than a single family detached home. There is no distinction in the MLS listings between vacation homes and homes for permanent occupancy. However, it is assumed that while smaller units may be acceptable for seasonal or vacation use, they may not be suitable for long-term, year-round occupancy by a family because of their size and design. Table 24 summarizes the characteristics of homes for sale affordable to each income level.

Table 24. Characteristics of Homes for Sale by Affordability

%AMI	Homes	Average	Average of	Type of Housing
------	-------	---------	------------	-----------------

	for Sale	Size	Year Built	Average No. Bedrooms	Single Family	Condo/ Townhouse	Manufactured/ Mobile Home
Up to 30%	7	865	1978	1.86	1	1	5
30-40%	11	714	1980	1.73	0	7	4
40-50%	24	933	1975	2.21	7	13	4
50-60%	31	1,106	1979	2.23	12	9	10
60-80%	72	1,163	1979	2.29	33	28	11
80-100%	56	1,480	1976	2.89	39	10	7
100-120%	58	1,576	1982	2.86	38	18	2
120% +	154	2,641	1989	3.51	142	12	0
Overall	413	1,282	1982	2.87	272	98	43

Source: MLS listings of homes for sale, December 2014.

Average housing price by type of unit and number of bedrooms is shown in Table 25. This table does not include mobile homes that were built in 1976 or earlier.

Table 25. Average Housing Price by Type and Number of Bedrooms

Housing Type	Number of Bedrooms						Total	
	0	1	2	3	4	5		6
Condo/ Townhouse		\$81,230	\$134,831	\$236,176	\$294,530	\$213,444	\$221,007	\$162,512
Manuf/ Mobile Home (after 1976)			\$119,681	\$122,124	\$114,200			\$121,273
Single Family Detached	\$34,700*	\$106,188	\$163,167	\$276,918	\$420,898	\$393,393	\$447,875	\$285,925
Overall Average	\$34,700	\$92,323	\$143,968	\$247,192	\$396,514	\$359,653	\$402,501	\$242,431

Source: MLS Listings

*This is a partially converted storage shed that is not a standard quality dwelling.

The affordability gap by average price for condominiums, townhouses and single family homes is shown in Table 26. The data support observations of the Housing Committee that families with children are not able to find suitable housing in Ruidoso that they can afford. Large households – four and five person households – cannot afford the three and four bedroom homes currently available on the market. There is a significant price gap, even at an income that is 120% of AMI. One bedroom units, which may be suitable for a married couple, are affordable to a two-person household at 60% of AMI and above. Two bedroom units are affordable to two person households at 100% of AMI and above and to two person households at 80% of AMI and above.

Table 26. Affordability Gap, Housing for Sale, Ruidoso

Number of Bedrooms	1 Bedroom	2 Bedrooms	3 Bedrooms	4+ Bedrooms
	Household Size	1-2 Person HH	3 Person HH	4 Person HH
Number for Sale	18	110	161	80
Average Price	\$92,323	\$148,226	\$271,604	\$410,189
30% AMI Max Price	\$52,301	\$56,840	\$65,129	\$70,458
Price Gap	\$40,022	\$91,386	\$206,475	\$339,731
50% AMI Max Price	\$87,036	\$94,931	\$108,549	\$117,233
Price Gap	\$5,287	\$53,295	\$163,055	\$292,956
60% AMI Max Price	\$104,601	\$113,877	\$130,258	\$140,916
Price Gap	None	\$34,349	\$141,346	\$269,273

Number of Bedrooms Household Size	1 Bedroom	2 Bedrooms	3 Bedrooms	4+ Bedrooms
	1-2 Person HH	3 Person HH	4 Person HH	5 Person HH
80% AMI Max Price	\$139,140	\$151,770	\$151,968	\$187,690
Price Gap	None	None	\$119,636	\$222,499
100% AMI Max Price	\$190,454	\$189,861	\$217,097	\$234,860
Price Gap	None	None	\$54,507	\$175,329
120% AMI Max Price	\$209,005	\$227,952	\$260,714	\$281,437
Price Gap	None	None	\$10,890	\$128,752

Source: MLS Listings

A review of listings on Homes.com shows that days on the market range from current listings to over 1,000 days on the market. Realtors who were interviewed for the plan indicate that some owners list their units for sale but may not be serious sellers. Therefore, units can remain on the market waiting for the “right” offer if an owner does not need to sell. Of 448 properties listed in March 2015, 75 had been on the market for over a year and 217 had been on the market for less than six months. Of the 448 homes for sale, seven are foreclosures.

Data collected by the Ruidoso/Lincoln County Board of Realtors for the county indicates that the median home price dropped from 2011 through 2013 but in 2014 rebounded to approximately the 2011 level as general economic conditions have improved. The total number of units sold increased from 454 in 2011 to 556 in 2014.

Table 27. Annual Residential Real Estate Activity, Lincoln County

	2011	2012	2013	2014	Percent Change 2011 to 2014
Median Price	\$200,900	\$182,500	\$180,000	\$200,000	-0.4%
Units Sold	454	521	522	556	22.9%

Source: Realtors Association of New Mexico, Ruidoso/Lincoln County Board of Realtors

Home Purchase Loans

Home Mortgage Disclosure Act (HMDA) information was collected for all of Lincoln County. The data for Ruidoso Census tracts was limited to 2012 and 2013, so all Census tracts were included in the analysis to get a longer term trend in home mortgage lending. Data were collected for 2009 through 2013.

From 2009 through 2013, a total of 7,386 loan applications were reported for Lincoln County. Of these, 4,821 were for refinancing and 260 were for home improvements. The primary concern related to fair housing is home purchase loans. There were 2,305 loan applications for the purchase of a home reported from 2009 to 2013.

Table 28. Home Mortgage Loans by Purpose, Lincoln County, 2009-2013

Loan Purpose	2009	2010	2011	2012	2013	Total
Home improvement	65	67	42	42	44	260
Home purchase	466	437	492	462	448	2,305
Refinancing	1,209	916	865	945	886	4,821
Grand Total	1,740	1,420	1,399	1,449	1,378	7,386

Source: HMDA Data

Because there are a significant number of vacation homes in the County, it is important to consider whether loans are to be owner occupied. Of the 2,305 loans for purchase of a home from 2009 to 2013, 992 were for homes that were to be occupied by the owner as a primary dwelling.

Table 29. Occupancy Status for Home Purchase Loan Applications, Lincoln County, 2009-2013

Occupancy Status	2009	2010	2011	2012	2013	Total
Owner-occupied as a principal dwelling	222	178	188	205	199	992
Not owner-occupied as a principal dwelling	242	258	304	257	249	1,310
Not applicable	2	1				3
Grand Total	466	437	492	462	448	2,305

Source: HMDA Data

Denial rates were considered for owner-occupied home purchase loan applications. Applicants receive one of the following status designations:

- “Originated,” which indicates that the loan was made by the lending institution;
- “Approved but not accepted,” which means that the loan was approved but not accepted by the lender for other reasons
- “Application denied by financial institution,” which indicates denial of the loan application;
- “Application withdrawn by applicant,” which means that the applicant did not complete the application process;
- “File closed for incompleteness” which indicates the loan application process was closed by the institution due to incomplete information; or
- “Loan purchased by the institution,” which means that a previously originated loan was purchased on the secondary market.

From 2009 to 2013, a total of 184 applications were denied and one preapproval request was denied. Denial rates ranged from 15.8% in 2009 to 20.7% in 2011, with an average over the five years of 18.5%.

Table 30. Action Taken on Loan Applications, Lincoln County, 2009 to 2013

Action	2009	2010	2011	2012	2013	Total
Loan originated	110	98	79	97	99	483
Application approved but not accepted	14	14	28	27	23	106
Application denied by financial institution	35	29	39	40	41	184
Application withdrawn by applicant	13	9	6	3	11	42
File closed for incompleteness	8	3	1	10	6	28
Loan purchased by the institution	41	25	35	28	19	148
Preapproval request denied by financial institution	1					1
Total	222	178	188	205	199	992
Denial Rate	15.8%	16.3%	20.7%	19.5%	20.6%	18.5%

Source: HMDA Data

Actions were reviewed by gender, race and ethnicity of the applicant. The denial rate was slightly higher for males than for female applicants.

Table 31. Action Taken on Loan Applications by Gender of Applicant, Lincoln County, 2009-2013

Action	Female	Male	Information not provided	Not applicable	Total
Application approved but not accepted	35	66	5		106
Application denied by financial institution	50	127	7		184
Application withdrawn by applicant	10	23	9		42
File closed for incompleteness	5	22	1		28
Loan originated	143	326	14		483
Loan purchased by the institution	25	47	2	74	148
Preapproval request denied by financial institution		1			1
Total	268	612	38	74	992
Denial Rate	18.7%	20.8%	18.4%	0.0%	18.5%

Source: HMDA Data

Race and ethnicity are not always reported on loan applications. The information in Table 32 includes those applications for which race and ethnicity were reported. Denial rates for non-white applicants were higher than for white applicants, although these applicants represent a very small fraction of total applications, 1.5%. Denial rates for Hispanic applicants were 52% higher than for non-Hispanic applicants.

Table 32. Action Taken on Loan Applications by Race and Ethnicity of the Applicant, Lincoln County, 2009-2013

Action	American Indian	Asian	African American	Pacific Islander	White	Hispanic	Not Hispanic
Application approved but not accepted					98	22	77
Application denied by financial institution	2	1	1	1	159	42	126
Application withdrawn by applicant	1	1			29	5	22
File closed for incompleteness					26	9	17
Loan originated	5				457	66	397
Loan purchased by the institution					69	8	57
Preapproval request denied by financial institution		1					1
Total	8	3	1	1	838	152	697
Denial Rate	25.0%	33.3%	100.0%	100.0%	19.0%	27.6%	18.1%

Source: HMDA Data

The reason for denial was reported for 156 of the 184 loan applications that were denied. The most common reasons for denial were a poor credit history and debt-to-income ratio. These reasons were given for 61% of loan applications.

Table 33. Reasons for Loan Denials, Lincoln County, 2009-2013

Primary Reason for Denial	Total
Collateral	20
Credit application incomplete	11
Credit history	46
Debt-to-income ratio	49
Employment history	4
Insufficient cash (downpayment, closing costs)	4
Other	17
Unverifiable information	5
Grand Total	156

There were few home purchase loan applications from people with incomes below 30% of AMI, but three of five of these were denied. Potential owner applicants with incomes between 30% and 60% of AMI had higher loan denial rates than higher income applicants. Applicants with incomes between 80% and 100% on AMI had the lowest denial rate of any income level.

Table 34. Loan Denial Rates by Income Level, Lincoln County, 2009-2013

% AMI	Total Applications	Application denied by financial institution	Denial Rate
<30% AMI	5	3	60.0%
30-60% AMI	122	32	26.2%
60-80% AMI	125	23	18.4%
80-100% AMI	98	11	11.2%
100-120% AMI	104	17	16.3%
120%+ AMI	421	76	17.8%
Not reported	117	23	19.7%
Total	992	184	18.5%

Existing Units for Rent

Long-term rental listings for Ruidoso were obtained from Craigslist and a local rental management company. Vacation rentals, which would be listed at \$100 per night and up, are not included in the list. The search found that there were far fewer dwelling units available for rent than for sale. There were no rentals for households earning 40 percent AMI or less. Rentals affordable to households with incomes between 40 percent AMI to 60 percent AMI had on average one bedroom. Households that have incomes over 60 percent AMI could afford homes that had on average two bedrooms. Listings that reported the size of the advertised unit indicate that these homes are extremely small. One home in the 40 to 60 percent AMI income range was reported with 430 square feet. Another home in the 50 to 60 AMI range was listed with 650 square feet.

Overall most of the listings were condos and only one single family dwelling unit was advertised. A number of rentals are located in the Willow Tree Lodge Apartment Complex, the Pine River Apartment Complex and the Pine Cliff Village.

A search of rental housing in December 2014 found 40 units, of which ten had already been rented. Most units were unfurnished. Twelve of the 40 units had one bedroom, 18 had two bedrooms and 10 had three bedrooms. The three bedroom units are all single family homes. Other housing types had one or two bedrooms as shown in Table 36.

Table 35. Affordability of Existing Homes and Apartments for Rent

Household Income*	Percent of Area Median Income (AMI)	Approximate % of Households at this Income Level	Monthly Rent Affordable at this Income Level	Rental Units in Price Range on the Market	Percent of Homes for Rent
< \$15,480	Up to 30% AMI	15.7%	\$361 or less	0	0.0%
\$15,481-\$20,640	30-40% AMI	6.7%	\$361 to \$482	0	0.0%
\$20,541-\$25,800	40-50% AMI	6.0%	\$482 to \$602	7	17.5%
\$25,800-\$30,960	50-60% AMI	2.1%	\$602 to \$722	10	25.0%
\$30,961-\$41,280	60-80% AMI	21.2%	\$722 to \$963	14	35.0%
\$41,281-\$51,600	80-100% AMI	9.8%	\$963 to \$1,204	8	20.0%
\$51,601-\$61,920	100-120% AMI	11.6%	\$1,204 to \$1,445	0	0.0%
\$61,921 +	120% AMI+	29.8%	\$1,445 and up	1	2.5%

Sources: American Community Survey, 2009-2013 5-year Estimates, MFAHOME Income Limits; Craigslist, ZiaHousing.com
 *Income range assumes three-person household

Table 36. Characteristics of Homes and Apartments for Rent

Type and Affordability	Number of Bedrooms			Total Units
	1	2	3	
Cabin	1	2		3
40-50% AMI	1			1
60-80% AMI		2		2
Condo	1	5		6
50-60% AMI		1		1
60-80% AMI		3		3
80-100% AMI	1	1		2
Single Family Home			9	9
120% AMI +			1	1
60-80% AMI			2	2
80-100% AMI			6	6
Apartment	9	10	1	20
40-50% AMI	4	1		5
50-60% AMI	5	3		8
60-80% AMI		6	1	7
Manufactured	1	1		2
40-50% AMI	1			1
50-60% AMI		1		1
Total Units	12	18	10	40

The following is a list of apartment complexes in Ruidoso with long term rentals. In May 2015, nine units were advertised for rent in these complexes. The units in condominiums are advertised as short term rentals. As a result, all of the units listed in the total are not available as long-term rentals. The specifics vary by the owners of individual condominiums within each complex.

Table 37. Apartment Complexes in Ruidoso with Long Term Rentals

Complex	Unit Types	Total Units	Unit Types Available	Number Available	Monthly Lease Rate
Adobe Condos	Furnished & unfurnished 1&2 Br	20		0	
Camelot Place Apts*	1,2,3 br units	71	2 br/1 ba`	1	\$595
Cree Manor Inn	6 efficiencies	32		0	
La Tierra**	1,2 br units	60		0	
Rainbow Terrace Apartments	2 br/1 ba units	7		0	
Shaw Apartments	1,2 br units	16		0	
Willow Tree Apartments			2 br/1 ba`	2	\$600-\$725
Evergreen Manor	1 br/1 ba units	4	1 br/1 ba	1	\$600
Whispering Condos			2 br/2 ba	1	\$850
Pinon Park			2 br/2 ba	1	\$950
Ridge Road Properties			2 br/2 ba	1	\$850
Canyon Creek Lodge			1 br/1 ba	1	\$625
Canyon Creek Lodge Too			1 br/1 ba	1	\$625
Timberwolf	2 br/1.5 ba units	2		0	\$775
Badger Court Apartments		4		0	
Aspen Circle Townhomes				0	

* Affordable

** Limited to ages 55+

The results of the survey of available rentals were compared to HUD fair market rents (FMRs), which include all market rate rentals and include all unit types. The HUD FMRs were similar to those reported in the market rate survey. The affordability gap for existing rentals was calculated using HUD FMRs. The average rents for all unit types are higher than the maximum affordable rent for all size households with incomes of 50% AMI and below. Average rents are not affordable to households with 3 or more persons and incomes at 60% of AMI. The affordability gap for larger households closes at about 76% of AMI; therefore, for larger households requiring 3 or more bedrooms, assistance is needed almost up to 80% of AMI. Households with incomes above 80% of AMI can afford the average rents for all household sizes.

Table 38. Rental Gap by Income and Household Size

	Efficiency	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms
	1 Person HH	2 Person HH	3 Person HH	4 Person HH	5 Person HH
Average Rent	\$488	\$606	\$820	\$1,021	\$1,096
30% AMI Max Rent	\$281	\$322	\$401	\$401	\$434
Rental Gap	\$207	\$284	\$419	\$620	\$662
50% AMI Max Rent	\$469	\$536	\$602	\$669	\$722
Rental Gap	\$19	\$71	\$218	\$353	\$374
60% AMI Max Rent	\$562	\$642	\$722	\$803	\$867
Rental Gap	None	None	\$98	\$218	\$229
80% AMI Max Rent	\$749	\$856	\$963	\$1,070	\$1,156
Rental Gap	None	None	None	None	None

Source: HUD

Local employers that participated in the Village housing advisory committee noted that a lack of affordable rentals and suitable family housing make it difficult to recruit and retain employees. They also noted that with the advent of on-line rentals, local workers find it advantageous to lease out their homes on weekends through Vacation Rentals by Owner (VRBO), AirBnB, or similar and move out for the weekend.

Housing advisory committee members also noted that existing structures that are currently used as vacation rentals could be acquired, renovated and converted to long-term affordable rentals. There is one property with 12 units, Woodland Ridge Condominiums, which is in the process of being renovated. Some of the tenants in this property have moved from The Nest emergency shelter into these units as longer-term affordable housing.

Land for Sale

Real estate listings indicate 260 parcels for sale. These range in price from under \$10,000 for a parcel with no access or utilities to over \$1,000,000 for commercial properties on one of the main streets. A residential lot within the Village limits that is steep does not include paved access or utilities are priced at between \$12,000 and \$15,000 per acre. Lots with utilities are for sale at \$15,000 and up but may be steep and expensive to build on. Larger view lots, which may also be expensive to develop because of topography, are priced up to \$100,000 and more. Lots in existing subdivisions may have had mobile homes at one time, and former mobile home lots are an opportunity for affordable properties for scattered site single family homes. The former mobile home lots have an existing driveway access and a graded level pad.

Commercial lots of approximately an acre along a major commercial street are priced at \$200,000 to \$400,000. A few large lot in town ranging in size from four to nine acres with potential for mixed use are priced at \$200,000 to \$900,000 per acre. Some of these have been listed for six months up to more than two years. Local Realtors report that when property is overpriced and owners do not need to sell, the properties remain on the market.

Development Activity

The Village of Ruidoso issues building permits for the Village and surrounding areas. From 2005 through 2014, a total of 687 permits were issued for new residential construction. It is generally not possible to categorize these as permanent or vacation homes. However, 93 percent are listed as single family detached, 4.2 percent were townhomes, nine had descriptions that indicated they were vacation cabins, and the rest were a mix of condos and other multifamily structures.

As shown in Figure 11, construction during the past ten years peaked in 2006 and declined to 2010. New construction was stable from 2010 through 2013 and dropped dramatically in 2014.

During the same time period, new residential construction represented 13 percent of all residential permits, excluding garages, fences, decks and sheds (which are not related to the main structure). One third of residential permits were for remodels, 27 percent were reroofs, 13 percent were electrical upgrades, and the rest were plumbing upgrades, additions, general repair and mechanical upgrades. According to the Village building official, the greatest percentage of permits are for renovation and repairs, which is consistent with the age of the housing stock and the overall need for rehabilitation.

One new subdivision is in the development pipeline. Snowflake Ridge is a 117 acre parcel, of which only 37 acres are developable. The anticipated cost of a developed lot is \$60,000 to \$70,000, of which \$30,000 to \$40,000 per lot is infrastructure cost. House prices are expected to range from \$350,000 to \$650,000. The developer anticipated starting construction of lots in 2016.

