

LOS ALAMOS

NORTH MESA

HOUSING STUDY

Purpose

- **Generate conceptual plans for different types of housing that could address the needs of the community and could feasibly be carried forward into design and development, incorporating the project goals.**
- **Due in part to the high cost and limited options for housing, the Los Alamos Public School District (LAPS) has been struggling to recruit, hire and retain staff.**
- **Based on this need and the housing needs identified in the Los Alamos Housing Needs Analysis, the County, in partnership with LAPS commissioned a design study to determine the feasibility of developing housing on the North Mesa.**

Design Study Scope

The study is

- Intended to explore the feasibility and range of housing options to address workforce needs in the County.
- Generate design ideas and concepts to facilitate a conversation about potential housing at North Mesa.
- Recommend a framework for a neighborhood housing concept.

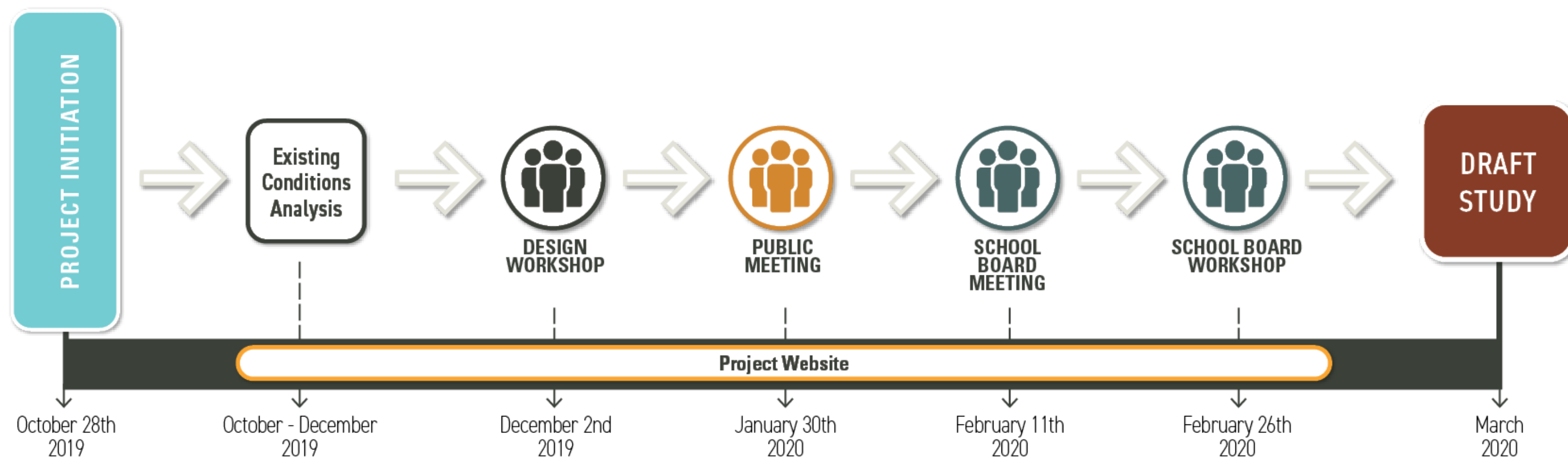
The study is not

- A regulatory document - does not bind any parties regarding the current status of the land.
- An approved design for the site – this would come later as a site development plan.
- A detailed financial analysis of housing feasibility and affordability specifics

Goals of this Meeting

- Discuss and verify Public School Board goals for this project
- Discuss Memorandum of Agreement
- Discuss the roles of the County and LAPS
- If supported, discuss, identify and get consensus on next steps for this project
- With specific tasks and timeframes, outreach and when to bring back for consideration

Study Process Overview



Housing Market Needs Analysis Completed in December 2019

- The Los Alamos Housing Market Needs Analysis was conducted to understand housing needs in the County and identify the most pressing issues.
- Housing Preference Survey – over 1000 responses
- Focus Groups
- Data Collection and Analysis
- Projected workforce growth and estimated wages/household incomes
- Existing housing stock and age
- Current market dynamics

Housing Market Needs Analysis

Key Findings

- Immediate need for 1,310 units of rental housing and 379 units for homeownership.
 - Particularly acute for middle- and lower-income households.
 - The supply of smaller homes on smaller lots is limited. Only 8% of new units coming online are “missing middle” housing
 - New housing projects are either market rate, starting at +/- \$400,000, or targeting incomes of \$60,000 or less for a family of four.
- **The Missing Middle:** Housing for households with incomes between \$60,000 - \$100,000
- To be attainable, higher density infill housing is required

Design Workshop



Slide 8

ATTACHMENT A



Design Workshop Common Themes

- Provide trail & open space access as well as access to Middle School and Sports fields
- Leverage existing access to nearby or adjacent county open space and parks to enhance recreational amenities
- Provide lower density housing closer to the school which could serve as housing for school employees
- Focus higher density product in southeast portion of site which would be more compatible with existing multi-family
- Consider building height/density with topography to maintain view corridors
- Create a central “green” area
- Preserve existing mature stands of trees in the northwest and southeast corners
- Expand boundaries to include antiquated solar panel installation near school

Draft Alternative



Affordability Strategies

Housing Lottery for Local Workforce – owner-occupied

Employed in communities that struggle to provide affordable housing. The community develops or facilitates development of housing and sells or rents housing at a discount to community members who qualify

Advantages:

- Can be strategically targeted to aspects of the workforce e.g. school (e.g. are employed within in the County for a minimum of 30 hours a week, etc.)
- Affordability can be maintained via deed restrictions or covenants
- Can be coupled with an equity share provision
- Is a common model used in high cost communities that can be implemented in a fairly short period of time
- Can be monitored for long term by existing entity such as housing non-profit
- Other affordable housing assistance programs can be used such as downpayment assistance

Disadvantages:

- Is a lottery approach
- Does not address rental needs

Affordability Strategies

Ground lease – for rental

Land is retained in ownership, housing units are rented to local workforce.

Advantages:

- Fairly straightforward structure
- Allows for control over rents
- Income for land owner

■ Disadvantages:

- Long term management

Affordability Strategies

Community Land Trust (Owner-occupied and Rental)

Community-run, nonprofit landholding organizations that sell or rent units while still owning the land beneath to keeping housing affordable in perpetuity.

Advantages:

- Creates long-term affordability
- Available with rental and ownership unit options, can build equity for its residents

Disadvantages:

- Can take years to establish
- Complicated process to establish new tri-partite governance entity and typically involves a diverse mix of financial sources
- Requires a dedicated team/board to establish and manage
- Must be financially sustainable in the long term

Contributing Factors Supporting Affordability – North Mesa Site

- **Public mechanisms to reduce development costs**
 - County can contribute financial support for infrastructure
 - Land may be donated or discounted, depending on levels of affordability built into the proforma
- **Infill site – utilities are nearby – some needs for modernization (sewer and water)**
- **Grant funding available in support of workforce housing**
- **Moderate densities allow for better economies of scale**
- **Site conditions – site is generally buildable with few constraints**
- **Sale proceeds of portion of site for market rate could assist with the financial burden of the attainable housing portion**

Land Disposition Strategies

TABLE 7. LAND DISPOSITION STRATEGIES

STRATEGY	ADVANTAGES	DISADVANTAGES	COMMENTS	RECOMMENDATION
Sell Land/Developer Builds Housing	<ul style="list-style-type: none"> -Lowest Risk -Aligned with Market Expectations 	<ul style="list-style-type: none"> -Less Control of Outcome 	<ul style="list-style-type: none"> -Path of least resistance -Quickest path to implementation 	<ul style="list-style-type: none"> -Pursue strategy to solicit an RFP for a master developer
Lease Land/Developer Builds Housing	<ul style="list-style-type: none"> -Potential Appreciation of Land Asset -Retain Land Ownership 	<ul style="list-style-type: none"> -Harder to Finance -Smaller Pool of Potential Developers 	<ul style="list-style-type: none"> -Feasible but need to find the right development partner 	<ul style="list-style-type: none"> -Consider retaining a portion of site to develop as teacherage on leased land
District Builds/Owns Housing Development	<ul style="list-style-type: none"> -More Control -Potential Appreciation of Asset 	<ul style="list-style-type: none"> -More Risk/Exposure -Not core skillset of LAPS 	<ul style="list-style-type: none"> -Would need to identify a third party with development expertise 	<ul style="list-style-type: none"> -Potential to do a part of the parcel with this. Sell 25 acres: retain 5 acres
Land Swap W/County Or Private Party	<ul style="list-style-type: none"> -Potential to swap land and have 30 acres developed 	<ul style="list-style-type: none"> -Lack of suitable land for exchange. -Length/complexity of transaction 	<ul style="list-style-type: none"> -Land exchanges take considerable time to execute 	<ul style="list-style-type: none"> -Quickly assess potential and decide whether or not to pursue.
Leave Undeveloped	<ul style="list-style-type: none"> -No impact to the surrounding communities 	<ul style="list-style-type: none"> -Does nothing to address housing crises 	<ul style="list-style-type: none"> -Policy decision for LAPS and County 	<ul style="list-style-type: none"> -Not recommended by this study

Study Recommendations

TABLE 8. OPTIONS FOR SELECTING A DEVELOPMENT PARTNER

STRATEGY	SELECT TRADITIONAL MASTER DEVELOPER	ESTABLISH A COMMUNITY LAND TRUST	LAPS AS DEVELOPER: BUILD/OWN HOUSING DEVELOPMENT
Potential to achieve County/LAPS Project Goals	<ul style="list-style-type: none"> - Shifts risk away from LAPS/County to master developer. - Creates revenue at time of sale. - Likely to result in mix of housing types/price ranges 	<ul style="list-style-type: none"> - Ensures long term affordability - Allows County and LAPS to retain measure of control. - Prioritizes affordable/obtainable housing 	<ul style="list-style-type: none"> - Creates long-term affordable housing - Can determine the number of units set aside for LAPS employees
Timeframe	<ul style="list-style-type: none"> - Quickest to implementation – aligns with market mechanisms 	<ul style="list-style-type: none"> - Development/negotiation to create a CLT will require more time 	<ul style="list-style-type: none"> - Slow to implement as LAPS has little experience developers
Market Feasibility	<ul style="list-style-type: none"> - Most feasible option as the process is driven by a developer that guides each decision by what the market can support 	<ul style="list-style-type: none"> - Smaller pool of potential development entities. - County has completed prior projects with CLT's 	<ul style="list-style-type: none"> - Feasible only if County/LAPS can hire a developer consultant that works on a fee basis
Advantages	<ul style="list-style-type: none"> - Most feasible and least complicated option. The developer will plan, construct and manage the project. 	<ul style="list-style-type: none"> - Retain long term ownership - Potential to generate recurring revenue 	<ul style="list-style-type: none"> - This option will allow the County/LAPS to retain full control - Will generate recurring income
Disadvantages	<ul style="list-style-type: none"> - Less control over outcome 	<ul style="list-style-type: none"> - Likely lower returns on project due to ownership structure. - Atypical land arrangement – less attractive to homeowners 	<ul style="list-style-type: none"> - Complicated and time-consuming to develop, construct and manage
	★★★★★	★★★	★★



Land Disposition Strategies Recommendations

Select a Master Developer as a Partner

This option offers the lowest risk to LAPS/County and provides the fastest route to housing

Assumes full or partial interim land transfer to County to take advantage of the County's affordable housing tools such as land discount or donation

- Most feasible option
- If desired, could produce recurring income for LAPS in a form of a school lease agreement and housing product for LAPS employees (rental income)

Land Disposition Strategies Recommendations

Next Steps

- **Determine affordability model**
- **Identify housing mix scenarios via a next level housing financial feasibility analysis**
- **Incorporate study recommendations to inform RFP for selection of Master Developer**
 - Types of housing needed
 - Price points
 - Outdoor amenities
 - Sustainable elements
 - Consider market rate for a portion of the site
 - Consider school ownership of rental property for employees



Considerations for LAPS Role(s)

- