

Housing New Mexico Advisory Committee

Meeting 4

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Today's Agenda

Legislative Updates (~10 minutes)

Resident survey update (brief)

Stakeholder Consultation (15 minutes)

Complete Strategy Discussion—
Production and Preservation (30
minutes)

Break (10 minutes)

Strategy Discussion—Wealth Building
(50 minutes)

Wrap up

Legislative Updates

Resident Survey Update

Resident Survey

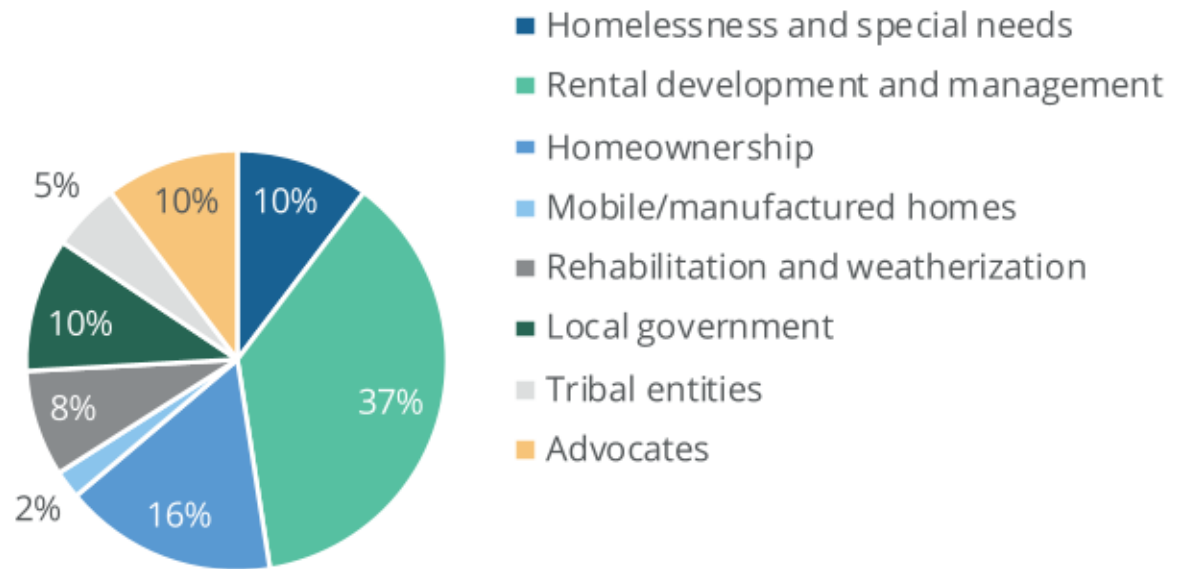
Responses as of March 14:

- 1,395 responses.
 - Bernalillo accounts for 40% of responses, followed by Luna and Doña Ana (8% each).
- Strong renter representation, around 40%.
- Other special populations:
 - 170 large households;
 - 480 households with children;
 - 220 households with a senior resident;
 - 220 single parent households;
 - 400 households with income below \$30,000; and
 - 530 households with a member with a disability.

Stakeholder Discussions

Stakeholder Engagement

99 stakeholders have participated in focus groups and discussions



Stakeholder Engagement: What we learned

Homeless and Special Needs Housing

- Stakeholders expressed a dire need for more permanent supportive housing in all parts of the state
- The shortage of behavioral health services is making housing less successful. Stakeholders called for a comprehensive mental/behavioral statewide health system
- As a result of services shortages, property managers have become de facto service providers—a role they are not trained to do

Stakeholder Engagement: What we learned

Homeless and Special Needs Housing

- Residents on fixed incomes have no or very limited ability to manage rent increases
- Low income owners cannot keep up with maintenance and face foreclosure risk from medical costs, death of a spouse, job losses (harder to find when older/special needs)
- Online mortgage servicing and bill paying complicates seniors' ability to monitor servicing changes and keep up with bills

Stakeholder Engagement: What we learned

Persons with Disabilities

- New Mexico has a segmented system of grants to help residents with disabilities get the home modifications they need
- Federal accessibility requirements are misaligned with needs (e.g., more demand for vision or hearing accessible units than physically accessible units)

Stakeholder Engagement: What we learned

Justice Involved Residents

- State requirement for a justice-involved residents to have housing sponsor upon leaving the criminal justice system complicates the ability to find units. Residents end up staying in “in house” parole
- Halfway houses in Albuquerque accommodate most, although long wait lists. Burdens Albuquerque and prevents parolees from re-entry into communities where they will do well

Stakeholder Engagement: What we learned

Justice Involved Residents **Solutions**

- When residents can't find housing, they abscond, go back into situations where they recommit
- The lack of a pathway to housing in New Mexico is costly
- Greatest specific need is for flexible (not time-limited) transitional housing with support services
- Overall, need to create a coordinated pathway for re-entry

Stakeholder Engagement: What we learned

Homeless and Special Needs **Solutions**

- Fund ongoing training for property managers on effectively working with special needs residents
- Fund small nonprofit providers who are not competitive in volume-based grants
- Facilitate a development pipeline for permanent supportive housing including predevelopment funding, technical assistance, and developer education

Stakeholder Engagement: What we learned

Homeless and Special Needs **Solutions**

- Create stable, consistent, fair funding of services:
 - Increase funding for the Linkages program
 - Spearhead a legislative effort to help establish more funding for supportive services systems
 - Help developers build a realistic cost of services (\$7,500 to \$1,000 per household) into their budgets
- Local governments to re-direct focus to PSH creation (v. policing homelessness)

Stakeholder Engagement: What we learned

Homeless and Special Needs **Solutions**

- People with disabilities need a fast and easy way to apply for and receive funding for accessibility improvements
- More broadly, a *“one stop shopping”* state webpage for all resources is needed and would be a low cost solution to getting people resources
- Funding and regulations should provide flexibility in responding to largest accessibility needs
- Income supports for low income families should continue beyond the pandemic

Stakeholder Engagement: What we learned

Tribal Housing

- Native communities are impacted by no supply of new housing, low to zero vacancy of existing housing, and severe overcrowding
- Supply chain challenges, high building costs, and infrastructure costs are exacerbated by remote location of native lands
- Supportive services are also lacking

Stakeholder Engagement: What we learned

Tribal Housing Solutions

- Need tribal-specific funding sources—like the Tribal Investment Fund and a secondary market for tribal mortgages—to address ongoing housing and infrastructure needs
- Tribes should not have to compete against each other for funding
- Native voices should be at the table to ensure that when state programs are developed they adequately benefit tribes
- MFA should evaluate how its ownership programs and QAP could be better structured for use in Indian Country

Recommendations:
**Production and
Preservation**

Stakeholder Engagement: What we learned

Production and Funding **Solutions**

- ✓ Capitalize the state housing trust fund
- Reform and streamline code compliance process and regulations

Production Solutions: What you told us

Increasing housing production

- Establish a recurring fund for the state Housing Trust Fund
- Reform and streamline code compliance process and regulations
- Fund infrastructure improvements to support residential development
- Tailor a program to funding smaller special needs housing projects in rural areas

Production Solutions: What you told us

Increasing housing production

- Provide expertise and funding to redevelop under-utilized commercial corridors and repurposing of vacant properties
- Develop a separate noncompetitive fund and TA for areas with abandoned, dilapidated homes to develop conservation programs
- Provide a resource for regulatory review and zoning reform that leads to economically feasible affordable and missing middle housing.
- Take an active role on assembling an incentive package for affordable products

Menti exercise

Of the following potential strategies, which should the state prioritize?

- Reform and streamline code compliance process and regulations
- Fund infrastructure improvements to support residential development
- Tailor a program to funding smaller special needs housing projects in rural areas
- Provide expertise to redevelop under-utilized commercial corridors and repurposing of vacant properties

Menti exercise

Of the following potential strategies, which should the state prioritize?

- Develop a separate noncompetitive fund for areas with abandoned, dilapidated homes to develop conservation programs
- Provide a resource for regulatory review and zoning reform
- Take an active role on assembling an incentive package for affordable products

Stakeholder Engagement: What we learned

Preservation/Rehabilitation **Solutions**

- Examine funding terms for reasonableness in contractor pay
- Reconsider how weatherization and rehabilitation funds are allocated and ensure that the allocation formula aligns with needs (v. overall population distribution)
- Direct funding to public housing improvements
- Increase rehabilitation funds
- Develop a separate noncompetitive fund and TA for areas with abandoned, dilapidated homes to develop conservation programs
- Prioritize acquisition and rehabilitation funding for developments at-risk of converting to market

Stakeholder Engagement: What we learned

Rental Housing **Solutions**

- Eviction reform to allow more time to cure outstanding rent payments
- Good tenant programs to lessen the need to evict
- Extend Mobile Home Act to renters and strengthen provisions to better protect renters
- Landlord incentives for renting to voucher holders; bringing units to HQS
- Public relations and communications campaign to help change property owners', local officials', and public opinion about affordable housing
- Fair housing organization to provide tenant and landlord education and enforcement

Preservation Solutions: What you told us

Preserving housing and improving condition

- Prioritize energy efficiency improvements in existing (v. new) homes
- Establish a database and process to flag affordable units whose contracts are about to expire
- Fund local government acquisition of vacant, underutilized, hazardous homes for redevelopment
- Fund or explore options for affordable homeowners' insurance for low income owners who need it for rehabilitation

Menti exercise

Of the following potential strategies, which should the state prioritize?

- Direct funding to improving public housing unit conditions
- Adjust the QAP to give equal emphasis to acquisition/rehabilitation and new construction for 9% credits
- Examine funding terms for reasonableness in contractor pay
- Fund or explore options for affordable homeowners' insurance for low income owners who need it for rehabilitation programs
- Create a stable source of funding to replace ERAP funds when spent

Menti exercise

Of the following potential strategies, which should the state prioritize?

- Focus preservation activities on rural (v. urban) areas where new construction is more limited
- Focus acquisition and rehabilitation funding for developments that are at-risk of converting to market (v. any units)
- Focus energy efficiency improvements on existing (v. new) homes

Menti exercise

Of the following potential strategies, which should the state prioritize?

- Reform eviction law to allow more time to cure outstanding rent payments
- Create good tenant programs to lessen the need to evict
- Create landlord incentives for renting to voucher holders; bringing units to HQS; keeping units affordable
- Establish and fund a public relations and communications campaign to help change property owners', local officials', and public opinion about affordable housing
- Create a fair housing organization to provide tenant and landlord education and enforcement

Menti exercise

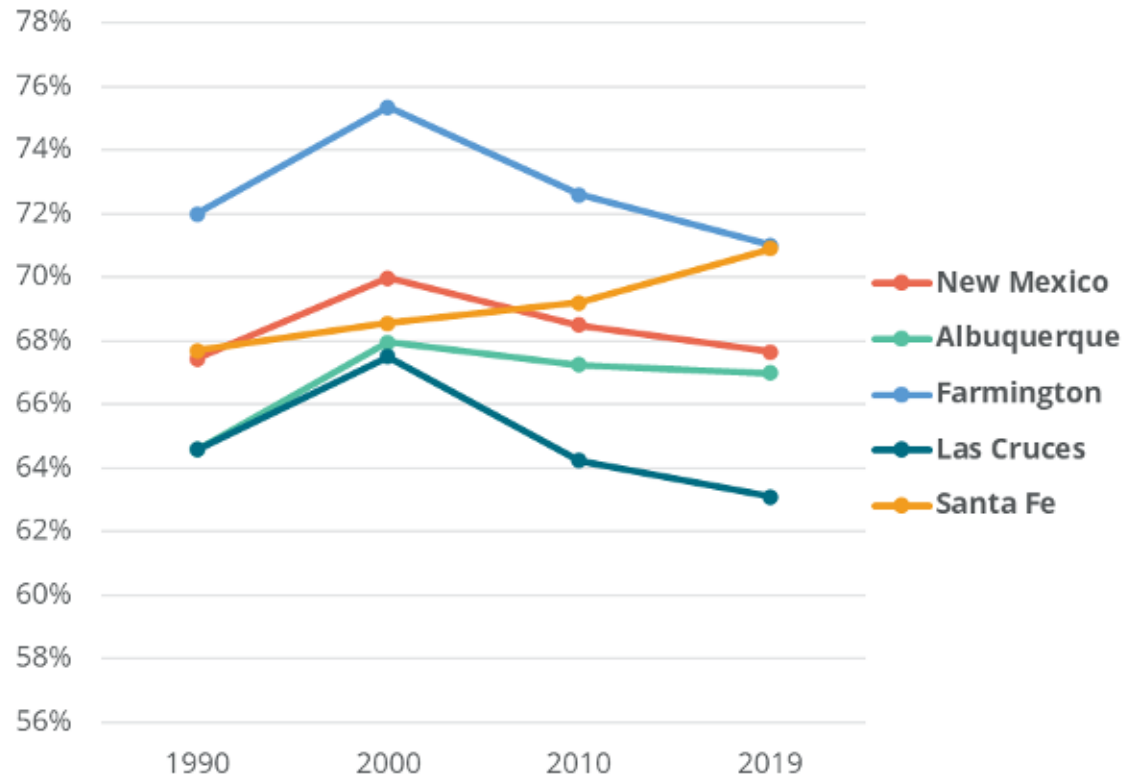
Of the following potential strategies, which should the state prioritize?

- Create a webpage with consolidated state resources
- Establish a database and process to flag affordable units whose contracts are about to expire

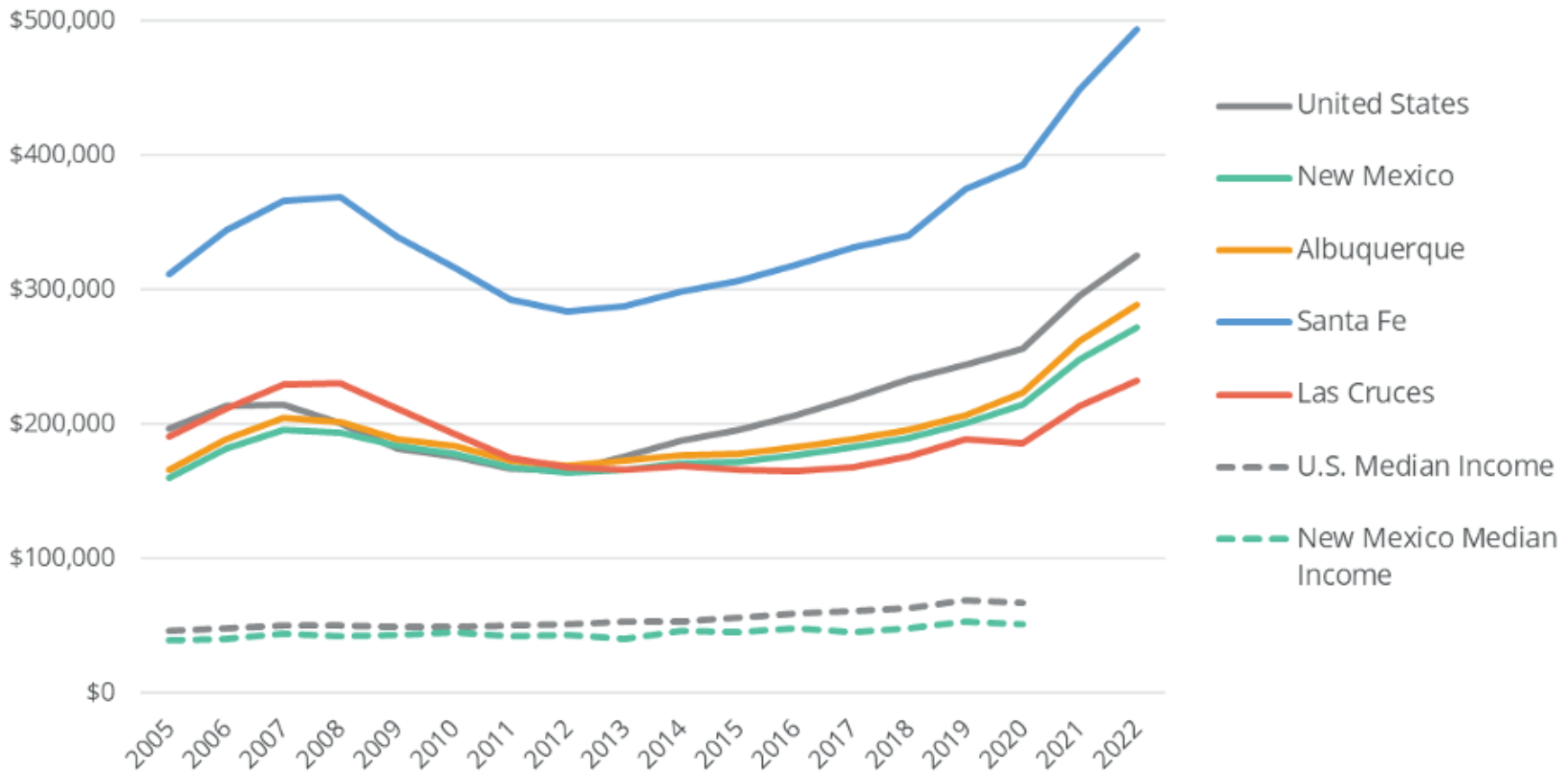
**Homeownership, Wealth
Building, Economic
Mobility**

Homeownership Trends in New Mexico's MSAs

Source:
2019 ACS, Decennial Census (various years),
and Root Policy Research.



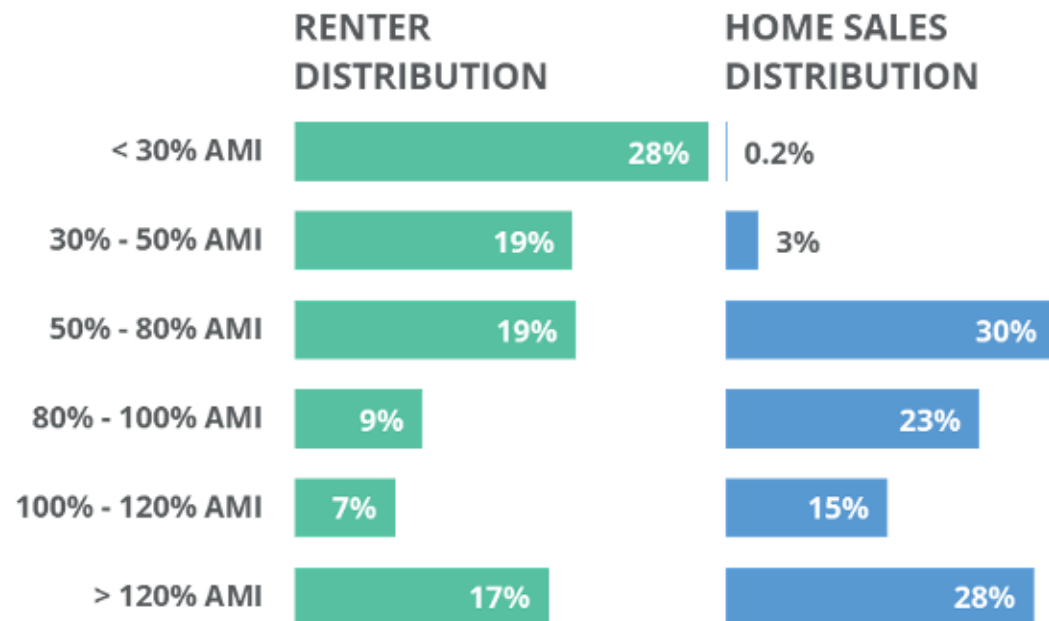
Home Price Trends v. Income Trends



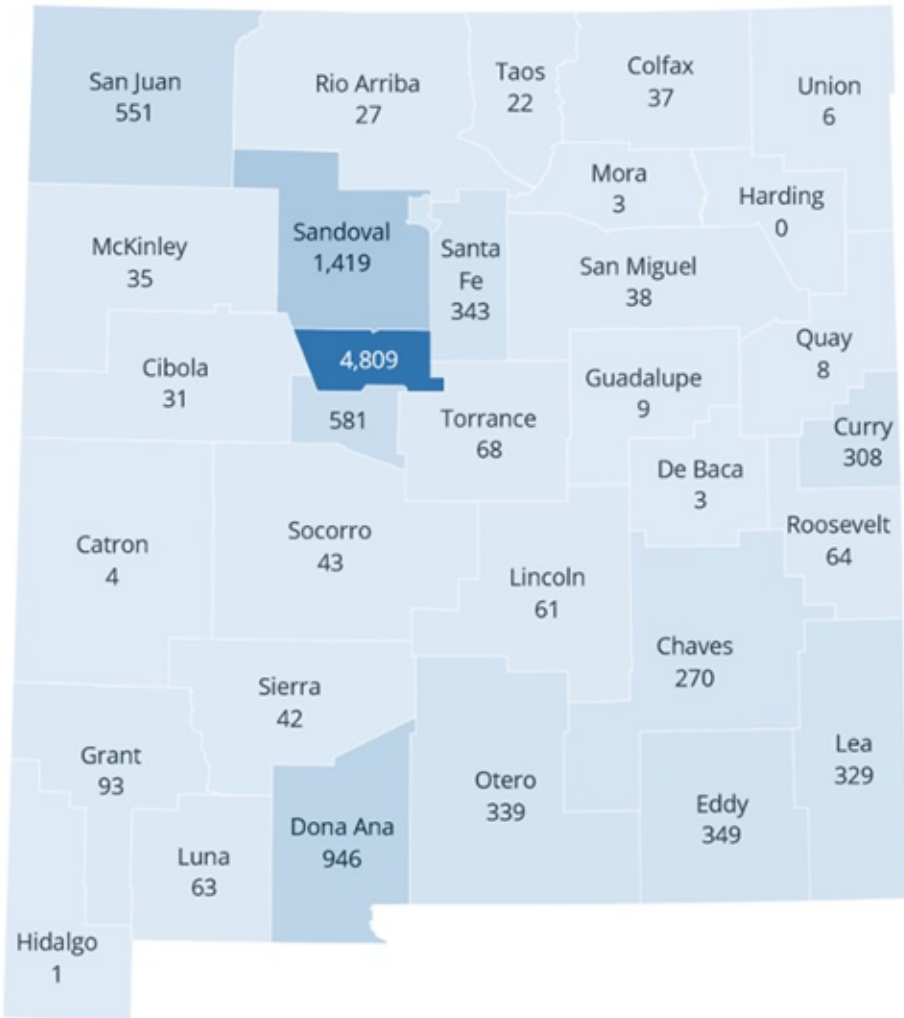
Source: Zillow Home Value Index, Federal Reserve Bank of St. Louis, and Root Policy Research.

Renter and Affordable Home Sales Distribution by AMI

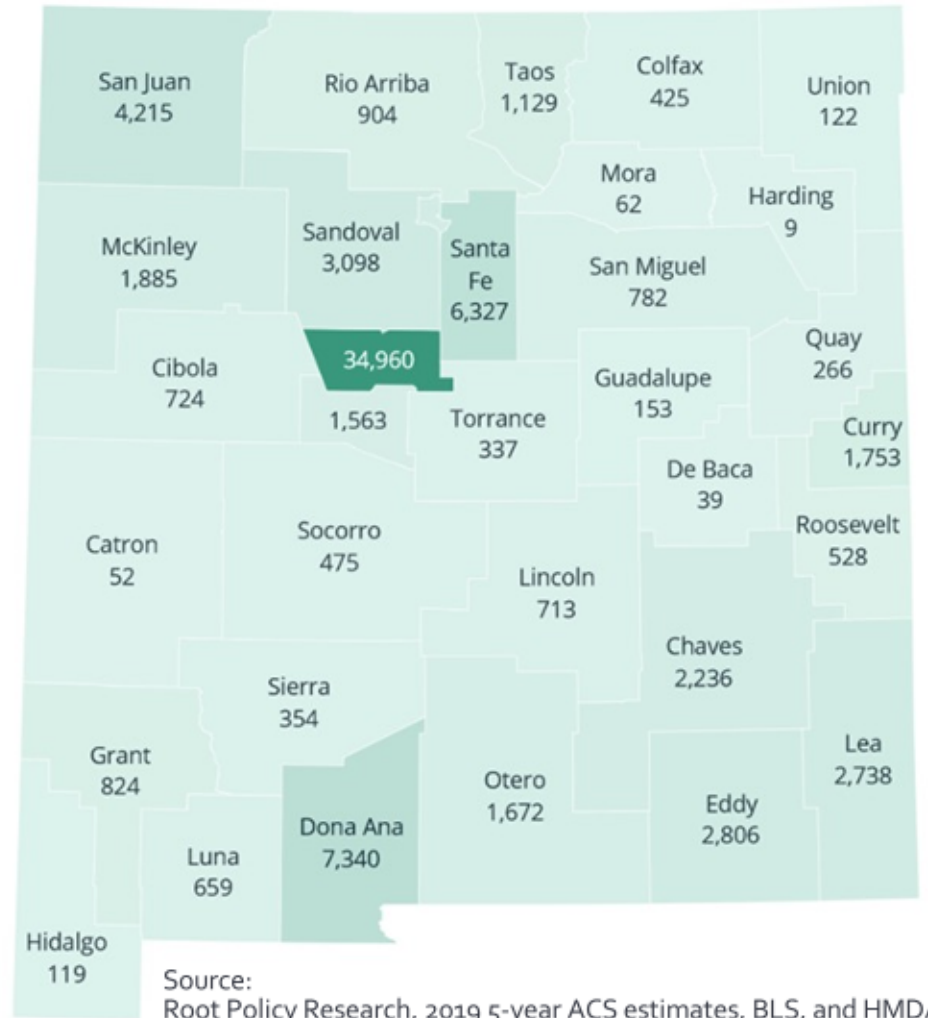
Source:
Root Policy Research, 2019 5-year
ACS estimates, and HMDA



Number of Mortgages Affordable at 50%-100% AMI, 2020



Number of Projected Jobs, 2020-2035



Source: Root Policy Research, 2019 5-year ACS estimates, BLS, and HMDA

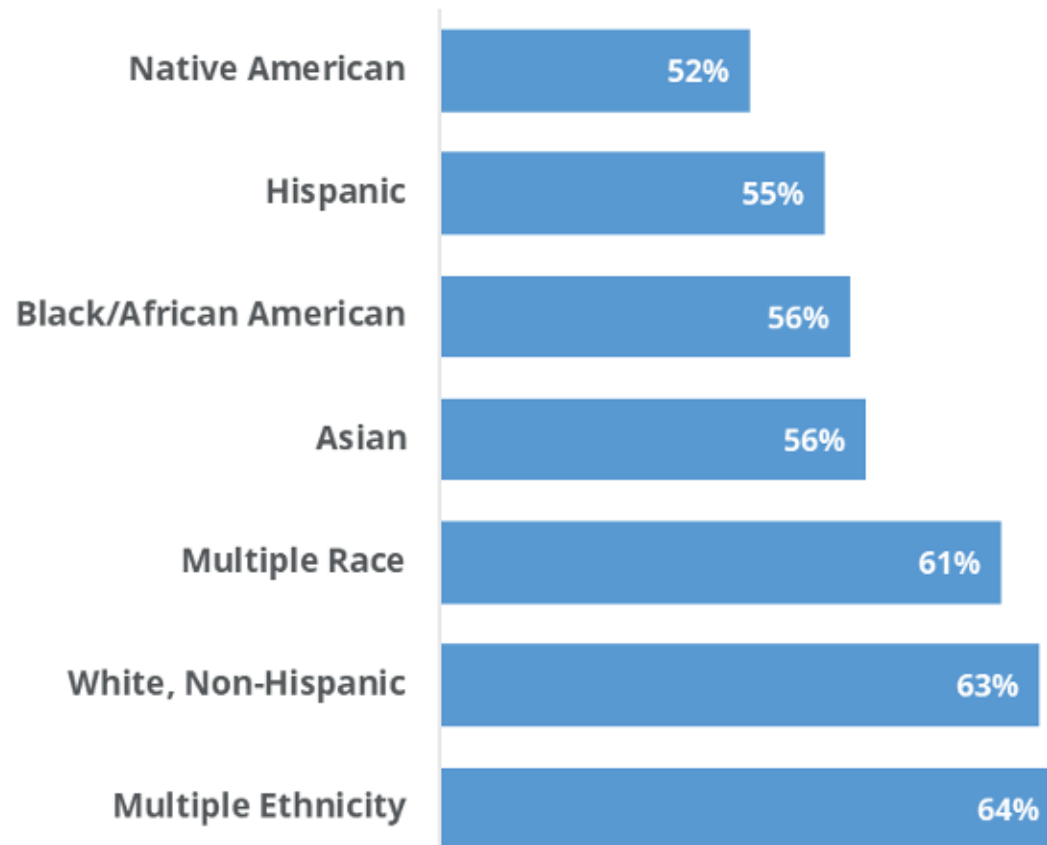
Inequities in Ownership: Homeownership Rate and Incomes in New Mexico v. U.S.

Source:
2019 ACS, Decennial Census 5-year estimates
and Root Policy Research.

Race/Ethnicity	Homeownership Rate		Median Income	
	New Mexico	United States	New Mexico	United States
American Indian or Alaska Native	62%	54%	\$35,349	\$43,825
Asian	55%	60%	\$65,144	\$88,204
Black or African American	40%	42%	\$40,528	\$41,935
Hispanic/Latino	66%	47%	\$42,421	\$51,811
Native Hawaiian or Other Pacific Islander	48%	41%	\$49,767	\$63,613
Non-Hispanic White	72%	72%	\$59,815	\$68,785
Two or more Races	58%	49%	\$50,133	\$59,184

Inequities in Refinancing: Origination Rates in 2020

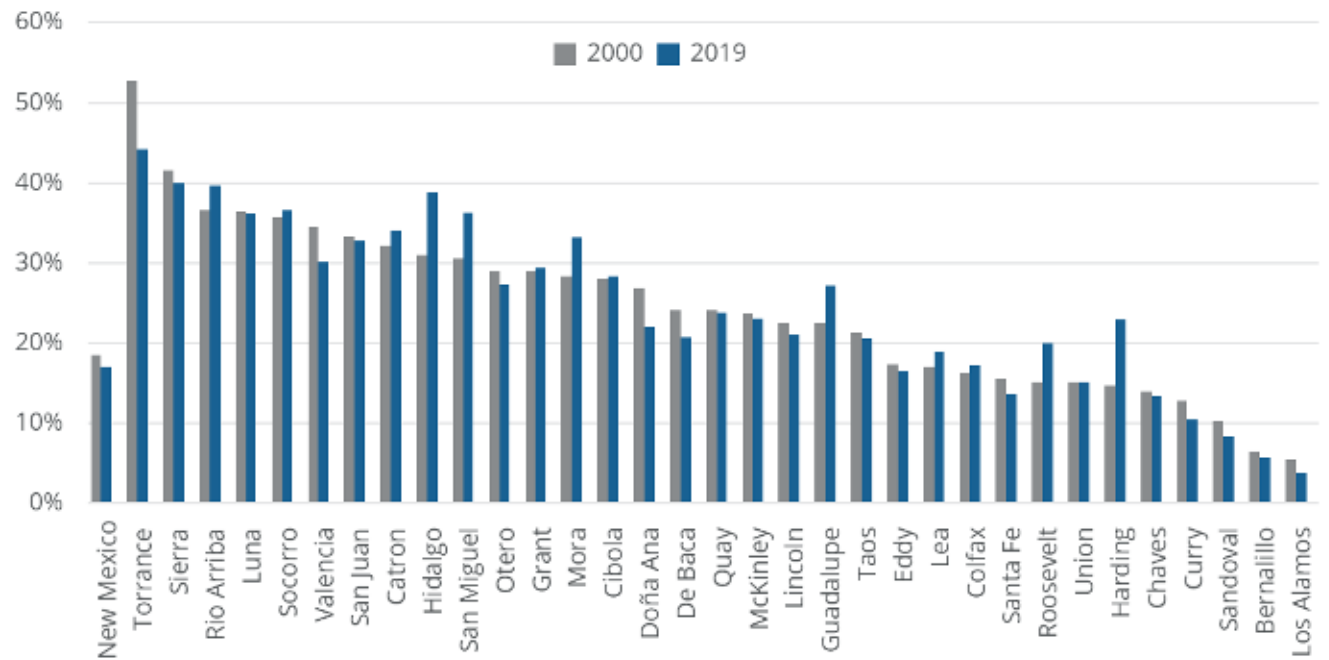
Source:
HMDA and Root Policy Research.



Mobile Home's Share of Overall Housing Stock

Source:

2019 ACS, 2000 Decennial Census, and Root Policy Research.



Stakeholder Engagement: What we learned

Homeownership Solutions

- Create tailored tribal homeownership programs—possibly combining funding sources—that provide deep subsidies to make homeownership viable
- MFA should evaluate how downpayment assistance, closing cost assistance, homeowner assistance, and housing counseling could be better structured for use in Indian Country

Stakeholder Engagement: What we learned

Homeownership Solutions

- MFA examine programs to be sure that they are maximizing homeownership potential:
 - Offer flexibility in DTI threshold for borrowers who have good credit and/or have faced historical barriers to wealth accumulation;
 - Allow for a higher AMI threshold in high cost areas;
 - Raise the amount of downpayment assistance and/or price limits;
 - Raise the amount of money provided for a second lien.

Stakeholder Engagement: What we learned

Homeownership **Solutions**

- MFA invest in resident education about ownership and foreclosure avoidance programs
- MFA educate Realtors, sellers, and lenders to counter impression that MFA products take more time and require more of sellers
- Create a permanent homeowner assistance fund for mobile park owners to avoid eviction and loss of their homes when they cannot maintain lot rent increases

Q&A

thank you