Figure 11. New Residential Construction by Type, Ruidoso and Surrounding Areas, 2005-2014

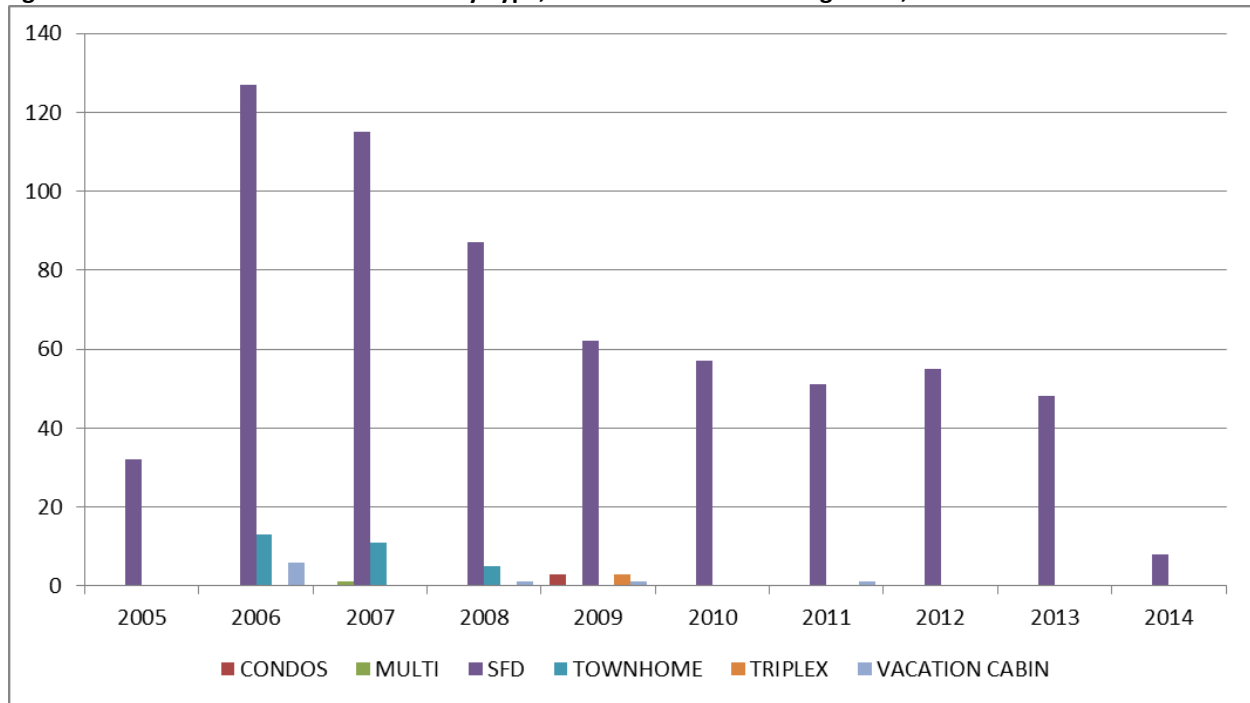
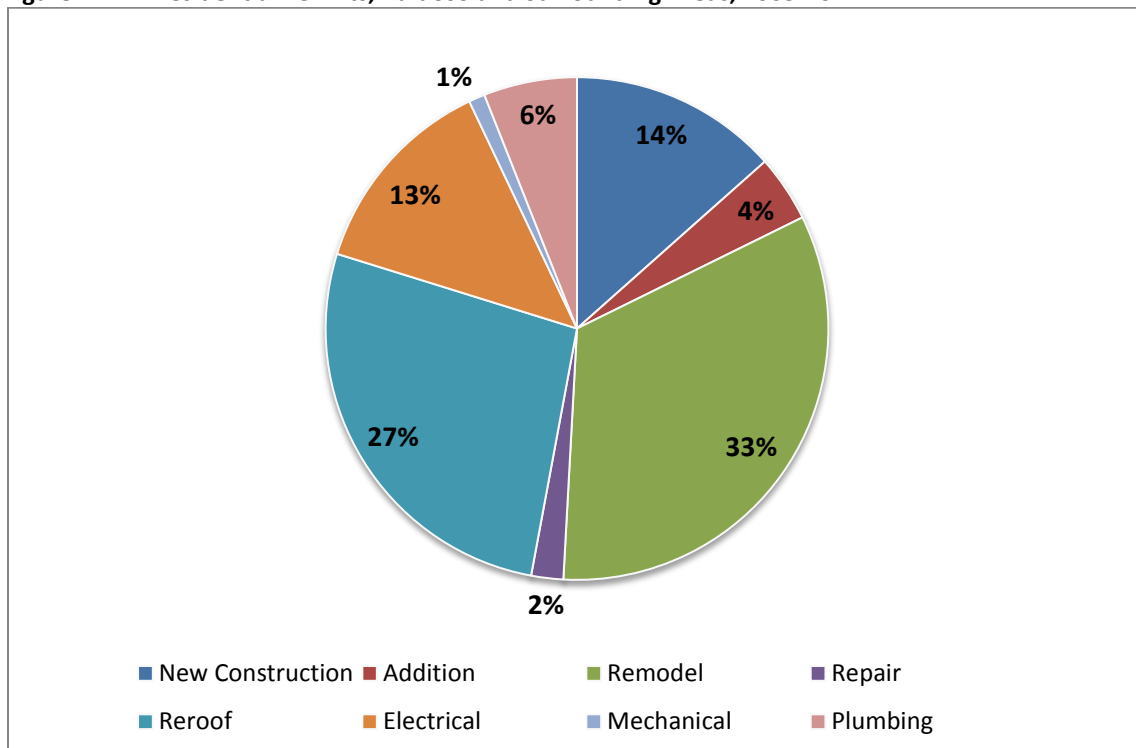


Figure 12. All Residential Permits, Ruidoso and Surrounding Areas, 2005-2014



Existing Affordable Housing Programs

Subsidized Rental Housing

There are five affordable apartment complexes in Lincoln County. The complexes that are located in Ruidoso are La Tierra, which is set aside for older adults aged 55 and up and Camelot, which has one-, two- and three-bedroom units for individuals and families. All of the affordable housing projects in Lincoln County have waiting lists, and the few vacancies are short-term and the result of a mismatch between the households on the waiting list and the units available. A listing of projects is in Table 39.

Table 39. Affordable Rental Housing Complexes in Ruidoso

Complex Name	Subsidizing Organization	Total Units	Number on Waiting List	Eligibility	At Risk of No Longer Being Affordable?
La Tierra	LIHTC, accept Section 8 vouchers	60 1 and 2 bedroom	18	Age 55+	No
Inspiration Heights (Ruidoso Downs)	Section 515/ Rural Development Rental Assistance	48 assisted rental units with one, two and three bedrooms	--	--	--
Ladera Apartment Homes (Ruidoso Downs)	LIHTC, Section 8 vouchers	60 rental units with one, two and three bedrooms	10	18 +	No
Camelot Place Apartments	RD Section 515	71 rental units with one, two and three bedroom	20	Family	No
Casa Manana (Carrizozo)	RD Section 515	8 one bedroom units	4	62+ or disabled	No
La Tierra	RD Section 515	60 assisted rental units with one, two and three bedrooms	NA	18+	No
Special Needs					
The Nest Shelter	NA	28 beds	0	Domestic violence victims and their families	NA
Transitional housing					
Woodland Ridge Condominiums	Church Out of Church	12 Units/48 person maximum occupancy	4 units are being remodeled, do not maintain a waiting list	All	No
Puerto Esperanza	Angus Church of the Nazarene	Considering purchase and renovation of Nob Hill Lodge	Existing lodge has 16 rooms	Youth exiting foster care, other	Project is in planning phases

Sources: affordablehousingonline.com; project managers

In addition to these apartment complexes, Housing Choice Vouchers (Section 8) are available for a limited number of renters through the Eastern Regional Housing Authority. Approximately 43 of the HA's vouchers are currently being used in Lincoln County, although the need is much greater. The HA does not maintain a waiting list for vouchers but commented that they get inquiries every day asking if vouchers are available. The waiting list for vouchers is closed and the HA is not accepting new applications.

Special Needs Housing

Victims of Domestic Violence.

The Nest Shelter is a local non-profit entity providing a safe haven for abused women and their children. It provides room for approximately 28 women and their children (under the age of 18) for up to three months. The Nest also offers viable services including but not limited to, emergency shelter, food and clothing as well as access to medical care, housing needs and education. The property is highly secured in order for women to feel protected. Residents of The Nest need long-term housing after their three-month stay. Woodland Ridge Condominiums provides twelve units, and some women leaving The Nest move into those.

Prevention of Homelessness

There are no formal counts of homeless or families at risk for homelessness, but stakeholders report workers living in their cars, teens in Ruidoso schools who are living temporarily with various families because they do not have a permanent home, and families receiving services through short term emergency housing who do not have permanent housing once their tenure in emergency housing is up. There are no homeless shelters or permanent supportive housing in Ruidoso or surrounding areas however there are services that provide assistances to help prevent homelessness.

Homelessness Prevention and Rapid Re-Housing Program (HPRP) administered by the MFA has set aside over 6 million dollar to assist families in need with housing and rent cost, however none of this money has been allocated to Lincoln County in 2015.

The Veteran Integration Service assists Veterans and their families in Lincoln County. This service is provided on a case by case base and can cover rental assistance for Veterans with incomes below 50 percent AMI for up to five month.

Housing for the Elderly

La Tierra is a 60-unit affordable independent senior apartment home community in Ruidoso for individuals 55 years of age or over. The complex has a mix of one and two bedroom units. In addition the *Casa Manana* provides eight apartment units for individuals over 62 and individuals with disabilities. However this development is located in Carrizozo, 33 miles north of Ruidoso.

Housing for Adults with Disabilities

New Horizons Developmental Center is an intermediate care facility for developmentally disabled adults. New Horizons provides 24-hour residential services in two group homes, Casa Linda and Casa del Sol.

Transitional Housing

Woodland Ridge Condominiums is a relatively new project providing twelve units for longer term stays. As mentioned above, residents of The Nest sometimes move into these units after they have spent the allowed three months at that shelter.

Housing Rehabilitation

Southwest Regional Housing & Community Development Corporation used to provide housing rehabilitation and weatherization in Lincoln County. Unfortunately the program was terminated in Lincoln County. *Tierra del Sol Housing Corporation* provides rehab and weatherization for owner occupied homes throughout southern New Mexico and is proposing to start servicing Lincoln County in Summer 2015.

The Central New Mexico Housing Corporation assists low income, the elderly and disabled households with weatherization of their homes. This increases the energy performance of homes and reduces energy bills long-term.

Demographic and Community Profile Summary

Key findings regarding Ruidoso and its regional context that have implications for housing demand and the need for affordable housing are as follows:

- While incomes in Ruidoso are higher than the state median, there are specific groups, including single person elderly and female headed households that have much lower incomes than the area median.
- Wages of the largest economic sectors tend to be the lowest of any sectors in the County, so the local workforce is having difficulty finding affordable housing options within the Village.
- A high percentage of the Village housing stock is seasonal. Less than half of housing in the Village is available to year-round residents.
- The tourist oriented economy has resulted in a housing shortage for local workers. Without housing opportunities for workers, over 70 percent of the local workforce has to commute into Ruidoso. There has a net inflow of workers from outside the Village.
- There are few affordable housing complexes in Ruidoso and in Lincoln County. These projects all have waiting lists. The Section 8 vouchers currently in use in Lincoln County do not meet the need, as evidenced by the level of inquiries.
- Emergency, transitional and long-term housing for special needs populations is very limited in Ruidoso and in Lincoln County. Stakeholders have recognized a need, but do date the efforts of local non-profits do not meet all of the need.

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IV. Housing Needs Assessment

Based on quantitative data, stakeholder interviews and public input, Ruidoso has a variety of housing needs, including entry level housing for the Village's workforce and housing for low income households. The need is for both homeownership and rental housing. The existing and projected needs for housing by type are detailed in this section.

Existing and Projected Housing Needs

Ruidoso is faced with a severe shortage of affordable housing choices for low income families. This creates a housing cost burdens on current and future employees that represent the backbone of the local economy. If the Village is to have suitable housing for existing and future employees and their families and for households with special needs, it needs both rental and for-sale housing at a more affordable cost to a range of income groups. These population groups have different types of housing needs.

- **Rental housing** for entry level workers is needed to provide housing for families and individuals moving to Ruidoso for work. These include service workers in the hotel and restaurant industry, public school staff and village employees, recent high school graduates, and seasonal workers. Large employers like the public schools, Lincoln County Medical Center and ENMU-Ruidoso find it difficult to recruit and retain employees because of the lack of housing. While there is a large supply of rental housing, Ruidoso is a vacation destination, and most of the rental housing is for seasonal use. For example, the salary for a first year teacher with a BA degree is \$32,000 per year. A single person or householder making between minimum wage and \$10 an hour for a 40-hour week would be considered very low income. The greatest need appears to be one and two-bedroom apartments for households with incomes below 40% of AMI (up to \$22,000 per year), for whom there are no rentals available.
- **Affordable homeownership.** For-sale housing of good quality is needed for families who wish to move from rentals to home ownership, entry level workers and their families, and empty nesters who wish to downsize. Housing that is priced under \$200,000 tends to be smaller, older and in poor condition. Housing may also be intended for seasonal use and vacation rentals, and is not destined for long-term, year-round family housing. The greatest need is for single family homes with three or more bedrooms, which are not affordable for households of three or more people with incomes of 120% of AMI. There are few existing one-bedroom units available, but these are affordable to a one- or two-person household with a household income of 60% of AMI and above. Existing two-bedroom units currently for sale are affordable to two-person households with incomes of 100% AMI and above and to three-person households with incomes of 80% of AMI and above. Local employers have identified the lack of affordable housing for families with children as a barrier to recruiting employees.
- **Senior housing** needs include both independent and assisted living, and affordable or subsidized options for low and moderate income seniors. La Tierra, with 60 units, as well as Casa Manana with 8 units, are the only existing senior housing option in Lincoln County. There are 257 cost-burdened senior homeowners and 61 cost burdened renter householders age 65+. In addition, the Village has identified retirees as a market for future growth. The estimated existing need for new senior housing is 25 units and future need over the next ten years is an additional 25 units. There are an estimated 200 people aged 65+ with a disability that results in difficulty living independently. The Village recognizes that while some of these residents will relocate to be closer to family, there is a need for an assisted living facility to enable these residents to remain

in Ruidoso as they age. A facility with 15 rooms is a typical group home type assisted living facility and would meet the immediate need of seniors needing assisted living in Ruidoso.

- **Housing for people with disabilities.** The only housing available in Lincoln County for people with disabilities is located in Carrizozo. There are an estimated 213 Ruidoso adults between 35 and 65 years old with an independent living difficulty. While many of these adults are cared for at home by family members, an assisted living facility as described above would provide an alternative.
- **Rehabilitation and repair programs.** Based on interviews with Ruidoso code enforcement staff, the Affordable Housing Committee and Census data, an estimated 320 owner-occupied single family units and 50 owner-occupied mobile homes need repairs.
- **Transitional housing.** There is a need for transitional housing for families and individuals leaving existing emergency housing programs and youth leaving foster care. There is no transitional housing in Lincoln County now. Woodland Ridge Condominiums has twelve units and can accommodate 48 people. The habitable units are currently full. Four units are being remodeled, and the manager noted a need for additional transitional housing. Woodland Ridge meets the need for victims of domestic violence. An additional 12 to 20 beds are needed for homeless youth and youth leaving foster care.
- **Emergency housing assistance.** Stakeholder have identified homelessness as a challenge, however there are no formal counts of the number of homeless individuals. Local stakeholders noticed that a great need for emergency shelter exist to service these families and teens. Presently, stakeholders noted, that these individuals are either living in severely overcrowded places, in their cars or coach surf. There are no permanent programs in place to assist households in need for emergency shelter. Some organizations target emergency and short-term housing for victims of domestic violence, women and their children, but there is a need for a much broader range of emergency assistance to capture underage homeless teens and families with no permanent home. An estimated 20 families per month require some type of emergency assistance. Others needing emergency housing could be accommodated in the transitional housing described above.

The total current housing need was determined by evaluating the current number of households with a cost burden by income level, waiting lists for existing housing and the reported number of families who have jobs in Ruidoso but have not been able to find housing in the community. Of the total of 1,106 cost-burdened households, 74% are homeowners and 26% are renters. The majority of cost-burdened households fall within the lowest income categories, incomes below 70% of AMI, and a significant portion earn less than 40% AMI. Assistance to current homeowners will be primarily home repair and rehabilitation assistance, if needed, although foreclosure prevention assistance may also be needed. Assistance to renters will range from rental assistance to new subsidized and workforce rental housing. The Village will not provide these services directly but will work with existing non-profit service providers.

Table 40. Housing Needed to Address the Current Needs of Cost-burdened Renters

Income Level	Cost-burdened Renter Households	Recommended % of Housing to be Met by:		
		Subsidized Rental Housing	Workforce Rental Housing	Home Ownership Opportunities
Less than 30% AMI	114	100%	0%	0%
30 - 60% AMI	141	25%	50%	25%
60% to 80% AMI	38	0%	50%	50%

In the future, the appropriate programs for new households will vary based on income level. Despite the overall preference for home ownership, the Village will provide a limited set of incentives for affordable housing for sale. Households below 60% of median income will not be candidates for homeownership. Furthermore, it may not be desirable, particularly if families do not have adequate credit or reserves to be able to pay their mortgages in times of crisis, such as job loss. Therefore, the plan recommends that future affordable housing solutions be divided among subsidized rentals, market rate rentals, and home ownership opportunities, based on the income level. The following rates are recommended:

Table 41. Types of New Housing to Address Future Affordable Housing Needs

Income Level	Recommended % of Housing to be Met by:		
	New Subsidized Rental Housing	Affordable/Workforce Rental Housing	Home Ownership Opportunities
Less than 30% AMI	100%	0%	0%
30 - 60% AMI	25%	50%	25%
60% to 80% AMI	0%	50%	50%
80% to 120%	0%	0%	100%

Table 42 quantifies Ruidoso’s current housing needs, based on the figures above and future housing needs based on projected population growth. Lincoln County is projected to have modest growth over the next 10 years. Base on the Village’s history, its growth will be related to the health of the national economy and tourism in New Mexico. The high percentage of existing residents experiencing a housing cost burden and the high percentage of existing homes needing repair and rehabilitation, the emphasis of the Village’s affordable housing program will be on meeting existing needs.

Table 42. Current and Future Housing Needs

Type of Housing	Target Market	Current Total Need	Estimated Additional Future Need*	Comments
Home Ownership	Households earning between 60% and 120% of the Area Median Income (AMI), depending on household size; Includes first time homebuyers and entry level workers. This includes cost burdened renters at these income levels and workers work in Ruidoso but cannot find housing in the community.	1-3 person households (1-2 BR units), 60% to 80% AMI – 120 units 3+ person households (3+ BR units), up to 120% AMI 60 units	1-3 person households (1-2 BR units), 60% to 80% AMI – 25 units 3+ person households (3+ BR units), up to 120% AMI 15 units	2 BR units priced up to \$150,000 to accommodate entry level workers and small families; 3+ BR units for larger families priced \$150,000 to \$260,000 for households up to 120% of AMI
Affordable Rental Units	1-2 person households earning up to 60% of AMI; Includes entry level workers and those in low wage occupations. 3+ person households earning up to 80% of AMI	1-2 BR units, up to 60% AMI, 160 units 2+ BR units, up to 80% AMI, 70 units	1-3 person households (1-2 BR units), up to 60% AMI – 55 units 3+ person households (3+ BR units), up to 80% AMI - 20 units	Estimate of current need includes cost-burdened renter households. There is anecdotal evidence of workers living in cars who are not included in the estimate of current need.

Type of Housing	Target Market	Current Total Need	Estimated Additional Future Need*	Comments
Subsidized Senior Housing	Senior-headed households with a cost burden, incomes up to 60% of AMI. Currently and estimated 20.7% of senior homeowners and 15.6% of renters have a cost burden.	25 rental units, 1-2 BR units, up to 60% AMI	25 units	All units should be accessible
Senior Assisted Living	Seniors and other adults with an independent living disability	15 units	--	Potential for a group home or group homes to accommodate up to 15 residents
Housing Rehabilitation (focus on homeowners)	Housing rehabilitation is needed to bring older homes up to code. Units that cannot be rehabilitated should be replaced.	120 cost burdened elderly 200 other low and very low income families 50 mobile homes-repair or replace	10 cost burdened elderly 10 other low and very low income families 5 mobile homes – repair or replace	Partner with SWRH&CDC to help elderly homeowners and other very low and low income families with weatherization and repairs Recruit Tierra del Sol to establish a rehabilitation program
Transitional Housing	To provide transitional housing (3 months up to a year) in addition to services such as job training, education, life skills, counseling, etc. to people leaving domestic violence situations, youth leaving foster care, and those recovering from substance abuse.	25 units; families coming out of existing shelters; youth exiting the foster care system and youth at risk for homelessness	--	Support the efforts of non-profits to provide housing through infrastructure assistance; help make eligible families aware of services
Emergency Services	Ongoing emergency assistance for families and individuals in crisis. This includes families needing assistance with rent payments and deposits, homeless youth	20 families and individuals per month Rough estimate of 11 homeless youth in Ruidoso Schools	20 families and individuals per month	This includes rent assistance to prevent homelessness and shelter for homeless youth. These services are currently provided case by case by church organizations

*Projected future need is based on projected population to 2025.

V. Land Use and Policy Review

Lack of housing was cited as a major issue during meetings and stakeholder interviews conducted for this plan. Existing policy documents, including the Village Comprehensive Plan highlight the need for affordable housing. A number of factors contribute to the village's shortage of housing units, but the most notable factors include:

- The cost of housing because of the area's attractiveness as a tourist destination,
- High land costs and a lack of developable land,
- High construction costs resulting from steep topography and lack of existing utilities

Barriers to affordable housing include the high cost of land development. Land suitable for construction is restricted by the typography as well as historic patterns of subdivision development, as identified by the Ruidoso Comprehensive Plan. High demand for vacation homes, on the other hand, further increases the price of land.

Existing Plans and Land Use Policies

Village of Ruidoso Comprehensive Plan, 2006

The Village Comprehensive Plan was completed in 2006, and the housing related goals and strategies in this document provide policy guidance, issues, and potential strategies for the Affordable Housing Plan.

The Comprehensive Plan noted the following issues:

- Due to terrain and historic patterns of subdivision and development, there is little land available for new development. The focus needs to be on redevelopment of outdated structures and infill within established subdivisions.
- Numerous areas within the Village have old, outmoded structures. There is a need for a broader range of housing types in order to accommodate all residents, both full time and seasonal.
- Annexation is a way of expanding the availability of developable land within the Village. Only certain areas are suitable for annexation and appropriate development standards need to be adopted when new areas are proposed for annexation.

The Comprehensive Plan set the following goals. These have not all been accomplished, but they indicate actions that are already anticipated as a responsibility of the Village. Some of these items will be accomplished through the adoption of the Affordable Housing Plan.

- By February, 2011, the Planning Department shall develop incentives to remodel or replace deteriorated or functionally obsolete existing housing emphasizing utilization of "green building" technologies.
- By July, 2010, the Planning Department shall ask the Affordable Housing Taskforce to develop criteria to define affordability for the Village and surrounding communities.
- By February, 2011, the Planning Department shall develop new types of infill housing strategies for selected areas of the Village that will provide housing opportunities for the full range of economic strata within the Village.

- By February, 2011, the Planning Department shall investigate, and report to the Village Council, the development of land set-asides and impact fees to fund a set amount of affordable housing in rate homes built.

Village of Ruidoso Zoning Ordinance

The Village zoning ordinance contains eight residential zones. In addition, residential uses are conditional uses in most commercial zones. Zoning districts are shown in Figure 13.

Zoning Category	Description	Permitted Residential Uses	Minimum Lot Size & Dimensions	Setbacks	Height
AR-1	Agricultural Residential	Farms & ranches Single-family residential	Area: Two acres	20 ft all sides	35 ft
M-1	Low-Density Mobile Home District	Mobile homes Single family detached dwellings	Area: 8,000 sf Width: 60 ft Depth: 100 ft.	Front: 20 ft Side: 10 ft Corner:20 ft Rear: 10 ft	35 ft
M-2	Medium-Density Mobile Home District	Mobile homes Single family detached dwellings	Area: 4,000 – 5,000 sf for mobile homes 5,000 sf for SFD units Width: 40-50 ft Depth: 100 ft.	Front: 20 ft Side: 10 ft Corner:10 ft Rear: 10 ft	
PUD	Planned Unit Development Overlay Zone	Residential, 6-25 units/ac as approved for the PUD. In residential PUDs, residential use must be at least 70 percent of site, in commercial PUD, may not exceed 50 percent of site	Area: 10,000 sf :		
R-1	Single-Family Residential District	Single family dwellings	Area: 7,000 sf (SFD) 4,500 sf/duplex unit Width: 40 ft. Depth: 100 f	Front: Side: Corner: Rear:	35 ft
R-2	Two-Family Residential District	Single family detached dwellings, two-family detached	Area: 10,000 sf Width: 75 ft. Depth: 100 ft.	Front: 20 ft Side: 10 ft. Corner: 20 ft. Rear: 20 ft.	35 ft
R-3	Multiple-Family Residential District	Two-family dwellings, Multifamily dwelling Conditional uses: Group homes	Density up to 14 units/ac Lot size varies by use – 2,000 to 10,000 sf per unit Width: 70-90 ft Depth: 90-100 ft Outdoor living area provided for 2+ units	Front: 20 ft Side: 10-15 ft Corner: 20 ft Rear: 20 ft	35 ft.

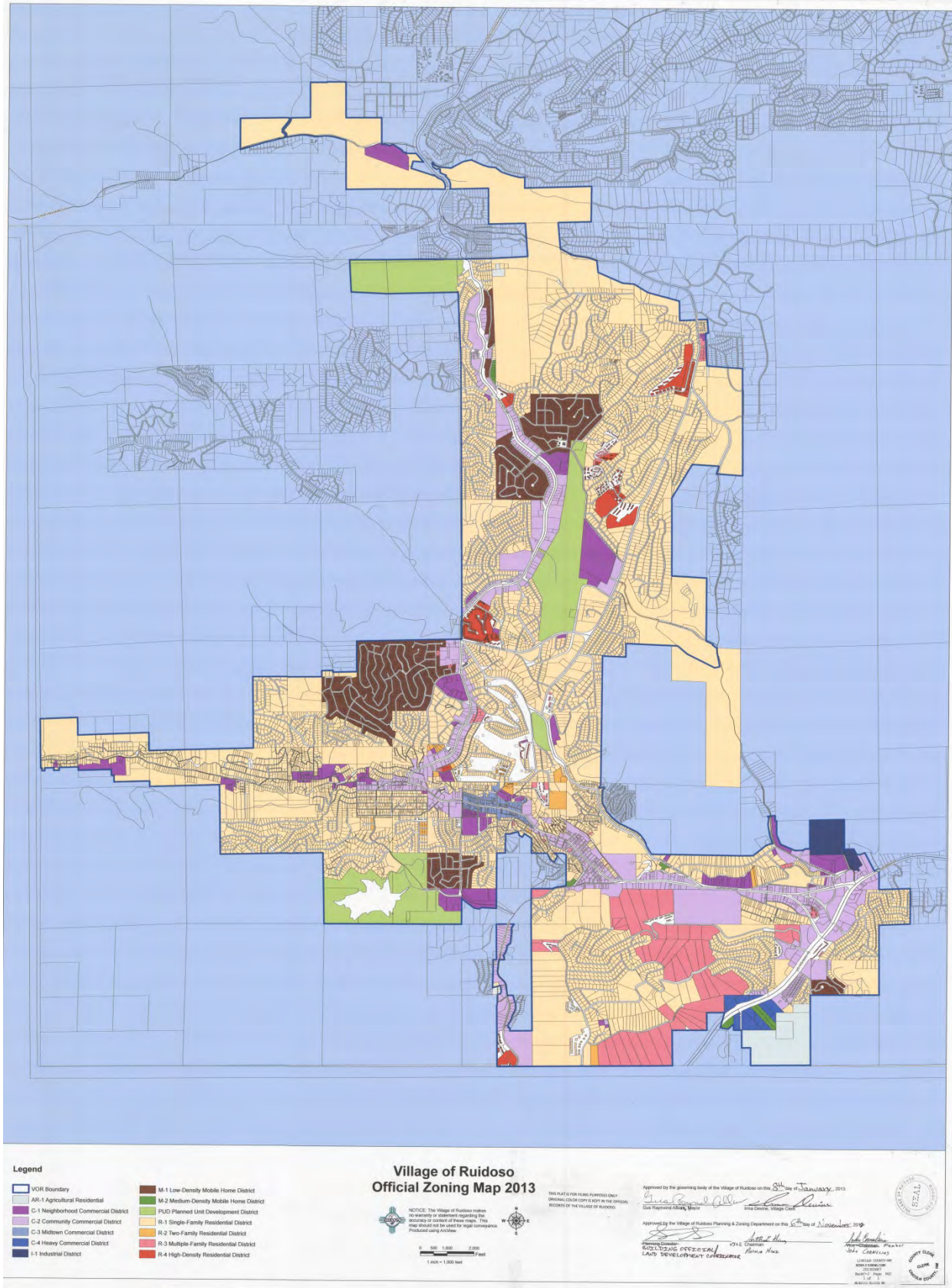
Zoning Category	Description	Permitted Residential Uses	Minimum Lot Size & Dimensions	Setbacks	Height
R-4	High-Density Residential District	Multifamily structures with 4+ units Townhouse clusters with 4+ units Multifamily dwellings up to 6 units or 135 linear feet maximum per structure	Density up to 20 units/ac Lot area per unit – 1,500 – 2,000 sf Width: 90 Depth: 90 Outdoor living area – 300-400 sf per unit	Front: 20 ft Side: 15-20 ft Corner: 20 ft Rear: 20 ft	35 ft
C-1	Neighborhood Commercial District	Residential is a conditional use	Width: 100 ft. Lot size varies by building area, parking requirements and setbacks	Front: 25 ft Side: 10 ft Corner: 10 ft Rear: 10 ft	35 ft.
C-2	Community Commercial District	Multifamily, 4+ units is a conditional use RV park with conditional use permit	Width: 100 ft. Lot size varies by building area, parking requirements and setbacks	Front: 25 ft Side: 10 ft Corner: 15 ft Rear: 10 ft	35 ft.
C-3	Midtown Commercial District	Single apartment within a commercial structure is permitted Conditional uses: MF structures with 4+ units as part of a mixed use structure, no residential on ground floor Apartment units occupied by owner or employee of the business	Lot size varies by building area, parking requirements and setbacks	MF structures have interior side and rear setbacks as in R-4 district	35 ft.

The C-1 non-residential zone allows residential units of all types as a conditional use, The C-2 and C-3 non-residential zones allow apartments as a conditional use either alone or as part of a mixed use project. Minimum lot width is 100 feet. Maximum height is 35 feet.

The zoning ordinance includes a **short-term residential rental overlay zone**, which applies to all residential zones. This overlay zone allows short-term rentals, which expands lodging options within the Village and provides significant income for residents. While this overlay is important to the local economy and to property owners, it has potential to reduce the supply of rental housing available for long-term residents. The rents that can be charged for short-term rentals are competitive with long-term rentals and potentially more lucrative for the owner. This option is not only applicable to rental housing. It allows homeowners to move out temporarily and lease their property for weekends or other short periods of time.

An owner who rents a unit for a short term must have a residential rental permit. The permit is for a maximum of three years. The Ruidoso Fire Department conducts a basic fire inspection every three years. The owner must pay gross receipts tax and provide certification of notice to all contiguous property owners that the property is to be used for short-term rental. The permit specifies the maximum number of occupants and the maximum vehicles allowed to be parked. The owner must post this information as well as procedures for trash and refuse disposal, notice that an occupant may be cited and fined for creating a disturbance and/or violating other Village codes, the 911 address, and notice of applicable Village ordinances. Exterior signage is prohibited.

Figure 13. Village of Ruidoso Zoning Map



Other standards in the zoning ordinance include mobile home construction standards, landscaping and screening requirements.

Topography, proximity to forested lands and flood hazards are of concern given Ruidoso's location, topography and drainage patterns. The zoning ordinance contains provisions for development of difficult sites in a manner that addresses public safety and environmental concerns.

Residential terrain management. The Village is characterized by steep terrain, which contributes to the character of the Village but is expensive to develop. Zoning ordinance contains provisions to protect hillsides and natural terrain. This provision applies to any residential site with average slopes in excess of 20 percent, as shown in Figure 13.

Forest management is required to minimize erosion and wildland fire hazard and protect trees, habitat and other environmental resources. This protection is considered to be essential to preserve the economic viability of the Village. Hillside and forest protection requirements protect the natural beauty of the Village and protect structures from locations on slopes that are too steep for development. The Village's Wildfire Hazard Overlay District sets standards for fuel reduction on both vacant and developed sites and requires the creation of defensible space to reduce risk to structures in the event of wildfire and keep a structure fire from turning into a wildfire.

Flood hazard. Area along the Rio Ruidoso and its tributaries are subject to flooding. The Village requires new development to include analysis of soils and drainage plans to ensure that residents are protected from flooding.

Subdivision Ordinance. The subdivision ordinance is typical of New Mexico communities. The ordinance requires 50 feet of right of way for local streets and 34 feet of paving. Recent development approaches include narrower local streets as long as streets are accessible to emergency vehicles. The Village could consider reducing right of way and paving widths in subdivisions where emergency vehicles do not need to turn around.

Recreation space is required based on 3.75 acres per 1,000 residents. Requirements vary by the type of housing proposed, ranging from an assumption of 1.3 persons per studio unit to 3.11 persons per single family home in the R1 zoning district. The Village could consider reducing this requirement for development of infill sites where recreational space already exists.

Fees. One cost reduction measure that the Village of Ruidoso recently put in place is eliminating impact fees for water and sewer infrastructure. This measure, adopted in 2014, repealed the 2003 impact fees ordinance. The Village's goals in repealing the ordinance were to reduce the cost of housing and to encourage existing property owners to connect to the regional wastewater system. This change reduced the cost of a new home by about \$3,500. Other fees include permit fees (estimate \$1,300 for a home with a construction value of \$150,000) and water and sewer connection fees of \$850 and \$100 respectively.

Development process. There are few recent examples of development process times because few major subdivisions have been brought to the Village for approval. However, the process should be reviewed to make sure that well designed projects that meet Village standards are reviewed and processed in a timely fashion.

The existing process can include several steps, depending on the site. Applications that are approved administratively are zoning permits, in compliance with the ordinance and Village zone map, site plans for single family and duplex development and building permits.

The Planning Commission reviews applications for initial zoning, zone changes, subdivisions, and planned unit developments and forwards recommendations to the Village Council. The Planning Commission makes decisions on conditional use and variance requests as well as site plans for developments other than single family and duplexes.

The Village Council has the authority for final approval of zone changes, subdivisions and planned unit developments.

The Planning and Zoning Committee meets the first Tuesday of each month, and the Village Council meets on the second Tuesday. The Village schedule recently changes from bi-monthly meetings to monthly meetings. This schedule change lengthened the time between the Planning and Zoning hearing and the Council hearing. The staff is proposing to change Planning and Zoning meeting dates to better align with the Council hearing schedule, thus shortening the time it takes to complete the development review process.

Governmental Constraints

Affordable Housing Policy

The Village does not yet have an Affordable Housing Plan and Affordable Housing Ordinance in place, which limits their ability to contribute to affordable housing projects. This plan and the accompanying ordinance will eliminate this constraint. It will be important to ensure that affordable housing issues and the recommendations of this plan be incorporated into related documents such as the Village Comprehensive Plan.

Regulatory Constraints

The Village zoning ordinance includes districts that allow for higher densities and multifamily development. The main constraint is that residential development in commercial zones, which are likely locations for higher density rental housing, is a conditional use. This additional level of review extends the time it takes to secure approval of multifamily projects. Discussions with stakeholders indicate that allowing second units as an accessory use in single family zones would expand rental housing options. Second kitchens are not allowed in the current mobile home and single family zones.

Other potential constraints that could be eliminated through regulatory changes include reducing street widths to enable more efficient use of land and ensuring a streamlined development review process.

Non-Governmental Constraints

Land Availability

The supply of vacant land within the Village is limited, and there are very few sites that are not impacted by steep slopes or flood hazards.

Environmental Characteristics and Hazards

Ruidoso's setting in the Sacramento Mountains is beautiful but expensive to develop. There are few sites that are mostly level. Most of the vacant land in the village is characterized by steep slopes. Many sites are wooded, requiring that wildfire risks be addressed during the development process. Areas along the Rio Ruidoso and its tributaries are subject to flooding.

Land Development Costs

Land development costs are high because of Ruidoso's steep terrain. Subdivision design, roads, utilities, storm drainage can be expensive on challenging sites. Topography contributes to the high cost of extending water and sewer utilities. In some cases, new development must include water storage and pump stations to provide for adequate water service. Total lot costs in areas with steep topography can be \$60,000 to \$70,000, with \$30,000 to \$40,000 attributed to land development costs.

The steep terrain can also be a barrier to higher density development. This will vary by site, but steep terrain may limit the density that can be achieved because of physical site characteristics and the cost of extensive cut and fills on steep lots.

Infrastructure/Utilities – Availability and Costs

Not all properties within the Village are served by water and sewer, and not all roads are paved. The Village has reduced its fees for water and sewer connections to make housing more affordable. The reduction in sewer hookup fees was also intended to encourage residents to hook up to the regional sewer system. In areas with no access to the Village sewer system, individual systems are used. Some of these subdivisions have lots smaller than .75 acre, in which case an aerobic septic system is required by state law. This option can cost more than twice as much as a regular anaerobic system and requires more frequent maintenance. Existing systems can be kept as long as they do not fail, but if they fail, the owner will have to replace the existing system with one that meets current standards.

Construction Costs

Ruidoso is somewhat remote, with only a few custom builders. New construction does not occur at a rate typically required by production builders. However, local builders have the capacity to build a few homes each year.

Individual Credit and Savings

Credit and savings issues were mentioned as a barrier for some households. First time homebuyers and veterans were mentioned during interviews as have difficulty purchasing a home because of a lack of a down payment and inability to qualify for a home loan. HMDA data show that debt to income ratio and a poor credit history are the top reasons for denial of owner home purchase loan applications. Insufficient cash was the reason for denial in only a few cases. For households with existing debt or a poor credit history, getting finances in order and possibly down payment assistance would help them move from renting to homeownership. USDA, which provides affordable mortgages, and local lenders provide some of this assistance now. Other options could include local Realtors and ENMU-Ruidoso.

Housing Development Feasibility/Density Analysis

Development feasibility was analyzed for both single family homeownership and multifamily rentals. Single family units were assumed to be 1,500 square feet in size. Site built homes in a new subdivision, a modular home on an existing lot and a single family home on an existing lot were included in the homeownership analysis. The multifamily example assumes a typical garden style apartment building on

a mostly level site. Most level land in the Village has been developed. The sites that are remaining are located along major thoroughfares and are priced as commercial property. As a result, a new subdivision will be expensive to develop, and new lots will cost much more than an existing lot in an established subdivision.

Each example considers development at market rates and the contribution that different contributions by the Village would have on affordability. If the cost of development is less than the affordable price, then there is no affordability gap. If the development cost exceeds the affordable price, then a subsidy gap exists, as shown in the examples below.

Single Family Homes, Site Built in a Subdivision

The analysis of a site built home in a new subdivision assumes that due to topography, three units could be built on an acre site. The home is assumed to be 1,500 square feet. Affordability is based on income for a three-person household. Local developers believe that a loaded construction cost of \$100 is achievable for a basic site built home that is not a custom design. This cost does not include land development, which is included with infrastructure costs in the analysis. Additional costs include land, infrastructure, and fees. The resulting unit cost in the example is lower than the typical price of newer homes in Ruidoso, largely due to the assumption that a basic home that is not a custom design can be built for less than the typical new home in Ruidoso.

The total developed lot cost in a typical Ruidoso subdivision is \$60,000, with about \$30,000 in land development cost. The lot cost is typically about 20% of the total house price. Because the cost of development in Ruidoso is so high, new homes are not basic construction. They include high end finishes, garages, covered patios and other amenities. The actual house price is likely to be \$300,000 or more.

The analysis of development feasibility considers market rate construction for a basic design. The analysis of a single family subdivision and a multifamily project illustrate how density affects affordability. The analysis also shows how Village donations of land, infrastructure and fees could make housing more affordable. Three residential densities are included in the analysis. A density of three units per acre, or a lot size of approximately 12,000 square feet, is typical in Ruidoso. A density of 5 units per acre, or a lot size of approximately 7,400 square feet, is possible on mostly level sites with water and sewer available. A density of up to 7 units per acre may be achievable in some locations.

Table 43. Single Family Subdivision Development Feasibility

ITEM	Market Rate Construction			With Donations	
	Density			Land Donation	Land, Infrastructure Donation, and Fee Waiver
Number of Units	3	5	7	3	3
Unit size	1,500	1,500	1,500	1,500	1,500
Land (1 Acre)	\$90,000	\$90,000	\$90,000	\$0	\$0
Infrastructure	\$90,000	\$90,000	\$90,000	\$90,000	\$0
Fees	\$6,750	\$11,250	\$15,750	\$6,750	\$6,750
Loaded build cost/sf - \$100	\$450,000	\$750,000	\$1,050,000	\$450,000	\$450,000
TOTAL Development Cost	\$636,750	\$941,250	\$1,245,750	\$546,750	\$456,750
Cost Per Unit	\$212,250	\$188,250	\$177,964	\$182,250	\$152,250

ITEM	Market Rate Construction			With Donations	
		Density		Land Donation	Land, Infrastructure Donation, and Fee Waiver
100% AMI Affordability	\$189,861	\$189,861	\$189,861	\$189,861	\$189,861
100% AMI Subsidy Gap	\$22,389	\$0	\$0	\$0	\$0
80% AMI Affordability	\$151,770	\$151,770	\$151,770	\$151,770	\$151,770
80% AMI Subsidy Gap	\$60,480	\$36,480	\$26,194	\$30,480	\$480
60% AMI Affordability	\$113,880	\$113,880	\$113,880	\$113,880	\$113,880
60% AMI Subsidy Gap	\$98,370	\$74,370	\$64,084	\$68,370	\$38,370

The analysis shows that a subsidy would be required for households with incomes of 100% of AMI and below for homes at three units per acre. Allowing a higher density – and assuming that higher density is achievable on a site, can reduce costs enough to reach affordability for households with incomes at 100% of AMI, but a significant subsidy is still required for households at 80% of AMI at densities of five and seven units per acre. A land donation alone does not eliminate the gap for households with incomes of 80% of AMI at any density, but a public contribution to both land and infrastructure costs comes very close to meeting the affordability range of households at 80% of AMI. A steeper subsidy would be required for households with incomes from 60 percent to 80 percent of AMI.

Single Family Homes, Manufactured/Mobile Home

This example assumes a 1,500 square foot, three bedroom, two bath manufactured unit on an existing lot that already has utilities and paved access. The cost for the manufactured unit includes the base price plus delivery, taxes, and setup on site. In this example, the subsidy gap narrows considerably. Because there are no infrastructure costs, a land donation alone is sufficient to eliminate the gap for households at 80 percent of AMI but not at 60 percent AMI.

Table 44. Modular Single Family Development Feasibility

ITEM	Market Rate Construction	Land Donation
Number of Units	1 Unit	1 Unit
Unit size	1,500	1,500
Lot (.25 acres in an existing subdivision)	\$19,000	\$0
Loaded build cost/sf - \$95	\$142,500	\$142,500
Infrastructure	\$0	\$0
Permits and Fees	\$2,150	\$2,150
TOTAL Development Cost	\$163,650	\$144,650
Cost Per Unit	\$163,650	\$144,650
100% AMI Affordability	\$189,861	\$189,861
100% AMI Subsidy Gap	\$0	\$0
80% AMI Affordability	\$151,770	\$151,770
80% AMI Subsidy Gap	\$11,880	\$0
60% AMI Affordability	\$113,880	\$113,880
60% AMI Subsidy Gap	\$49,770	\$30,770

Scattered Site Single Family Construction

This example is for a site built home on an existing lot. In Ruidoso, existing lots of approximately .25 acre in older subdivisions are listed for \$15,000 to \$20,000. These lots are located in areas zoned M-1, which allows a mix of mobile homes and site built homes. The lots priced at the higher end of this range have water and sewer available to the lot. Because of the high cost of developing new subdivisions, a scattered site approach is a cost effective way to provide for affordable housing in Ruidoso.

The example assumes a basic 1,500 square foot home that is not custom designed. The example assumes that multiple lots are made available to a builder, enabling the builder to standardize the designs of homes to reduce costs. This example assumes that all utilities are available to the lots and that there is no infrastructure cost other than hookup fees. The unit costs are affordable to households with incomes of 100% of AMI and above without a subsidy, and a land donation brings the price close to what is affordable to households at 80 percent of AMI.

Table 45. Scattered Site Single Family Development Feasibility

ITEM	Market Rate Construction	Land Donation
Number of Units	1 Unit	1 Unit
Unit size	1,500	1,500
Lot	\$19,000	\$0
Loaded build cost/sf - \$100	\$150,000	\$150,000
Permits and fees	\$2,250	\$2,250
TOTAL Development Cost	\$171,250	\$152,250
100% AMI Affordability	\$189,861	\$189,861
100% AMI Subsidy Gap	\$0	\$0
80% AMI Affordability	\$151,770	\$151,770
80% AMI Subsidy Gap	\$19,480	\$480
60% AMI Affordability	\$113,880	\$113,880
60% AMI Subsidy Gap	\$57,370	\$38,370

Multifamily Development Feasibility

Multifamily projects in Ruidoso are typically garden style, which is about 15 to 18 units per acre. Village staff does not consider a density higher than 18 units per acre to be feasible in Ruidoso. However, a density of 22 units per acre is included in the analysis to see how a higher density might affect affordability.

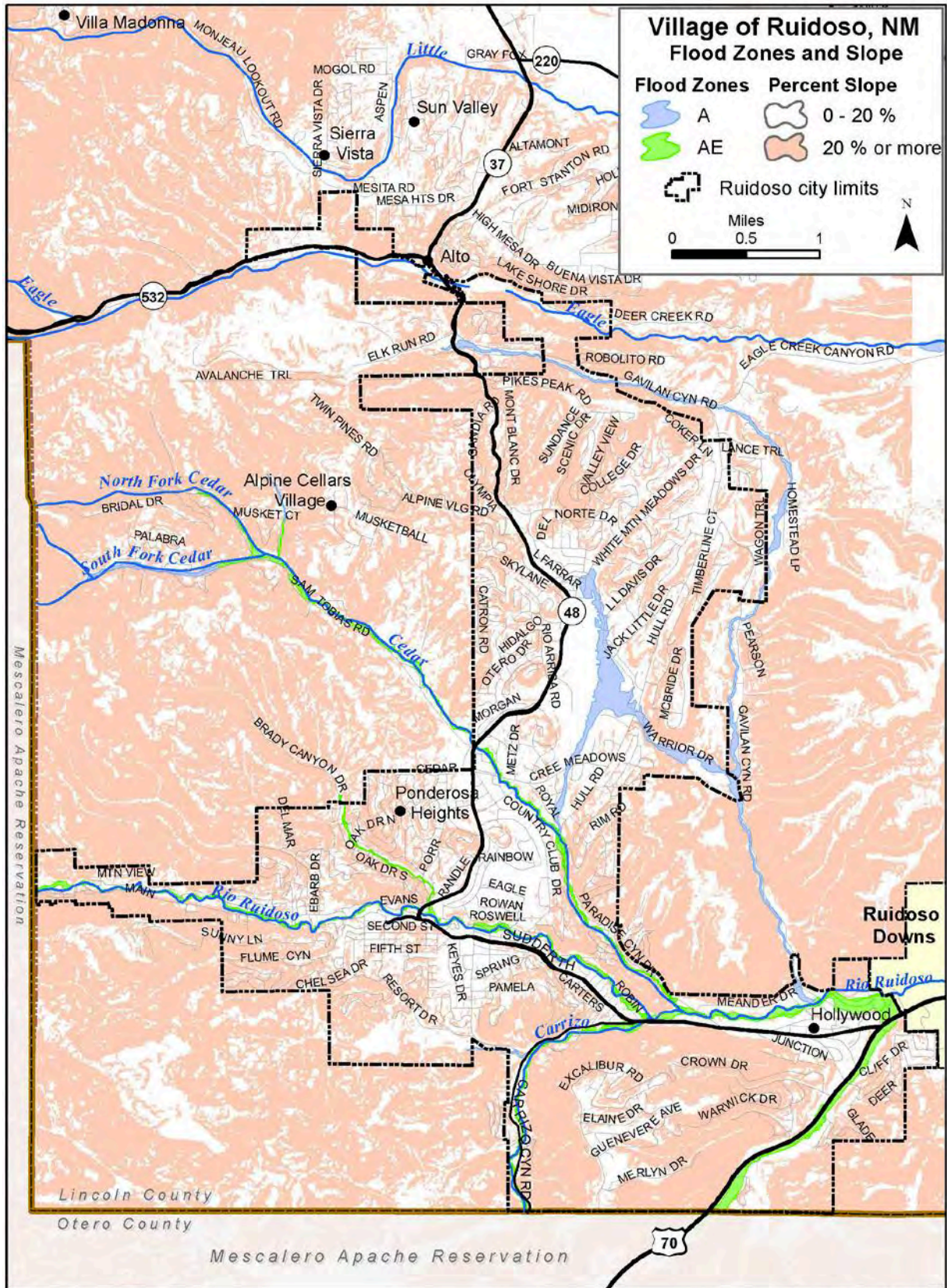
A 1,200 square foot unit is assumed in this example. Monthly carrying costs were calculated based on an interest rate of 4.5 percent for a 30-year loan and insurance and taxes based on local property tax rates and insurance at \$3.50 per \$1,000 of value. Land costs are based on prices for C-2 zoned properties that are not in prime retail locations.

The analysis shows that a rental project of this type would be affordable to households of 80 percent of AMI and above. For households with incomes below 80% of AMI, the gap decreases slightly as density increases and with donations of land and infrastructure and fee waivers. However, a combination of all donations plus density results in rents affordable to households at about 75% of AMI.

Table 46. Multifamily Development Feasibility

ITEM	Market Rate Construction			With Donations	
	Density			Cost with Land Donation	Cost with Land, Infrastructure Donation, Fee Waiver
Units	15	18	22	18	18
Unit size	1,200	1,200	1,200	1,200	1,200
Land (1 Acre)	\$100,000	\$100,000	\$100,000	\$0	\$0
Infrastructure	\$75,000	\$75,000	\$75,000	\$75,000	\$0
Fees	\$22,500	\$27,000	\$33,000	\$27,000	\$0
Loaded build cost/sf - \$120	\$2,160,000	\$2,592,000	\$3,168,000	\$2,592,000	\$2,592,000
TOTAL Development Cost	\$2,357,500	\$2,794,000	\$3,376,000	\$2,694,000	\$2,592,000
Effective Cost Per Unit	\$157,167	\$155,222	\$153,455	\$149,667	\$144,000
Monthly Carrying Costs	\$977.80	\$965.70	\$954.70	\$931.14	\$895.88
100% AMI Affordability	\$1,204	\$1,204	\$1,204	\$1,204	\$1,204
100% AMI Subsidy Gap	\$0	\$0	\$0	\$0	\$0
80% AMI Affordability	\$963	\$963	\$963	\$963	\$963
80% AMI Subsidy Gap	\$15	\$3	\$0	\$0	\$0
60% AMI Affordability	\$722	\$722	\$722	\$722	\$722
60% AMI Subsidy Gap	\$256	\$244	\$233	\$209	\$174
30% AMI Affordability	\$361	\$361	\$361	\$361	\$361
30% AMI Subsidy Gap	\$617	\$605	\$594	\$570	\$535

Figure 14. Flood Hazard Areas and Steep Slopes



February 16, 2015

VI. Goals, Policies and Quantifiable Objectives

The Village Council met to discuss a range of potential implementation strategies that are appropriate to Ruidoso’s affordable housing needs. The Council determined that the following package of implementation strategies should be pursued to address housing needs over the next five to ten years. These are groups by type of strategy. For Ruidoso, strategies are organized into the following categories:

- Policy and regulatory changes, which are intended to facilitate the development of affordable housing. These do not require a financial investment on the part of the Village.
- Development partnerships. The Village owns land which can be leveraged to provide an incentive for desired housing development. In this case, the Village will act as a partner in public/public or public/private partnerships.
- Assistance to non-profit housing providers. It is not anticipated that the Village will directly provide housing services. Rather, Village programs will facilitate the work of local and regional non-profit housing providers.
- Funding/financing. The Village can assist with funding and financing by working with local lenders and non-profits and by directly contributing to programs.

Projected Needs and Goals

The housing needs quantified in Chapter IV include existing needs and projected needs. Existing needs are current unmet needs of cost-burdened households, households living in units needing repair, and households with a family member who works in Ruidoso but must commute because of a lack of suitable housing. Future needs include future households based on job and population growth. Table 47 shows housing goals for the next 10 years.

Table 47. Housing Goals

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

Policy and Regulatory Changes

1. Adoption of an Affordable Housing Plan and Ordinance

The Village will adopt the Affordable Housing Plan by resolution and an Affordable Housing Ordinance that documents the implementation strategies that the Village intends to use. The Plan and Ordinance will be reviewed and approved by MRA prior to any legal donation.

2. Consistency with existing plans

The Council directed that the issue of affordable housing be included in the Village of Ruidoso Comprehensive Plan.

In addition, the Council recognizes that affordable housing is a key component of regional economic development. As such, the issue of affordable housing should be mentioned in documents related to economic development. If the Village adopts a Local Economic Development Act Ordinance, affordable housing should be a component of the Village's economic development initiatives.

3. Modifications to existing ordinances

The Planning Department will review ordinances to identify potential impediments to the development of affordable housing. Potential impediments identified through the ordinance review and mentioned during stakeholder meetings and interviews include fees, certain zoning restrictions, and processes/procedures. Modifications to consider include revising the commercial zones in the Zoning Ordinance so that apartments and mixed-use buildings are permitted uses rather than conditional uses.

The Council expressed interest in responsibly reconsidering zoning obstacles such as minimum lot dimensions and acceptable accessory uses on single family residential properties. Because of Ruidoso's steep terrain, smaller lot sizes are not possible everywhere in the village, but enabling smaller lots on mostly level properties or duplexes on larger lots would reduce the land cost per unit. Allowing a second kitchen to accommodate second unit would increase the supply of housing, potentially increase the supply of long-term rentals and help make homeownership more affordable with minimal impact on community character.

Specific recommendations include:

- Amend the C-1, C-2 and C-3 zones to allow residential and mixed use development as a permitted use rather than conditional.
- Reduce the minimum lot size in the R-1 and R-2 zones. In the R-1 zone, a lot size of 5,000 square feet for a single family house, with 2,500 per unit for a duplex, and in the R-2 zone, a lot size of 6,000 square feet should be considered.
- Allow accessory dwelling units as a conditional use in the R-1 zone. The second unit should be clearly secondary and compatible in design. Site plan review would ensure that adequate open space and parking are provided on site.

4. Code enforcement

Residents who responded to the housing survey noted the poor condition of rental properties available in the Village. Code enforcement is one means of ensuring that properties meet health and safety standards. If buildings are not maintained in safe condition, the Village Building Permits and Inspections Department proposes to develop a property maintenance code that enables the Village to ensure that landlords maintain property in livable condition. The intent of the proposed code is to establish

minimum maintenance standards for basic equipment, light, ventilation, heating, sanitation and fire safety. The *International Property Maintenance Code* is one model code to consider.

5. Streamlined processes

Streamlining the development review process and allowing the Planning & Zoning Department greater latitude in administrative approvals would reduce land holding costs. A “point system” that objectively grades development proposals, ensuring that housing affordability is included as a benefit, is one way to increase the supply of affordable homes for sale and rental housing. The Village Community Development Department will standardize and streamline its current processes as recommended by this plan. Solutions will include creating flow charts of the process, clarifying expectations for developers, allowing administrative approvals for small projects and adjusting Planning and Zoning meeting dates to reduce the time between Planning and Zoning hearings and Village Council hearings.

6. Reduced fees or fee waivers for affordable housing

The Council will waive permit fees on affordable new construction to reduce development costs. The typical fee for a single family home is \$2,200. Fee waivers will be applied to housing priced for households with incomes at 80% of AMI and below

Development Partnerships

7. Partnerships with other governmental and private entities

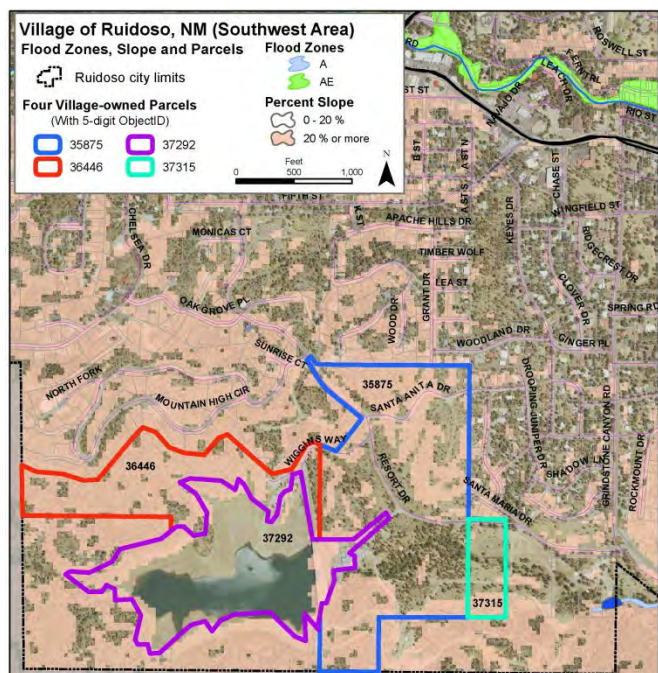
The Village will seek the collaboration of other governmental and private entities in addressing affordable housing needs. Partners include large governmental employers such as Ruidoso Public Schools and large private employers who recognize the importance of affordable housing to attracting and retaining employees. Large employers that have indicated a need to include Ruidoso Public Schools, Lincoln County Medical Center and ENMU-Ruidoso. These employers can be a resource. The Village can also partner with non-profits in Ruidoso and in the region who develop affordable housing and provide related programs and services.

8. Development partnerships

The Village will partner with developers and builders to support affordable housing on both privately owned land.

The Village owns two parcels that are a resource for affordable housing initiatives. One opportunity includes a parcel along Resort Drive that is owned by the Village. Figure 15 shows the location of this property. Another opportunity is a property that the Village owns in Alto on Mesa Heights Drive, as shown in Figure 16. This property is not within the Village limits. The two parcels are steep terrain, and the Alto parcel is not within the Village limits. Development costs for both are too high for development of affordable housing. However, the parcels can be sold or

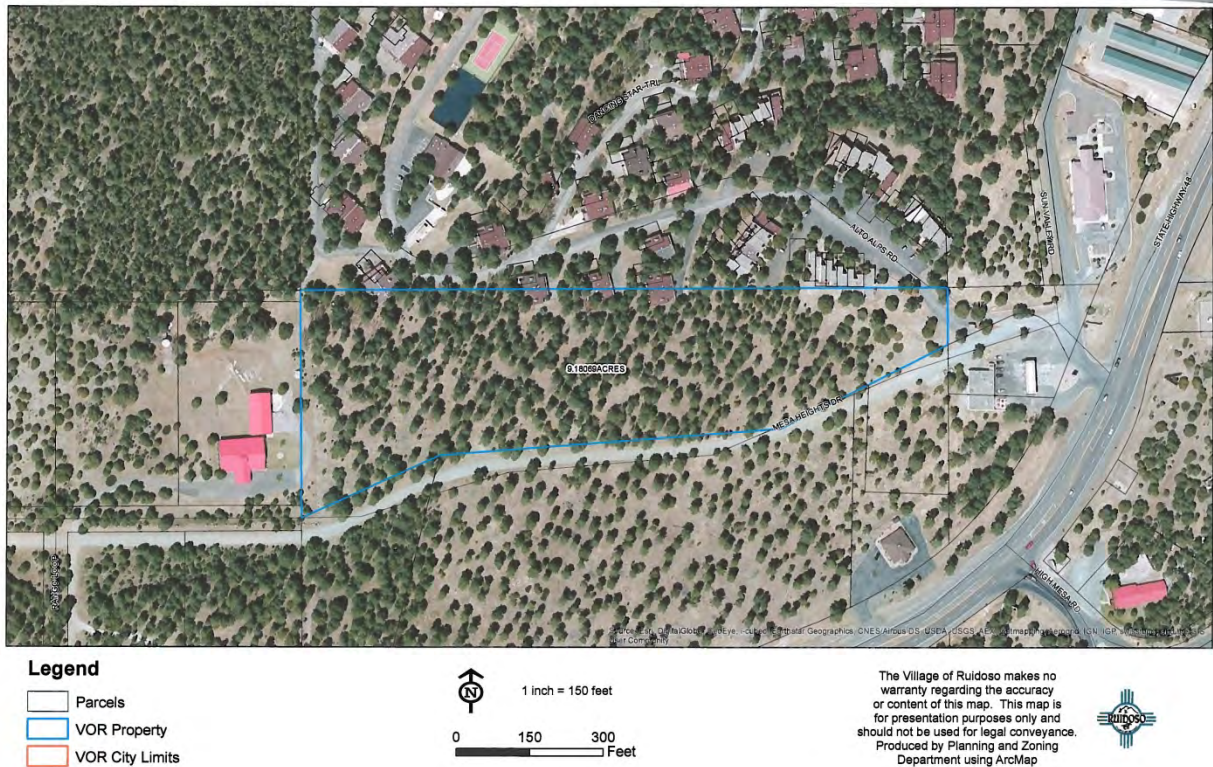
Figure 15. Village Owned Site #1



leased to generate revenue for affordable housing projects or traded for more level land that could be developed as affordable housing. The Village intends to resolve planning issues such as zoning and platting, if needed, prior to sale, lease or trade.

Specific needs include the following:

Figure 16. Village Owned Site #2



Affordable rental housing, including the development of new rental housing, is one of the Village’s most urgent needs. The Village will support new construction to increase the supply of rental housing targeted to households with incomes of 60 percent of median and below. The donation will be either donation or sale of Village owned land at a discounted rate if the Village can trade land it owns for a relatively level parcel, or through cash donation using funds generated from the sale of Village owned land. The value of the donation or discount will depend on the extent to which the project meets needs identified in this plan.

A senior assisted living facility was identified in the existing Comprehensive Plan and is consistent with the needs of local seniors. The Village will encourage development of an assisted living facility by working with a non-profit sponsor or by recruiting a private facility. The Village will determine that a proportion of residents of the facility will meet target income levels of the plan prior to any donation.

9. Establish a land trust

The Village will continue to look for opportunities to pursue development of excess land owned by the Village. Because of the high development cost anticipated for Village owned properties, this may include establishing in a land trust funded through the proceeds of a land sale or land lease. As with a development that involves a land donation, the Village will proactively resolve planning issues prior to sale or lease of the land.

10. Look for opportunities to acquire lots that are affordably priced or can be acquired through foreclosure, tax liens or other similar means.

Within Ruidoso are large subdivisions that allow both conventionally built single family homes and mobile homes. Respondents to the resident survey noted that some of the mobile homes in the subdivisions are old enough that they no longer qualify for conventional financing. If this is a barrier to sale and maintenance of these homes, there may be opportunities to acquire the lots for scattered site construction of affordable single family homes. These lots are already served by Village infrastructure. Based on a review of land for sale, lots range in price from \$14,000 to \$20,000. Some have full utility service available and others are lacking sewer. The priority would be fully served sites. It is likely more cost effective to acquire sites for a scattered site program than develop a new subdivision. The price of these lots is much less than the cost of developing lots on steep slopes.

11. Infrastructure assistance

Infrastructure assistance could take the form of waiver of hookup fees (Village could pay fees from a pool of money designated for affordable housing assistance); rebate of a portion of infrastructure costs paid by a private developer; construction of roads, utility lines and other public infrastructure to the site.

Assistance to non-profit housing providers

12. Facilitate public education

The Village will facilitate the communication of information about housing resources to the community and to families moving to Ruidoso. The purpose of this is to assist the local workforce in finding suitable housing and taking advantage of affordable housing resources. The Village proposes to hold an annual Housing Fair that brings together lenders and agencies to educate potential buyers about mortgage programs and homeownership counseling.

13. Facilitate landlord education

The Eastern Regional Housing Authority provides housing vouchers in Lincoln County. The vouchers issued by the housing authority can be used anywhere in 12 counties it serves.³ The Village will proactively work with landlords to encourage their participation in the program so that renters seeking assistance through Section 8 vouchers have more options in Lincoln County.

14. Rehabilitation or replacement of existing structures

Much of Ruidoso's housing stock is older and in need of repair. This applies to existing single family homes and mobile homes as well as older multifamily structures. The Woodland Ridge Condominiums are an example of an older multifamily structure that is being renovated as affordable housing. Tierra

³ Portability provisions apply to vouchers. An eligible family that has been issued a housing choice voucher may use that voucher to lease a unit anywhere in the United States where there is a housing agency operating a housing choice voucher program, subject to HUD rules.

del Sol has expressed interest in serving Lincoln County. The Village will reach out to Tierra del Sol to establish a rehabilitation program in the Village. The Village will work with non-profit organizations to establish innovative sources of funding for rehabilitation and replacement. As an example, the Village will look for opportunities to secure grant funding through CDBG or other sources where the Village is the applicant. The Village may also act as fiscal agent for a non-profit that secures funds through a legislative appropriation.

15. Incentives for providers to operate in Lincoln County

Partner with local and regional non-profit housing providers that serve or could serve communities in Lincoln County. Potential incentives could include donated office space, assistance with marketing and accepting applications and administrative assistance. Tierra del Sol is one potential partner to provide housing rehabilitation services. The Village Community Development Department staff could also contact the Eastern Regional Housing Authority and Southwest Regional Housing and Community Development Corporation, both of which operate in southern New Mexico.

Funding/financing

16. Partner with local mortgage lenders

Local lenders are potential entities to provide credit counseling, homeownership classes, and similar support for first time homebuyers. If the Village decides to provide assistance through development subsidies, downpayment assistance or second mortgage, the Village will need to partner with local lenders to manage loans, verify incomes and manage second mortgages. Pioneer Bank and First American currently offer MFA loan products, and Ruidoso Mortgage offers USDA products.

17. Homebuyer assistance

Some first time homebuyers have difficulty purchasing a home because of a lack of a down payment and inability to qualify for a home loan. For these households, getting finances in order and possibly down payment assistance would help them move from renting to homeownership. USDA, which provides affordable mortgages, and local lenders provide some of this assistance now. Other potential entities to provide such a program include ENMU-Ruidoso, local banks that offer MFA or USDA products, Realtors, or an experienced housing counseling agencies not currently operating in Lincoln County, such as Tierra del Sol.

The Village will work with local and regional non-profits to provide assistance to potential home owners. This will range from homebuyer education as described above to, potentially, financial assistance to facilitate homeownership. Examples of financial assistance include second mortgages (a possible use of funds from the housing trust), long term land leases of Village owned properties at a discounted rate, and downpayment assistance.

18. Low interest loans

The Village will work with MFA to develop a low interest loan program. This program could be funded through a housing trust. Loans may be used for rehabilitation or for homeownership for households that meet income criteria.

19. Broaden financing through USDA, MFA and other programs for low to moderate income homebuyers and owners

There are lenders in Ruidoso that participate in USDA and MFA loan programs, as noted above. The Village should work with lenders to expand the number of institutions that provide loans through USDA, MFA and other programs geared to low and moderate income homebuyers.

VII. Appendices

Appendix A. Public Involvement

Employer and Employee Surveys, January-February 2015

A copy of the questionnaires distributed by Sites Southwest and area employers are shown in Appendix B on the following pages.

Interviews

The following stakeholders contributed information to the plan through one-on-one interviews.

Jim Russ, Connect Realty
Harvey Foster, Century 21 Aspen Real Estate
Judith Burgess, Lincoln County and Mescalero Ministerial Alliance
Amy Cerny, HEAL and The Nest
Gary Woodward, Church Out of Church
Cindy Ramos, Region VI Housing Authority
Veronika Molina, Southwest Regional Housing and CDC
Louisa Rodriguez, Ruidoso High School
Mike Rudloff, Tierra del Sol Housing Corporation
John Cornelius, Village Councilor and homebuilder
Jack Mousa, Developer

Affordable Housing Stakeholder Committee

The following local stakeholders participated in an Affordable Housing Committee. Meetings were held with the committee on November 20, 2024; January 28, 2015; and April 7, 2015. Committee members provided information about housing needs, reviewed report findings and discussed potential solutions. The following committee members participated in developing the plan:

Al Santos,	Lincoln County Medical Center
Anthony Montes,	Village of Ruidoso
Becky Brooks,	Ruidoso Valley Chamber of Commerce
Brad Treptow,	Lincoln County Medical Center
Charles Meeks,	Inn of the Mountain Gods
Clayton Alred,	ENMU
Coleen Widell,	HEAL & The Nest
George Bickert,	Ruidoso Schools
Greg Cory,	Southwest Securities
Harvey Foster,	Century 21 Aspen Real Estate
James Russ,	Ruidoso Association of Realtors
John Cornelius,	Village of Ruidoso Council
Judith Burgess,	Lincoln County Ministerial Alliance/Church of the Holy Mount Episcopal Church
Nathan Thomas,	Ruidoso Mortgage
Ray Dean,	ENMU/Lincoln County Historical Society
Tom Battin,	Mayor
Sue Francis,	HEAL
Larry Wimbrow,	VOR P&Z Comm. Chairman
Amanda Greer,	Ruidoso Downs Racing
Julie Gilliland,	KEDU Radio

Appendix B. Employer and Employee Surveys and Results

Sites Southwest conducted surveys of Ruidoso area employers and their employees to identify housing needs and community housing concerns. The surveys were distributed and collected in February 2015. Resident surveys were distributed through major employers and the Chamber of Commerce. Employer surveys were distributed to all Chamber members as well as to major employers in the area. A total of 185 resident surveys and 35 employee surveys were completed. The surveys asked a number of questions about current housing conditions, affordability, and availability and preferred housing options.

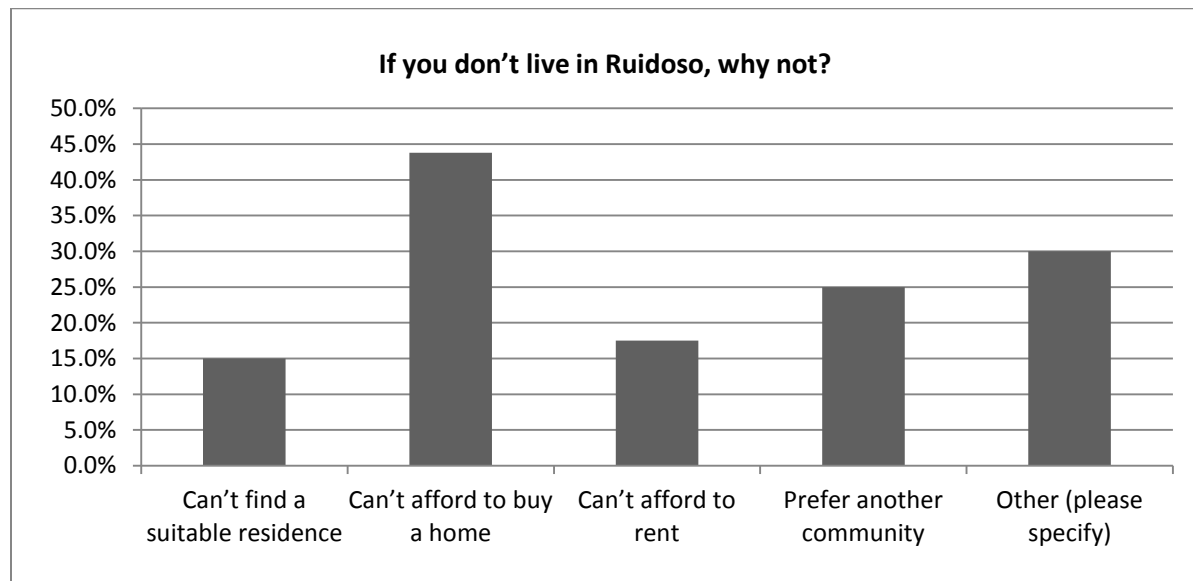
Employee Housing Survey

1-3. Resident Home Location

Sixty percent of the respondents currently live in or close to Ruidoso. The next most represented communities are Alto, Ruidoso Downs and Capitan. Less than five respondents currently live in other communities in Lincoln County and in adjacent counties. Most respondents (72.5%) live within an incorporated municipality.

4. If you don't live in Ruidoso, why not?

Of the people who work in Ruidoso but don't live there, 43% can't afford to buy a home, 17.5% can't afford to rent, and 15% can't find a suitable residence. One-fourth of the people who live outside of Ruidoso prefer another community, and the rest of the respondents who live outside of Ruidoso provided a variety of answers – prefer a rural setting, found a more affordable place to live in another community, live with a family member.



5. What type of residence do you live in?

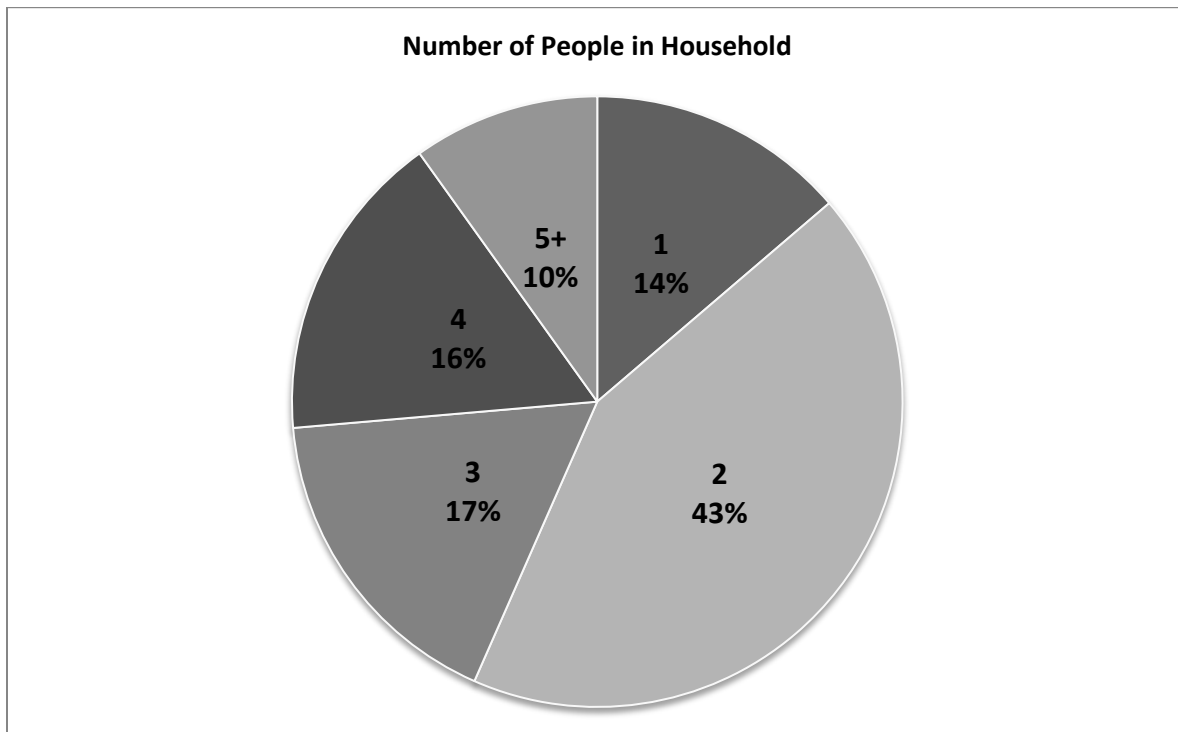
Nearly 55% of respondents live in a single family home, 17.5% live in a manufactured home, and 12% live in a mobile home. Few respondents (11.5%) live in apartments, condos or townhouses, and fewer than five percent live in another type of housing. Those who live in "other" housing live in RVs or trailers or with family. One person lives in lodging attached to a business and provided by their employer.

6. How big is your home?

The average number of bedrooms where employees currently live is 2.71, and the average number of bathrooms is 1.95. Therefore a three bedroom, two bath home is typical.

7. How many people, including yourself, live in your household?

The average household size is 2.77 people. Forty-three percent of households responding to the survey have two people. Ten percent have five or more people in the household.



8. How many people in your household are in the following age groups?

Most households – 63% - have at least one member who is between 45 and 65, and 45% have at least one member who is 26-45. Forty percent of respondent households have children under 18, and ten percent include people over 65. When looking at the number of people in households by age, it is possible to estimate the number of households by type. The survey respondents included 39% adult couples, 32% families with children, 14% single adults, 10.5% groups of more than two adults sharing a house, and 4.5% single parents with children.

9. How many adults (age 18+ in your household are currently employed?

The average number of employed adults is 1.72 per household. In nearly 60% of respondent households, two adults are working, and in one-third of households, there is one person working. In eight percent of households three people are employed.

10. Is anyone in your household disabled?

Nine percent of households have a household member with a disability.

11. Where do you and other adults in your household work?

In most of the households responding to the survey, the person answering the survey and other household members work in Ruidoso.

12. How long does it take to drive from your house to your place of work?

The average travel time to work is 14.5 minutes, and travel times range from five minutes to fifty minutes.

13. Do you own or rent your residence?

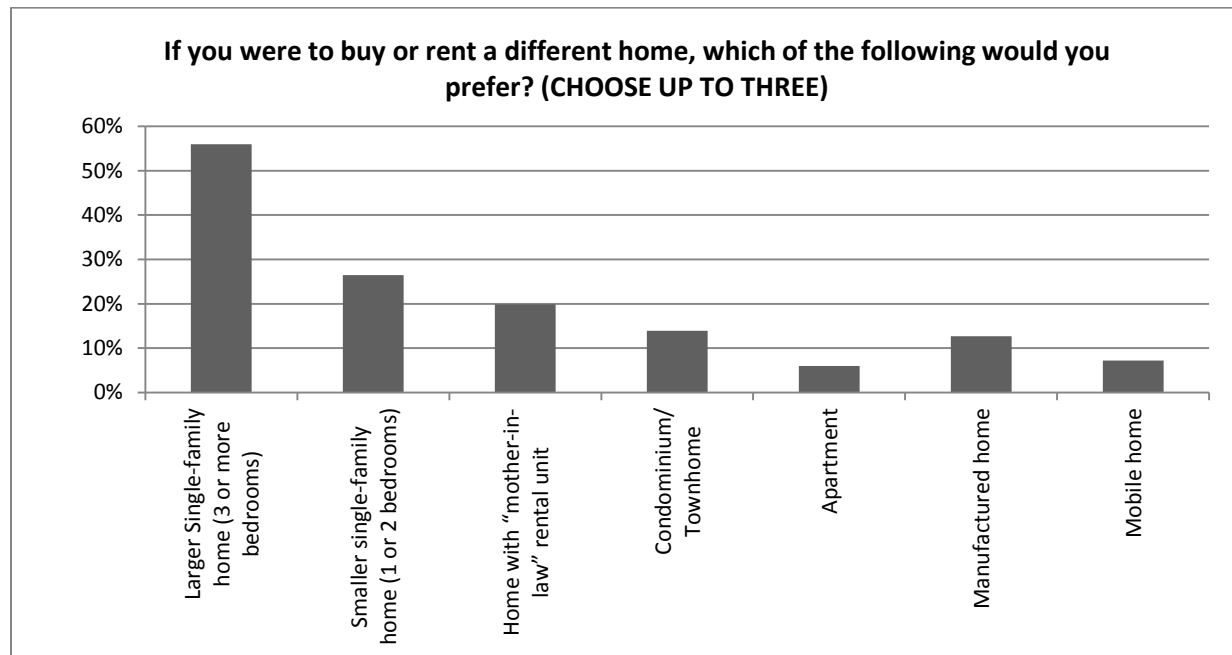
Just under 70 percent of respondents own their residence; 26.5% rent; and 4.5% have another housing arrangement, including employer provided housing, living with parents or another person, or renting an RV space.

14. If you would consider buying or renting a different home, why?

Approximately 32% of respondents would not consider moving. Of those who would consider buying or renting a different home, the top five responses are a larger home (30.1%), to be closer to work (21.0%), to find a single family residence (17.0%), and to live in a more rural setting (13.6%). Other reasons included lower cost options, to own instead of renting, a better yard, a safer neighborhood, and a site built house instead of manufactured

15. If you were to buy or rent a different home, which of the following would you prefer?

A larger single family home is preferred. Respondents would also consider a smaller single family home, home with a rental unit on the property, and a manufactured home.



16. How important the following factors are to you if you were looking for a different home?

Price is the most important factor in buying a different home, followed by energy efficiency, home size, home type and location in Ruidoso. The least important factors are that the home is new construction and community amenities. While quality of schools ranked relatively low overall, with an average rating of 3.25, school quality is important to families with children, who gave quality of schools an average rating of 4.28.

Answer Options	Not Important 1	2	3	4	Extremely Important 5	Rating Average	Rating Avg-w/children
1. New construction	49	21	53	29	18	2.68	2.65
2. Home size	3	6	37	57	71	4.07	4.33
3. Home type	7	3	46	58	57	3.91	3.87
4. Energy efficiency	1	3	27	67	74	4.22	4.16
5. Storage for equipment/vehicles	6	10	32	61	66	3.98	3.88
6. Size of lot	8	11	41	53	60	3.84	3.90
7. Price	2	0	8	29	135	4.70	4.75
8. Proximity to work	5	14	55	65	33	3.62	3.70
9. Quality of schools	44	11	27	35	53	3.25	4.28
10. Community amenities (parks, libraries, etc.)	21	22	61	47	21	3.15	3.41
11. Location in Ruidoso	22	10	53	39	49	3.48	3.56

17. What features do you prefer in a home?

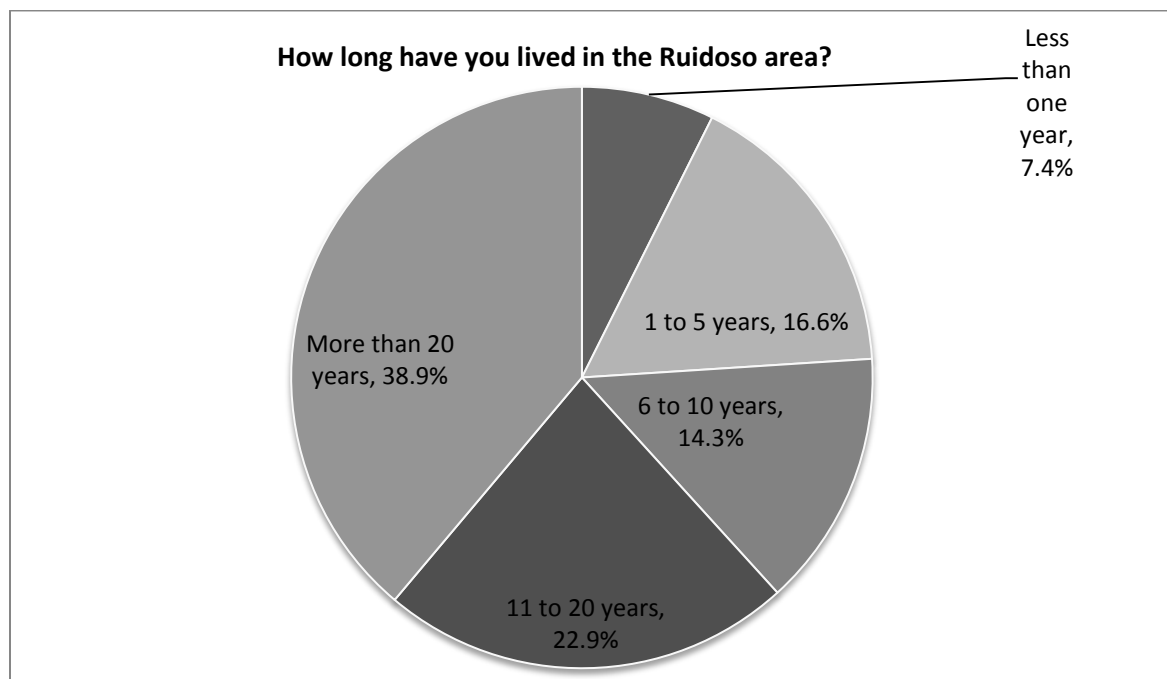
The preferred housing features are three bedrooms, two bathrooms and a two car garage.

18. Would you consider the following housing types?

Respondents would consider a small residential lot (64%), but they are less interested in a townhouse (35%) or condominium (30%).

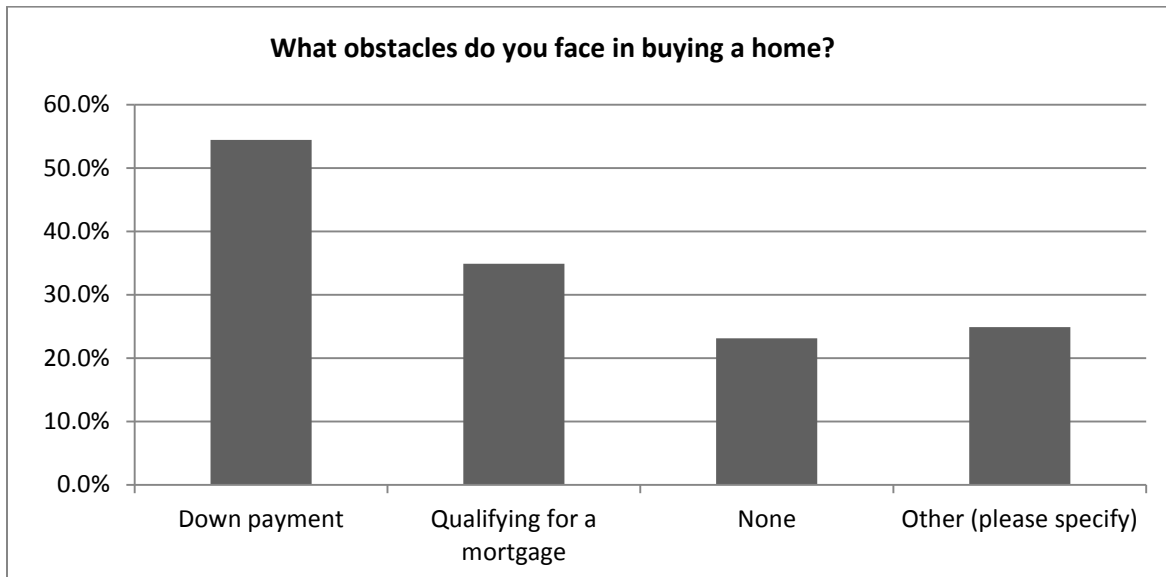
19. How long have you lived in the Ruidoso area?

The survey responses represent households that have lived in the Ruidoso area from less than a year to more than twenty years. The largest group has lived in the area for more than 20 years, and the next largest group has lived in the area for 11 to 20 years.



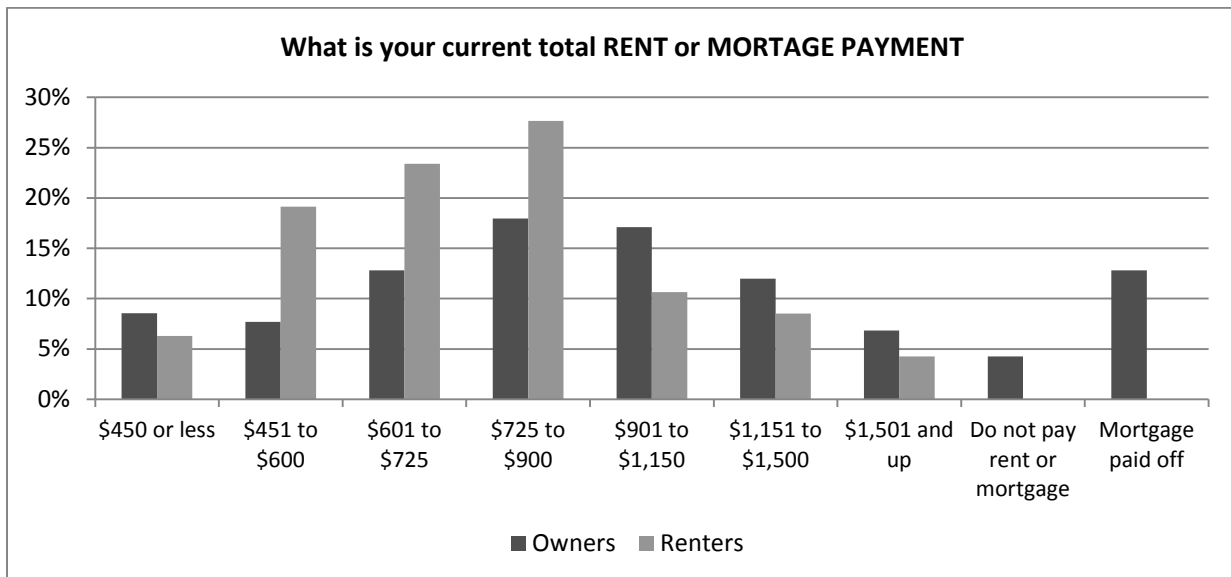
20. What obstacles do you face in buying a home?

The greatest obstacle for respondents in buying a home is accumulating the money for a down payment. The second most common obstacle is problems qualifying for a mortgage.



21. Current Rent or Mortgage Payment

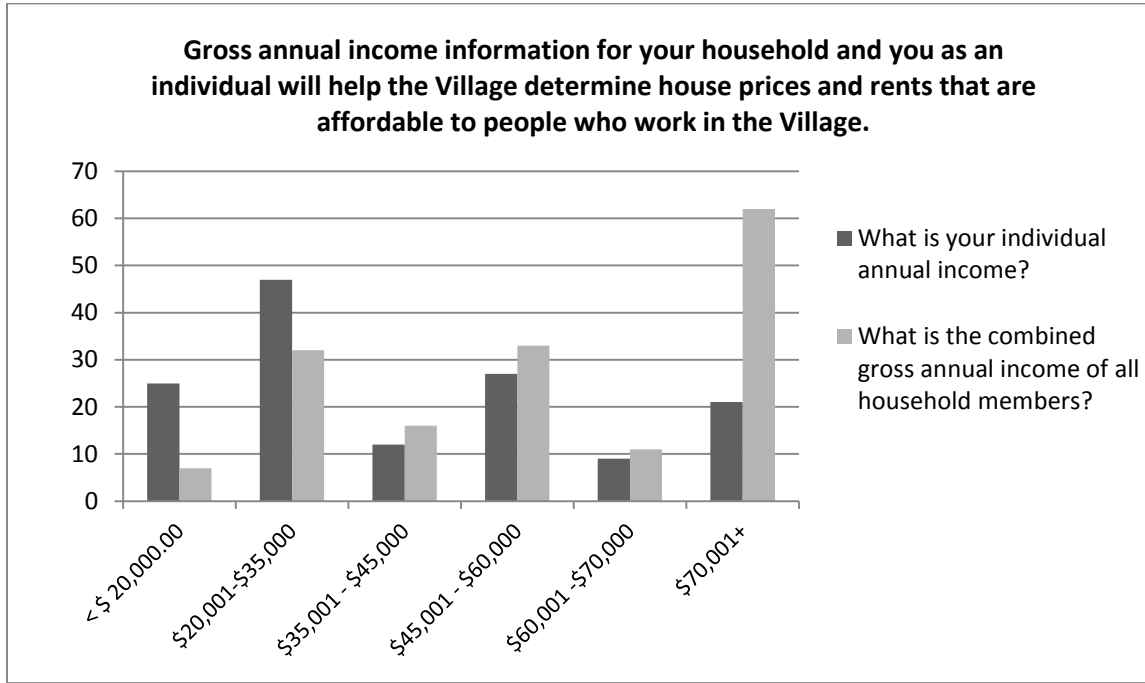
Respondents are currently paying a wide variety of monthly rent or mortgage payment amounts. The frequency of rent and mortgage payment ranges forms a bell curve, with the peak in the \$725 to \$900 range for both renters and homeowners.



Respondents in Ruidoso who pay \$600 or less for housing are evenly split between owners and renters. These respondents noted that the homes they can afford tend to be older, mobile homes, in less desirable neighborhoods and/or oriented to vacation use (i.e. not accessible year round without 4-wheel drive, small). Renters in this price range noted that there are a number of mobile homes for sale at an affordable price, but they have not been able to get financing to purchase them because of their age.

22. Gross annual individual and household incomes

Most respondents individually earn between \$20,000 and \$35,000 per year. Higher household incomes reflect the number of households with multiple incomes. Most households with multiple incomes are related individuals, but as described previously, over ten percent are groups of roommates.



Employer Housing Survey

Thirty-five employers representing a range of business types and sizes responded to the survey. These businesses have a total of 943 employees.

1. Type of business:

The employers who responded to the survey represent a range of industry categories.

Business Type	Number of Responses	Percent
Arts, Entertainment and Recreation	4	11.4%
Accommodation/Lodging and Food Service	7	20.0%
Construction/Trades	0	0.0%
Educational Services	1	2.9%
Health Care and Social Assistance	2	5.7%
Retail Trade/Sales	6	17.1%
Finance, Insurance, Real Estate	9	25.7%
Laborers, Mechanics, Installers and Repairers	1	2.9%
Government	3	8.6%
Other (please specify)	2	5.7%
Total Responses	35	

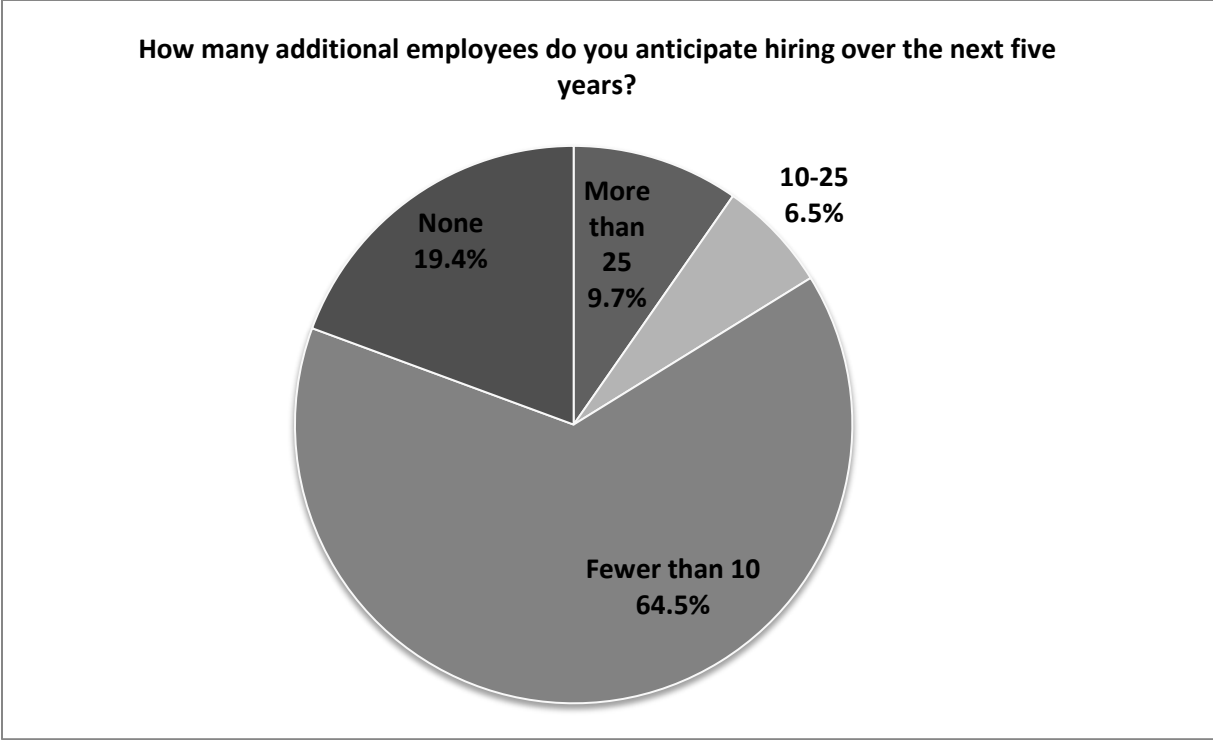
2. How does the number of employees you have today compare to the number of employees you had 5 years ago?

Respondents included existing and new businesses. About 19 percent of existing businesses had experienced no change in the number of employees. The percentage of businesses that have more employees today than five years ago and those that have fewer employees than five years ago is the same at 32 percent. New companies comprise 16 percent of the responses.



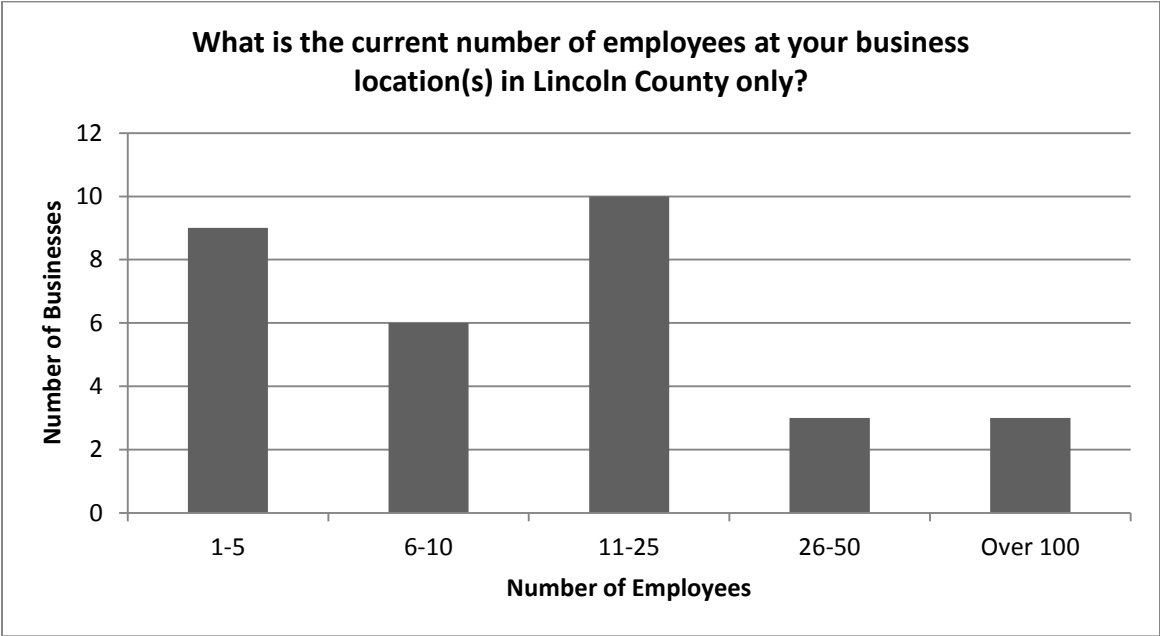
3. How many additional employees do you anticipate hiring over the next five years?

Most employers anticipate hiring over the next five years, and 16 percent expect to hire more than ten people.



5. What is the current number of employees at your business location(s) in Lincoln County only?

The businesses who responded to the survey have an average of 30 employees, with the number of employees ranging from one person to over 200.



6. How many jobs at your company location in Lincoln County are currently unfilled?

Over 40 percent of employers have unfilled jobs available. Nearly one-third of the employers have unfilled full time jobs, and 19 percent of employers have unfilled part-time jobs.

7. Do you offer housing for any of your employees?

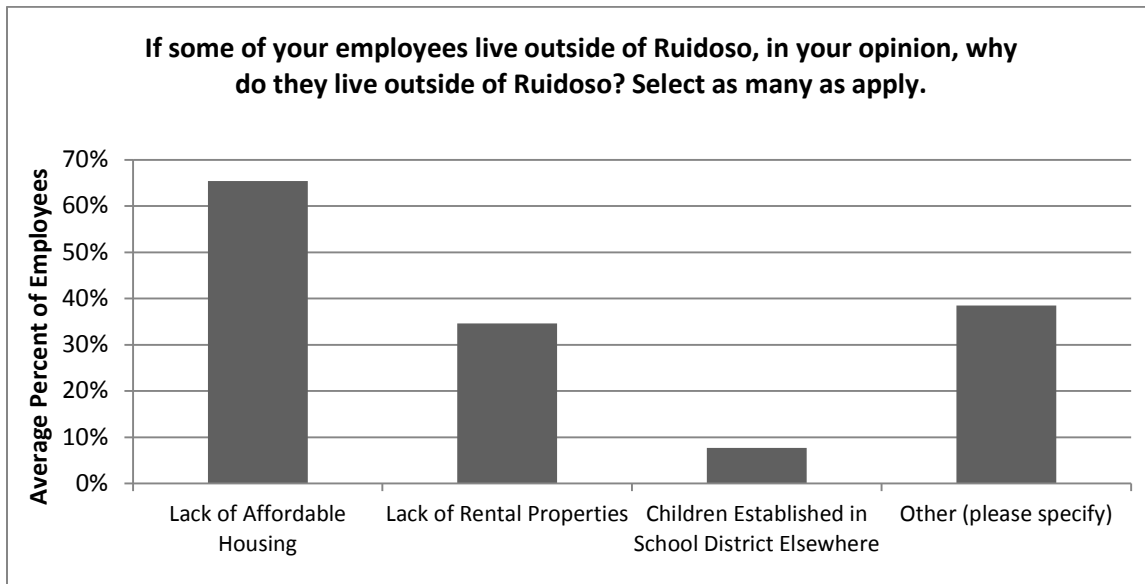
Two of the respondents offer housing for their employees. One provides housing for one employee, and the other provides housing for multiple employees. Other employers do not provide employee housing.

8. Please estimate the percent of your employees that live in the following geographic areas. The total should equal 100%.

Employers estimate that on average, 65 percent of their employees live in Ruidoso and the surrounding area. Twenty percent live elsewhere in Lincoln County, and 3.5% live outside of Lincoln County.

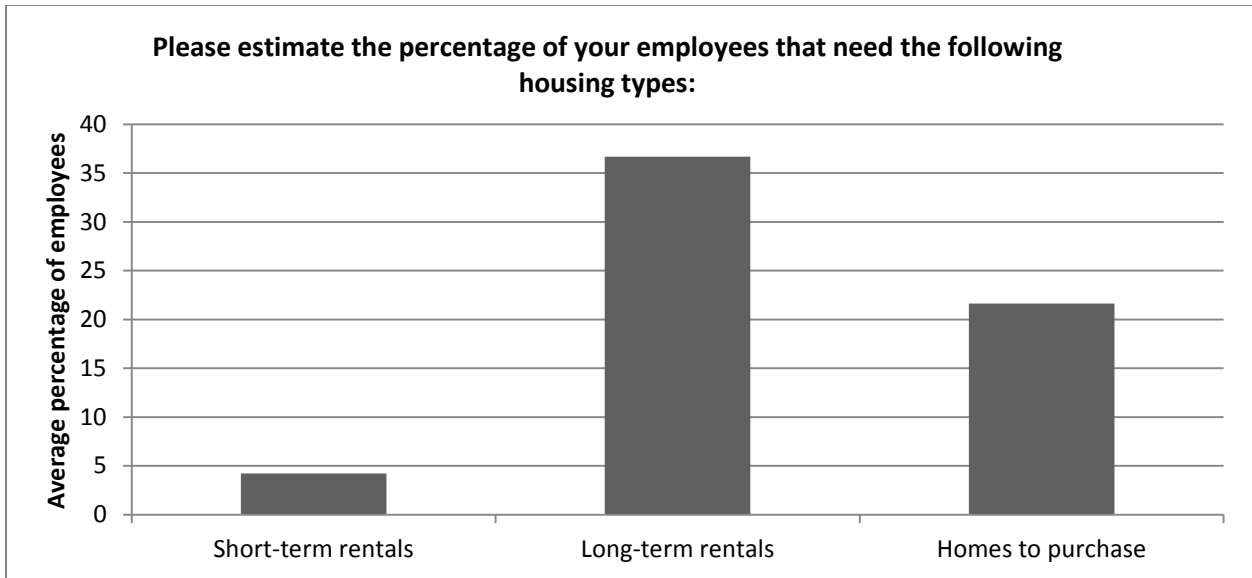
9. If some of your employees live outside of Ruidoso, in your opinion, why do they live outside of Ruidoso? Select as many as apply.

Over 65% of employers identified lack of affordable housing as the reason that their employees do not live in the village. Nearly 35% identified a lack of rental housing as the reason, and eight percent said that employees’ children were established in school elsewhere. Other reasons identified include high property taxes in the village, a desire to live in a rural area with more land, a desire to live in a less expensive community and a desire to live in a specific community elsewhere.



10. Please estimate the percentage of your employees that need the following housing types:

Employers report that the greatest housing need for their employees is for long term rentals. Nearly 80% of employers identified a need long term rentals, over half identified a need for homes to purchase, and 18 percent identified a need for short term rentals. For those employers who indicated a need for long term rentals, the estimated percentage of employees needing long term rentals ranges from five to 100 percent.



11. What rent ranges and housing prices would meet your employees’ needs? Indicate the percentage of your employees needing housing in each of the following categories.

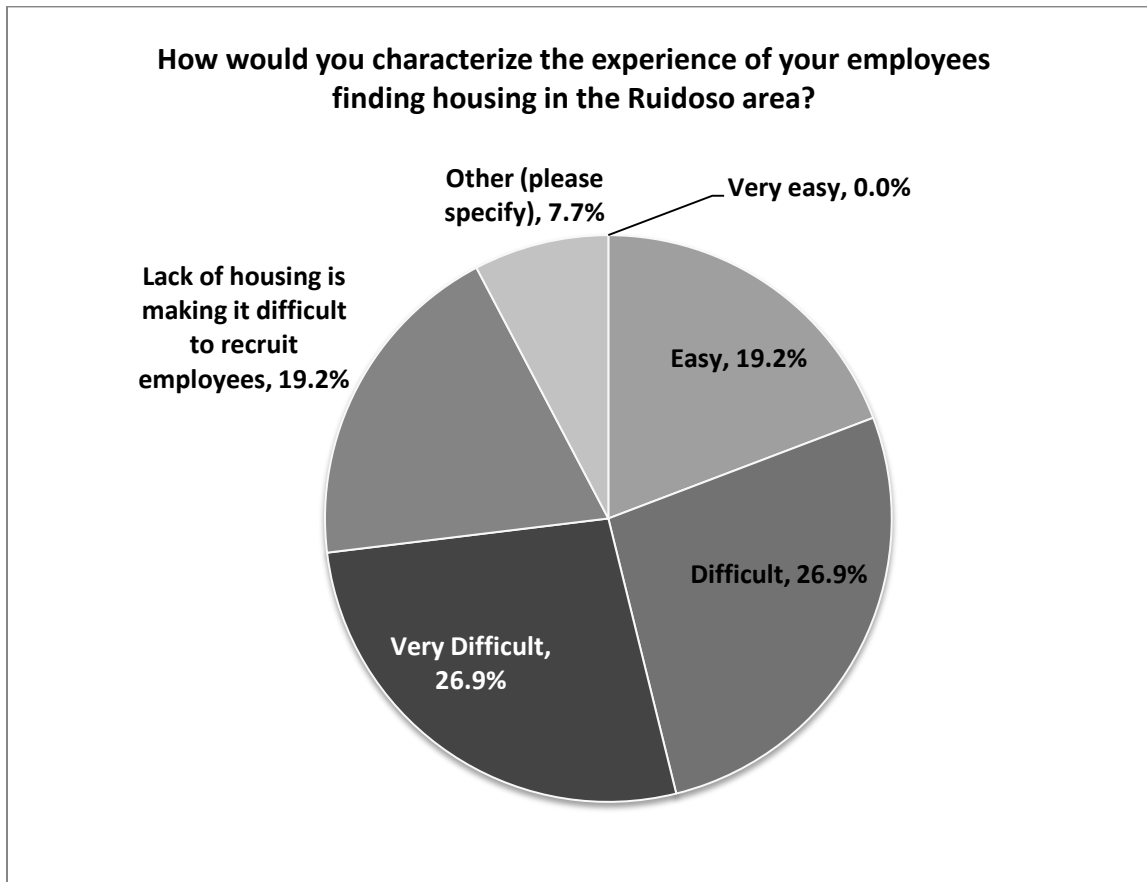
On average, employers estimate that 47 percent their employees need affordable housing, 33 percent need workforce housing, and 13 percent need market rate housing. The approximate monthly rent or housing price maximums are shown in the table.



12. How would you characterize the experience of your employees finding housing in the Ruidoso area?

Over half of respondents report that it is difficult or very difficult for their employees to find housing in the Ruidoso area; 19 percent report that it is easy for their employees to find housing, and 19 percent report that a lack of housing is making it difficult to recruit employees.

Those employers who answered “difficult” or “very difficult” reported that housing costs are too high and the supply is limited. There is a mismatch between wages and housing prices, especially for some families like single parents who work a part time job. Rental restrictions on children and pets, lack of decent affordable housing, and the impact of Ruidoso’s vacation destination status are other reasons why employees have difficulty finding housing.



The Village of Ruidoso is assessing the housing needs of people who live and work in the Village and surrounding areas. Information from this survey will help us gain an accurate picture of local trends and the housing requirements of the local workforce.

We are seeking your response to this survey as an employer in the Ruidoso area. Your responses are completely **CONFIDENTIAL** and will be used for planning purposes only. Your response will NOT be reported individually; rather they will be combined with responses from other employers. If you have any questions, you can contact **Ron Sena** at (575) 258-4343. Please return your completed survey within **TEN DAYS** of receiving it. **COMPLETED FORM CAN BE HAND DELIVERED, FAXED, OR ENTERED ONLINE. PLEASE SEE THE OPTIONS AVAILABLE AT THE END OF THE SURVEY:**

1. **Name of business:** _____
Location of company headquarters: _____
Physical location in Lincoln County (community and zip code): _____
Contact person (if we have questions): _____
& Phone # or email: _____
2. **Type of business:** Arts, Entertainment and Recreation
 Accommodation/Lodging and Food Service Finance, Insurance, Real Estate
 Construction/Trades Laborers, mechanics, installers and repairers
 Educational Services Government
 Health Care and Social Assistance Other (Specify): _____
 Retail Trade/Sales
3. **How does the number of employees you have today compare to the number of employees you had 5 years ago?**
 More employees today than 5 years ago
 Fewer employees today than 5 years ago
 No change
 My company is new (has moved into the area within the last five years)
4. **How many additional employees do you anticipate hiring over the next five years?**
 More than 25
 10-25
 Fewer than 10
 None
 Other (Specify): _____
5. **What is the current number of employees at your business location(s) in Lincoln County only?**
_____ TOTAL EMPLOYEES
6. **How many jobs at your company location in Lincoln County are currently unfilled?**
_____ Full-time jobs available (enter '0' if none)
_____ Part-time jobs available (enter '0' if none)
7. **Do you offer housing for any of your employees?**
 No
 Yes – How many do you house? _____
8. **Please estimate the percent of your employees that live in the following geographic areas:**
_____ % Ruidoso and surrounding area
_____ % Elsewhere in Lincoln County
_____ % Other areas
100 % TOTAL

Ruidoso Area Employer Survey - Employee Housing Needs, 2015

- In your opinion, why do employees live outside of Ruidoso? [] Lack of Affordable Housing
[] Lack of Rental Properties
[] Children Established in School District Elsewhere
[] Other (Specify): _____

9. Please estimate the percentage of your employees that need the following housing types:

- _____ % Short-term rentals
_____ % Long-term rentals
_____ % Homes to purchase

10. What rent ranges and housing prices would meet your employees' needs?

- _____ % Affordable Rents less than _____ House price less than _____
_____ % Workforce Rents less than _____ House price less than _____
_____ % Market Rate Rents less than _____ House price less than _____

11. How would you characterize the experience of your employees finding housing in the Ruidoso area?

- [] Very easy
[] Easy
[] Difficult
[] Very Difficult
[] Lack of housing is making it difficult to recruit employees

12. If you answered "difficult", "very difficult", or "lack of housing is making it difficult to recruit employees", why are your employees having difficulty finding housing?

13. Do you have any additional comments concerning housing for your employees? (Please attach additional pages as needed)

This is the end of the survey! *Thank you very much for taking the time to complete the survey. Your responses will help us meet the housing needs of Ruidoso's workforce.*

Please return the survey to the Village of Ruidoso by one of the following methods:

- **Mail to:** Ron Sena, Deputy Village Manager
Village of Ruidoso
313 Cree Meadows Drive
Ruidoso, NM 88345
- **FAX:** (575) 258-4367
- **Online:** https://www.surveymonkey.com/r/Ruidoso_Housing

Village of Ruidoso Housing Survey, 2015

The Village of Ruidoso is assessing the housing needs of local workers. The purpose of the employee survey is to understand the needs and preferences of the Ruidoso area workforce for housing type, price and location. The results of the survey will help the Village plan for existing and future housing needs in the area.

Your responses are **CONFIDENTIAL** and will be used for planning purposes only. If you have questions, you can contact Debi Lee or Ron Sena at 575-258-4343. Please return your completed survey by **FEBRUARY 16** by fax to 575-258-4367 or by mail to Ruidoso Employee Survey, 313 Cree Meadows Dr., Ruidoso, NM 88345. You may fill out the survey online at https://www.surveymonkey.com/r/Ruidoso_Housing_Survey_2015.

1. What is your home ZIP code? _____

2. Do you live in/nearest to:
 Ruidoso Capitan
 Ruidoso Downs Other: _____
 Carrizozo

3. Do you live within city/town/village limits, or an unincorporated part of Lincoln County?
 City/town/village limits Unincorporated county

4. If you don't live in Ruidoso, why not?
 Can't find a suitable residence Prefer another community
 Can't afford to buy a home Other: _____
 Can't afford to rent

5. What type of residence do you live in?
 Apartment Mobile home
 Single-family home Condo/townhouse/duplex
 Manufactured home Other: _____

6. How many bedrooms are in your home? _____ How many bathrooms? _____

7. How many people including yourself live in your household? _____ people

8. How many people in your household are in the following age groups? (include yourself)
____ Under 18 ____ 18-25 ____ 26-45 ____ 46-65 ____ Over 65

9. How many adults (age 18+) in your household are currently employed? (include yourself) _____ Employed adults

10. Is anyone in your household disabled? Yes No

11. Where do you and other adults in your household work? (persons 18 or over only)

<i>ou</i> <input type="checkbox"/> Ruidoso <input type="checkbox"/> Other: _____	<i>er Adults</i> <input type="checkbox"/> Ruidoso <input type="checkbox"/> Other: _____
--	---

12. How long does it take to drive from your house to your place of work? _____ minutes

13. Do you own or rent your residence?
 Own Rent Other: _____

14. If you would consider buying or renting a different home, why? (**CHOOSE ALL THAT APPLY**)

<input type="checkbox"/> To be closer to work <input type="checkbox"/> To find a single-family residence <input type="checkbox"/> To find an attached residence (condo, townhome) <input type="checkbox"/> To find a larger home <input type="checkbox"/> To live in a different community	<input type="checkbox"/> To find a smaller home <input type="checkbox"/> To live in a more rural setting <input type="checkbox"/> I would not consider moving <input type="checkbox"/> Other (please describe): _____
--	--

15. If you were to buy or rent a different home, which of the following would you prefer? (CHOOSE UP TO THREE)

- Larger Single-family home (3 or more bedrooms) Apartment
 Smaller single-family home (1 or 2 bedrooms) Manufactured home
 Home with "mother-in-law" rental unit Mobile home
 Condominium/Townhome Other: _____

16. Please circle your choice below to indicate how important the following factors are to you if you were looking for a different home. (Use a scale where 1=Not At All Important and 5=Extremely Important)

	Important			Extremely Important	
	1	2	3	4	5
New construction	1	2	3	4	5
Home size	1	2	3	4	5
Home type	1	2	3	4	5
Energy efficiency	1	2	3	4	5
Storage for equipment/vehicles	1	2	3	4	5
Size of lot	1	2	3	4	5
Price	1	2	3	4	5
Proximity to work	1	2	3	4	5
Quality of schools	1	2	3	4	5
Community amenities (parks, libraries, etc.)	1	2	3	4	5
Location in Ruidoso	1	2	3	4	5

17. What features do you prefer?

Circle your preferred number of:

Bedrooms 1 2 3 4 5+ Bathrooms 1 2 3+ Garage spaces 1 2 3+

18. Would you consider a small residential lot? Yes No A townhouse? Yes No A condo? Yes No

19. How long have you lived in the Ruidoso area

- Less than one year 6 to 10 years More than 20 years
 1 to 5 years 11 to 20 years

20. What obstacles do you face in buying a home? Down payment Qualifying for Mortgage Other _____

The following information will help the Village target the right home or rent prices. Please remember that this survey is confidential.

21. What is your current total monthly RENT or MORTGAGE PAYMENT?

- \$450 or less \$725 to \$900 \$1,501 and up
 \$451 to \$600 \$901 to \$1,150 Do not pay rent or mortgage
 \$601 to \$725 \$1,151 to \$1,500 Mortgage paid off

22. What is the combined gross annual income of all household members?

What is your individual annual income?

- | | |
|--|--|
| <input type="checkbox"/> < \$ 20,000.00 | <input type="checkbox"/> < \$ 20,000.00 |
| <input type="checkbox"/> \$20,001-\$35,000 | <input type="checkbox"/> \$20,001-\$35,000 |
| <input type="checkbox"/> \$35,001 - \$45,000 | <input type="checkbox"/> \$35,001 - \$45,000 |
| <input type="checkbox"/> \$45,001 - \$60,000 | <input type="checkbox"/> \$45,001 - \$60,000 |
| <input type="checkbox"/> \$60,001 - \$70,000 | <input type="checkbox"/> \$60,001 - \$70,000 |
| <input type="checkbox"/> \$70,001+ | <input type="checkbox"/> \$70,001+ |

Do you have any additional comments or suggestions concerning the availability of housing in Ruidoso to meet your household's needs?

THANK YOU VERY MUCH FOR PARTICIPATING IN OUR SURVEY!

Appendix C. Funding Resources

The following lists potential sources of federal, state and local financing and subsidies to support affordable housing in New Mexico. Resources are listed by type of housing and funding agency or source. Primary resources include USDA, HUD, FHA and the New Mexico Mortgage Finance Authority (NMMFA). The information is not all-inclusive, but it provides the Village with information about the most commonly used housing resources for non-profit and public agency housing providers, housing developers, and individual homeowners and renters. Many of these programs are competitive, so it will be important for the Village officials and staff to understand how a package of multiple sources can be combined to accomplish the desired project. In addition, the Village will likely partner with a non-profit or other housing developer that will take the lead on the project.

The resources listed below include those generally available to individuals, non-profit and for-profit housing developers and other organizations in rural communities in New Mexico. Specific organizations that serve Lincoln County and organizations that serve surrounding communities and could be a resource are noted where appropriate.

Resources for Non-Profit and Organizations and Public Agencies

Most capacity building resources are focused on nonprofit housing providers, although the NMMFA also works with public partners. In its Action Plan, the MFA commits to building capacity in the state to: provide decent housing; provide a suitable living environment; and expand economic opportunities for the state's low- and moderate-income residents. The MFA's capacity building programs as well as other capacity building resources include the following.

Community Housing Development Organization (CHDO) is a special status that a nonprofit or community based organization can obtain. This status can be provided by the Community Housing and Development (CHDO) department to organizations that provide and develop affordable housing. Through this status the nonprofit or community based organization has access to technical assistance, training, and networking opportunities. CHDO's are well suited to address affordable housing needs at the local level. Funding for certain CHDO activities is provided through the HOME program.

Other capacity-building resources for nonprofits that are eligible to receive assistance include:

Local Initiatives Support Coalition and Rural Local Initiatives Support Coalition (LISC) has helped nonprofit community development corporations acquire and preserve housing developments, build partnerships with housing authorities and other organizations, and advocate for government policies that can reduce the loss of affordable homes and apartments. LISC's Housing Authority Resource Center brokers relationships between local housing authorities, LISC local offices and other community developers to provide access to best practices, information and training.

The Institute for Community Economics (ICE) is a federally certified Institution that makes loans to create housing that is permanently affordable. ICE also provides technical assistance and training to community-based groups who seek to set up community land trusts. ICE's principal lending goes to community land trusts, limited equity cooperatives, and community-based nonprofit organizations creating housing.

The Housing Counseling Assistance Program enables anyone who wants to (or already does) rent or own housing-whether through a HUD program, a Veterans Affairs program, other Federal programs, a

State or local program, or the regular private market-to get the counseling they need to make their rent or mortgage payments and to be a responsible tenant or owner in other ways. The counseling is provided by HUD-approved housing counseling agencies. HUD provides support to a nationwide network of Housing Counseling Agencies (HCA) and counselors. HCA's are trained and approved to provide tools to current and prospective homeowners and renters so that they can make responsible choices to address their housing needs in light of their financial situations. Previous and current funding: FY2014 \$45 million, FY2015 \$47 million,

USDA Rural Development 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.

USDA Self-Help Technical Assistance Grants provide financial assistance to qualified nonprofit 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.

Resources for Homeless and Special Needs

HUD Emergency Solutions Grant (ESG) Program is a federal grant program designed to help improve the quality of existing emergency shelters for the homeless, to make available additional shelters, to meet the costs of operating shelters, to provide essential social services to homeless individuals, and to help prevent homelessness. The ESG program is designed to be the first step in a continuum of assistance to prevent homelessness and to enable homeless individuals and families to move toward independent living. The three programs are the Supportive Housing Program (SHP), Shelter Plus Care (SPC) program, and Section 8 Single Room Occupancy (SRO) program. These are all competitive grants that require the development of a Continuum of Care system in the community where assistance is being sought.

HUD Supportive Housing Program (SHP) is designed to promote, as part of a local Continuum of Care strategy, the development of supportive housing and supportive services to assist homeless persons in the transition from homelessness and to enable them to live as independently as possible. The program is provided to help homeless persons meet three overall goals: to help homeless people achieve residential stability, increase their skills and/or incomes, and obtain greater self-determination (i.e. more influence over decisions that affect their lives).

The HUD Shelter Plus Care Program is designed to provide housing and supportive services on a long-term basis for homeless persons with disabilities, (primarily those with serious mental illness, chronic problems with alcohol and/or drugs, and acquired immunodeficiency syndrome (AIDS) or related diseases) and their families who are living in places not intended for human habitation (e.g., streets) or in emergency shelters. The program allows for a variety of housing choices, and a range of supportive services funded by other sources, in response to the needs of the hard-to-reach homeless population with disabilities. Funds must be matched with in-kind funding to be used for supportive services. Assistance is provided through four component programs: Tenant-based, Sponsor-based, Project-based, and Single Room Occupancy Rental Assistance.

HUD Section 8 Moderate Rehabilitation Single Room Occupancy (SRO) Program – Under the SRO program, HUD enters into Annual Contributions Contracts with public housing agencies (PHAs) in connection with the moderate rehabilitation of residential properties that, when rehabilitation is

completed, will contain multiple single room dwelling units. These PHAs make Section 8 rental assistance payments to participating owners (i.e., landlords) on behalf of homeless individuals who rent the rehabilitated dwellings. Assistance provided under the SRO program is designed to bring more standard SRO units into the local housing supply and to use those units to assist homeless persons. The SRO units might be in a rundown hotel, a Y, an old school, or even in a large abandoned home.

The MFA Emergency Homeless Assistance Program (EHA: ESG and State funding) provides assistance to units of local government or nonprofit organizations to improve the quality of existing emergency shelters and to help meet the costs of operating emergency shelters. Organizations may apply for EHA: ESG & State funding through a competitive RFP process. Funding may be used for acquisition, renovation, repair, rehabilitation, conversion, essential or supportive services, operating expenses, prevention activities associated with providing shelter or services to homeless individuals. Intended to supplement the ESG Program; applicants are not eligible to apply for both.

HUD Housing Opportunities for Persons with AIDS (HOPWA) provides housing assistance and related supportive services to low-income people and their families living with HIV/AIDS. The objective of the funding is to maintain housing stability, avoid homelessness, and improve access to HIV/AIDS treatment and care. States, cities, local governments and nonprofit organizations may apply for HOPWA Competitive funding. Previous Funding: FY2013 \$315, FY2014 \$330, FY2015 \$332

HUD Section 811 provides funding to nonprofit organizations to develop rental housing with the availability of supportive services for very low-income adults with disabilities. The newly reformed Section 811 program is authorized to operate in two ways: (1) the traditional way, by providing interest-free capital advances and operating subsidies to nonprofit developers of affordable housing for persons with disabilities; and (2) providing project rental assistance to state housing agencies. The assistance to the state housing agencies can be applied to new or existing multifamily housing complexes funded through different sources, such as Federal Low-Income Housing Tax Credits, Federal HOME funds, and other state, Federal, and local programs. In FY 2012, no funding was appropriated for traditional 811 capital advances. Previous funding: FY2013 \$156 Million, FY2014 \$126 Million, FY2015 \$160 Millions

HUD Section 202 provides capital advances to private nonprofit organizations (public entities are not eligible) to finance the development of supportive housing for the elderly. The capital advance does not have to be repaid as long as the project serves very low-income elderly persons for 40 years. Project rental assistance funds are provided to cover the difference between the HUD-approved operating cost for the project and the tenants' contribution towards rent. Project rental assistance contracts are approved initially for 3 years and are renewable based on the availability of funds. Applicants must submit a resolution that they will provide a minimum capital investment equal to 0.5 percent of the HUD-approved capital advance, up to a maximum of \$25,000 for national sponsors or \$10,000 for other sponsors. Previous Funding: FY 2013 \$355, FY 2014 \$384 million, FY 2015 \$440 million

HUD Section 231 falls under the multifamily programs that HUD provides. Other Multifamily Programs include:

- *Manufactured Housing – Section 207* a program that assists with construction or rehabilitation
- *Cooperative Housing – Section 213* a program that facilitates the construction, rehabilitation and purchase of cooperative housing projects.
- *Rental Housing for Urban and Concentrated Development areas – Section 220* a program that facilitates the development of multifamily housing projects.

- *Rental and Cooperative Housing 221(d)(4)* a program that facilitates the construction and rehabilitation of cooperative housing developments, targeting moderate-income and displaced families.
- *Existing Multifamily Rental Housing – Sections 207/223(F)* a program that facilitates the purchase or refinancing of existing multifamily rental developments.
- *Risk-Sharing Program – Qualified Participating Entities (QPE) – Section 542(b)* a program that of manufactured homes, insures mortgage loans to facilitate the construction and substantial rehabilitation of multifamily rental housing for elderly persons (62 or older) and/or persons with disabilities. Insured mortgages may be used to finance the construction and substantial rehabilitation of detached, semidetached, walk-up, or elevator type rental housing designed specifically for elderly or handicapped individuals consisting of eight or more dwelling units. For nonprofit sponsors, the maximum loan amount is 100 percent of the estimated replacement cost of the building (or 100 percent of project value for rehabilitation projects). For all other sponsors, the maximum loan is 90 percent of the replacement cost (or 90 percent of project value for rehabilitation projects).
- *Housing Finance Agency Risk-Sharing – Section 524(c)* a program that provides credit enhancement for mortgages of multifamily projects with loans underwritten and serviced by HFAs.

Community Services Block Grants is a formula Service and Block Grant (CSBG) from the U.S. Department of Health and Human Services (HHS). The CSBG grants provide emergency funds to help with mortgage and utility payments and prevent homelessness. The Southeastern NM Community Action Corp (SNMCAC) administers block grants servicing

Center for protective environment inc. (COPE) based in Alamogordo, provides emergency assistance to residents of Lincoln County, in from of emergency shelter, cloth, food, transportation and counseling services. This non-profit is funded through United Way and other grants.

USDA Technical and Supervisory Assistance Grants 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.

USDA Farm Labor Housing Loans and Grants provide capital financing for the development of housing for domestic farm laborers.

Resources for Rental Housing

HUD Section 8 Housing Choice Vouchers The housing choice voucher program is the federal government's major program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. Since housing assistance is provided on behalf of the family or individual, participants are able to find their own housing, including single-family homes, townhouses and apartments. The participant is free to choose any housing that meets the requirements of the program and is not limited to units located in subsidized housing projects. Housing choice vouchers are administered locally by public housing agencies (PHAs).

Project-Based Section 8 Vouchers – Project-based vouchers are a component of a public housing agencies (PHAs) housing choice voucher program. A PHA can attach up to 20 percent of its voucher assistance to specific housing units if the owner agrees to either rehabilitate or construct the units, or the owner agrees to set-aside a portion of the units in an existing development.

Mortgage Insurance for Single Room Occupancy Projects (SRO): Section 221(d)(3) and 221(d)(4) insures mortgage loans for multifamily properties consisting of single-room occupancy (SRO) apartments. There are no Federal rental subsidies involved with this SRO program. It is aimed at those tenants who have a source of income but are priced out of the rental apartment market. SRO projects generally require assistance from local governing bodies or charitable organizations in order to reduce the rents to affordable levels. Although SRO housing is intended for very low-income persons, the program does not impose income limits for admission.

Local Initiatives Support Coalition (LISC) Affordable Housing Preservation Initiative preserves affordable rental apartments that are in jeopardy because of expiring federal subsidies, and promotes preservation-oriented public policies. LISC helps nonprofit community development corporations acquire and preserve housing developments, build partnerships with housing authorities and other organizations, and advocate for government policies that can reduce the loss of affordable homes and apartments. Through its Housing Authority Resource Center, LISC assists local housing authorities identify financing structures that will leverage public resources with private investment as well as direct project financing such as predevelopment loans, bridge lending, lines of credit, working capital, and tax credit equity.

USDA Rural Development Multi-Family Housing Programs offer Rural Rental Housing Loans to provide affordable multi-family rental housing for very low-, low-, and moderate-income families; the elderly; and persons with disabilities. This is primarily a direct mortgage program, but funds may also be used to buy and improve land and to provide necessary facilities such as water and waste disposal systems. In addition, deep subsidy rental assistance is available to eligible families.

USDA Rural Rental Housing 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.

USDA Guaranteed Rental Housing Programs guarantee 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.

USDA 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.

USDA Multi-Family Housing Preservation and Revitalization (MPR) Loans and Grants 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.

Resources for Homebuyers

Several programs are available through the New Mexico Mortgage Finance Authority (NMMFA) to help low to moderate income homebuyers. The following NMMFA programs could benefit Bernalillo families:

Helping Hand – Up to \$8,000 down payment and closing cost assistance to first-time homebuyers with at least one family member that has a disability. This is a soft second loan that does not need to be paid back until the property is sold, refinanced, or transferred, and it is assumable if the buyer meets program eligibility requirements. The loan may be forgiven after 10 years. This program is targeted toward households earning 80% or less than AMI, adjusted for family size.

Mortgage Booster – 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 is priced .5 percent higher than MortgageSaver's interest rate.

MortgageSaver – 30-year fixed-rate loans for low to moderate income buyers; available at below-market rates, with a one percent discount and one percent origination fee.

MortgageSaver Zero – Thirty-year fixed-rate mortgage loans priced with 0 percent discount and 0 percent origination fee for low- to moderate-income first-time homebuyers.

MortgageSaver Plus – 30-year fixed rate mortgage that includes a 3.5% grant to offset downpayment and closing costs for low to moderate income first time buyers. The interest rate is slightly higher than MortgageSaver or MortgageSaver Zero, but there is no origination fee or discount fee.

MortgageSaver Xtra features a deeply discounted interest rate for very low-income borrowers who are at or below 50 percent of the area median income.

PaymentSaver Program – A loan that provides the lesser of eight percent of the sale price of the home or \$8,000 for a down payment, closing costs, principal reduction and/or interest rate buy-down for lower income buyers who have not owned and occupied a primary residence for the past three years. This is a zero percent second mortgage loan due on sale, transfer or refinance, which may be forgiven after 10 years.

PaymentSaver SmartChoice Program – a soft second mortgage that borrower with a Section 8 Housing Boucher can use, with a loan amount of up to \$15,000. This loan has a 0 percent interest rate, and is paid back when the property is sold, refinanced or transferred.

Mortgage Booster Program – this program provides down payment and closing cost assistance, in the form of a second mortgage, to borrowers who qualify for the MortgageSaver loan. The maximum loan amount is \$8,000. These are repaid over 30 years.

HERO program – a special MFA first mortgage loan that includes a 3.5 percent down payment assistance grant to low- to moderate-income households in which at least one member is a teacher, police officer, healthcare worker, firefighter or an active member of the Armed Forces.

Individual Development Account (IDA) is a program that partners local non-profit organizations and financial institutions to encourage participants to save toward the purchase of a first home through a matching grant incentive. The local non-profit, the IDA program sponsor, recruits participants for the IDA program, provides financial education classes, and may also provide one-on-one counseling and training to participants. After signing up for an IDA program, each participant opens up an account with the partnering bank or credit union. Each deposit made by the participant is matched from a source of grant funding. The participant is allowed to withdraw funds when they have achieved their savings goal. Prosperity Works partners with local organizations in New Mexico to teach them how to develop and offer effective IDA programs. Southwest Regional Housing and Community Development Corporation is a partner in the New Mexico Assets Consortium. HELP-New Mexico in Roswell, which provides Emergency Assistance for low income adults and migrant and seasonal farmworkers, is also a partner.

HUD's Federal Housing Administration (**FHA Section 203(b) mortgage insurance**) insures loans made to creditworthy borrowers who may not qualify for conventional mortgages on affordable terms. The downpayment requirements can be as little as 3.5% and some fees are limited. Mortgage insurance is available for one- to four-unit residences where the property is the owner's primary residence. The program has mortgage maximums, which vary depending on number of units.

HUD's **Energy Efficient Mortgage (EEM)** allows homeowners to finance energy efficiency features in new or existing housing as part of their FHA insured home purchase or refinancing mortgage. Home must be the owner's principal residence. The borrower doesn't have to qualify for the higher cost and doesn't make a downpayment on it. This can also be used with the FHA Section 203(k) rehabilitation program or HUD's Title I Home Improvement Loan Program.

HUD's Graduated Payment Mortgage Insurance (Section 245(a)) enables a household with a limited income that is expected to increase to buy a home sooner by making mortgage payments that start small and increase gradually over time. All FHA-approved lenders may make GPMs available to persons who intend to use the mortgage property as their primary residence and who expect to see their income rise appreciably in the future.

The **Federal Home Loan Bank Mortgage Partnership Finance® Program** combines the retail expertise of community lenders with the wholesale funding advantages of the FHLBanks, resulting in an efficient method of financing mortgage loans. Mortgage lenders can continue to manage all aspects of their customer relationships and depending on the MPF product chosen, lenders may be paid credit enhancement fees for managing the credit risk of the loans they originate and sell.

The USDA Rural Development office in Roswell services the eastern and southeastern part of New Mexico, providing assistance to individuals, communities and others related to USDA's programs for rural areas. These programs include home loans and grants. USDA funding extends to single family homes, apartments for low-income people and the elderly, farm laborer housing, and a wide range of community facilities. Local lenders provide USDA loans.

The USDA provides direct loans of up to \$160,900 for low (50% - 80% AMI) and very low (below 50% AMI) income households, with a maximum income of \$45,850 for a family of four. Payment subsidy is available to applicants to enhance repayment ability. USDA Rural Development guaranteed housing loans are geared to families with incomes of up to 115% of AMI. In Lincoln County the moderate income limit for a guaranteed loan is \$74,750. For both programs, 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.

USDA Rural Development Single Family Housing Loans and Grants provide homeownership opportunities to low- and moderate-income rural Americans through several loan, grant, and loan guarantee programs. The programs also make funding available to individuals to finance vital improvements necessary to make their homes decent, safe, and sanitary.

USDA Section 502 Rural Housing Direct 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.

USDA Rural Housing Guaranteed Loans are for applicants who have an income of up to 115% of the median income for the area. 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.

USDA Section 502 Mutual Self-Help Housing Loan Program is used primarily to help very low- and low-income households construct their own homes.

USDA Guaranteed Loan Refinance PILOT Program helps rural borrowers refinance their mortgages to reduce their monthly payments. The Single Family Housing Guaranteed Rural Refinance Pilot Program operates in 19 states for homeowners who have loans that were made or guaranteed by USDA Rural Development.

Resources for Housing Development

HUD/FHA and the New Mexico Mortgage Finance Authority provide several types of financing and mortgage insurance programs for single family and multi-family development. They include:

The Low Income Housing Tax Credit Program (LIHTC) provides federal income tax credits to individuals or organizations that develop affordable housing through either new construction or acquisition and rehabilitation. The tax credits provide a dollar for dollar reduction in the developer's tax liability for a ten year period. Tax credits can also be used by nonprofit or public developers to attract investment to an affordable housing project by syndicating, or selling, the tax credit to investors. In order to receive tax credits a developer must set-aside and rent restrict a number of units for occupancy by households below 60% of area median income. These units must remain affordable for a minimum of 30 years. This program is a resource provided by the Internal Revenue Service. In addition to tax credits, the financing "gap" for certain LIHTC projects may be filled with a below market rate HOME loan. Tax credits and rental HOME loans are awarded annually through a competitive application process according to the state's Qualified Allocation Plan.

The New Mexico State Affordable Housing Tax Credit (Rental) provides 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.

FHA Mortgage Insurance for Rental Housing: Section 207. Section 207 mortgage insurance is however, the primary insurance vehicle for the Section 223(f) refinancing program described below. A project is eligible for mortgage insurance if the sponsor can demonstrate that there is a definite market demand, that the project is economically self-sufficient, and that financing is secure. The program has statutory per unit mortgage limits, which vary according to the size of the unit, the type of structure, and the location of the project. There are also loan-to-value and debt service limitations. The mortgage is limited to 90 percent of HUD appraised value. Eligible mortgagors include investors, builders, developers, and others who meet HUD requirements for mortgagors. All families are eligible to occupy dwellings in a structure whose mortgage is insured under this program, subject to normal tenant selections.

FHA Mortgage Insurance for Manufactured Home Parks: Section 207. The Section 207 Program insures mortgage loans to facilitate the construction or substantial rehabilitation of multifamily manufactured home parks. Section 207 promotes the creation of manufactured home communities by increasing the availability of affordable financing and mortgages. The program insures HUD-approved lenders against loss on mortgage defaults. Insured mortgages may be used to finance the construction or rehabilitation of manufactured home parks. Home parks must consist of 5 or more spaces. Contractors for new construction and substantial rehabilitation projects must comply with prevailing wage requirements under the Davis-Bacon Act. Eligible mortgagors include investors, builders, developers and others who meet HUD requirements for mortgagors. Eligible Customers include families, individuals, or elderly persons owning manufactured homes or desiring to lease spaces in a manufactured park.

FHA Section 207/223(f) insures mortgage loans to facilitate the purchase or refinancing of existing multifamily rental housing. These projects may have been financed originally with conventional or FHA insured mortgages. Properties requiring substantial rehabilitation are not eligible for mortgage insurance under this program. The program allows for long-term mortgages (up to 35 years) that can be financed with Government National Mortgage Association (GNMA) Mortgage-Backed Securities. This eligibility for purchase in the secondary mortgage market improves the availability of loan funds and permits more favorable interest rates. The property must contain at least 5 residential units with complete kitchens and baths and have been completed or substantially rehabilitated for at least 3 years prior to the date of the application for mortgage insurance. The program allows for non-critical repairs that must be completed within 12 months of loan closing. The remaining economic life of the project must be long enough to permit a ten-year mortgage. The mortgage term cannot exceed 35 years or 75 percent of the estimated life of the physical improvements, whichever is less. Davis Bacon prevailing wage requirements do not apply to this program.

The FHA Section 221(d)(3) and 221(d)(4) program insures mortgage loans for multifamily properties consisting of single-room occupancy (SRO) apartments. There are no Federal rental subsidies involved with this SRO program. It is aimed at those tenants who have a source of income but are priced out of the rental apartment market. SRO projects generally require assistance from local governing bodies or charitable organizations in order to reduce the rents to affordable levels. Although SRO housing is intended for very low-income persons, the program does not impose income limits for admission.

The BUILD IT! Loan Guaranty Program was created to encourage other lenders to provide interim financing for “high risk” or unconventional projects when they might not otherwise do so – for “high risk” or unconventional projects, unfamiliar types of borrowers or unfamiliar markets. The program offers MFA guaranties of up to 50% of the risk of loss in the underlying loan. BUILD IT! Loan guaranties can be used for owner-occupied or rental developments or special needs facilities. Sites must be

responsive to demonstrated community needs, and zoning must be pending or completed. Commitments for matching contributions from other public sector entities, equal to 10% of the total development costs, must be in place. Finally, at least 40% of the units in the development must be affordable to households earning no more than eighty percent of adjusted area median income.

The NM Housing Trust Fund provides flexible funding for housing initiatives that will provide affordable housing primarily for persons or households of low or moderate income. Non-profit organizations, for-profit organizations, governmental housing agencies, regional housing authorities, governmental entities, governmental instrumentalities, tribal governments, tribal housing agencies and other entities as outlined in the Notice of Funding Availability (NOFA). Costs of infrastructure, construction, acquisition, and rehabilitation necessary to support affordable single family or rental housing as outlined in the NOFA. MFA mortgage may be in first or junior lien position on the property. Rental projects must serve households earning 60% or less of AMI.

The MFA Primero Loan Program is a flexible, low cost loan program created to finance the development of affordable rental or special needs residential facilities in New Mexico that would be considered "high risk" by traditional lenders. Its goal is to leverage other public and private funds, and to expand the housing development capacity of New Mexico's nonprofit, tribal and public agency housing providers. The program can be used to finance all types of projects that cannot be accommodated by existing sources. Funding may be approved for specific housing developments, or for programs to be operated by agencies to meet local housing needs. Rental, owner occupied and special needs projects of any size maybe financed under this program, during any stage of the development process. New construction, conversion, and acquisition/rehabilitation projects may be financed.

The HOME/Single Family Development Program provides partial or "gap" financing to nonprofit and for-profit developers, public and tribal entities, and CHDOs for the construction, acquisition and rehabilitation of single family homes throughout New Mexico. Units financed with HOME funds must be affordable to households earning no more than 80% of the area median income adjusted for family size. HOME/SFD provides junior mortgages with below-market interest rates, and other advantageous loan terms tailored to the needs of the projects. HOME funds may be used in combination with other down payment and closing cost assistance programs. However, all HOME subsidies combined cannot exceed \$30,000 per unit. Homes must meet the Model Energy code, accessibility requirements under the Fair Housing Act, and local building codes.

The HOME/Rental Loan Program provides gap financing for a variety of affordable and special needs housing projects throughout the state of New Mexico. As gap financing, HOME funds are typically the last dollars committed to a project and are used in combination with other housing resources such as MFA's Tax Credit and 542(c) loan programs. MFA's HOME funds can be awarded as gap financing for projects that qualify for the Housing Tax Credit program. The maximum amount is \$20,000 per unit with a maximum of \$600,000 per project.

542(c) FHA-Insured Multifamily Loan Program provides construction and permanent loans for affordable rental developments, including new construction, substantial rehabilitation, refinancing or acquisition of projects having no less than five units per site. Structures may be detached, semi-detached, row houses or multi-family structures. Single asset mortgagors, including nonprofit organizations, for-profit corporations, joint ventures, limited liability companies, and partnerships are eligible borrowers.

Access Loans provide federally insured construction and permanent financing for small-scale affordable housing projects throughout New Mexico. This program is 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 multifamily structures are eligible. Eligible borrowers may be single asset mortgagors, including nonprofit organizations, for-profit corporations, joint ventures, limited liability companies, and partnerships.

MFA Tax Exempt Bond Financing for Affordable Rental Housing – MFA will provide bond financing for multifamily housing developments through the following mechanisms:

- Using Private Activity Bond Volume Cap (PABVC) multifamily project allocations from the State Board of Finance ("SBOF") for new tax exempt bond issues;
- Refunding outstanding bond issues; or
- Issuing new 501(c)(3) bonds.

Section 108 is the loan guarantee provision of the Community Development Block Grant (CDBG) program. Section 108 provides communities with a source of financing for economic development, housing rehabilitation, public facilities, and large-scale physical development projects. This makes it one of the most potent and important public investment tools that HUD offers to local governments. It allows them to transform a small portion of their CDBG funds into federally guaranteed loans large enough to pursue larger renewal projects. Local governments borrowing funds guaranteed by Section 108 must pledge their current and future CDBG allocations to cover the loan amount as security for the loan. Loan commitments are often paired with **Economic Development Initiative (EDI)** or **Brownfield Economic Development Initiative (BEDI)** grants, which can be used to pay predevelopment costs of a Section 108-funded project. They can also be used as a loan loss reserve (in lieu of CDBG funds), to write-down interest rates, or to establish a debt service reserve. Eligible applicants include non-entitlement communities that are assisted in the submission of applications by the state.

The Federal Home Loan Banks' Affordable Housing Program (AHP) is funded with 10% of the Federal Home Loan Banks' net income each year. The AHP allows for funds to be used in combination with other programs and funding sources, like the Low-Income Housing Tax Credit. These projects serve a wide range of neighborhood needs: many are designed for seniors, the disabled, homeless families, first-time homeowners and others with limited resources. More than 776,000 housing units have been built using AHP funds, including 475,000 units for very low-income households. The Federal Home Loan Bank System is the largest single funding provider to Habitat for Humanity.

The HUD Self-Help Homeownership Program (SHOP) is a competitive grant program to national and regional nonprofit organizations and consortia that have experience in providing or facilitating self-help housing opportunities. Grants are to be used by the grantee or its affiliates for eligible expenses in connection with developing non-luxury housing for low-income families and persons who otherwise would be unable to purchase a house. Eligible expenses are limited to land acquisition (including financing and closing costs), infrastructure improvements (installing, extending, constructing, rehabilitating, or otherwise improving utilities and other infrastructure), and administrative costs (up to 20 percent of the grant amount). Homebuyers must contribute a significant amount of sweat equity toward the construction of their homes.

The Enterprise Community Loan Fund offers flexible, innovative loan products to help make it possible for developers and nonprofit organizations to create sustainable, affordable housing and community

facilities. Loan products include predevelopment loans; building or land acquisition loans, predevelopment costs and critical repairs; mini-permanent loans for the operating buildings, predevelopment costs and critical repairs; and construction and bridge loans.

Other Enterprise Programs – Enterprise offers a variety of financing for housing project that meet specific objectives, including green development, transit oriented development, supportive housing, and others. Products include LIHTC and New Markets Tax Credit Equity, multifamily mortgage finance, predevelopment and acquisition loans and technical assistance. Enterprise often works through local partner organizations to accomplish their goals. Enterprise’s Santa Fe office is a resource in New Mexico.

USDA Rural Housing Site Loans are made to provide financing for the purchase and development of housing sites for low- and moderate-income families.

Resources for Rehabilitation and Homeowner Support

The New Mexico EnergySmart Weatherization Assistance program is administered through the New Mexico Mortgage Finance Authority. Federal, state and utility funds are used for the program. Weatherization services are performed by four non-profit providers located throughout the state. Households with incomes at or below 150 percent of the national poverty level are eligible for the program. Southwestern Regional Housing and CDC in Deming provides EnergySmart weatherization services in southern New Mexico, including Lincoln County.

MFA HOME Investment Partnership Program provides assistance to low-income homeowners who lack the resources to make necessary repairs to their homes. Assistance can be used for reimbursement of costs for rehabilitation, which includes the following: applicable codes, standards or ordinances, rehabilitation standards, essential improvements, energy-related improvements, lead-based paint hazard reduction, accessibility for disabled persons, repair or replacement of major housing systems, incipient repairs and general property improvements of a non-luxury nature, site improvements and utility connections. MFA relies on nonprofits, housing authorities, and local governments to administer the homeowner rehabilitation program. Funds are awarded through a competitive RFP process. The Tierra del Sol Housing Corporation is a rehab sub-grantee that currently administers owner-occupied HOME Rehabilitation program for Lincoln County.

HUD - Rehabilitation Mortgage Insurance (Section 203(k)). Section 203(k) insurance enables homebuyers and homeowners to finance the purchase (or refinancing) of a house and the cost of its rehabilitation through a single mortgage or to finance the rehabilitation of their existing home. The program insures a single, long term, fixed or adjustable rate loan that covers both the acquisition and rehabilitation of a property. The home must be at least a year old, requiring rehabilitation of at least \$5,000, but the total value of the property must still fall within the FHA mortgage limit for the area. Eligible repairs may range from relatively minor to virtual reconstruction: a home that has been demolished or will be razed as part of rehabilitation is eligible, for example, provided that the existing foundation system remains in place. HUD requires that properties financed under this program meet certain basic energy efficiency and structural standards.

Southeast New Mexico Community Action Corporation (SNMCAC) has partnered with the Group Workcamp Foundation to repair the homes of elderly, disabled and lower income residents in the area. In summer 2012, the Group Workcamps program from Colorado provided free home repairs in Roswell.

USDA Rural Repair and Rehabilitation Loan and Grant 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. Grants are available for homeowners who are 62 or older and cannot repay a loan. 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. Loans of up to \$20,000 and grants of up to \$7,500 are available. The interest on loans is 1%. Loans and grants can be combined.

USDA Housing Preservation Grants Program provides grants to sponsoring organizations for the repair or rehabilitation of low- and very low-income housing.

Other Programs

HUD 255 Home Equity Conversion Mortgage Program (HECM) – Reverse mortgages are increasing in popularity with seniors (homeowners 62 or holder) who have equity in their homes and want to supplement their income. The only reverse mortgage insured by the U.S. Federal Government is called a Home Equity Conversion Mortgage or HECM, and is only available through an FHA approved lender. The HECM enables seniors to withdraw some of the equity in their home as a fixed monthly amount or a line of credit or a combination of both. The HECM can be used to purchase a primary residence if the owner is able to use cash on hand to pay the difference between the HECM proceeds and the sales price plus closing costs for the property being purchased. The property owner must own the property outright or have paid down a considerable amount, occupy the property as a principal residence, not be delinquent on any federal debt and participate in a consumer information session given by a HUD-approved counselor. Single family homes, 2-4 unit homes with one unit occupied by the borrower, and manufactured homes that meet FHA requirements are eligible property types.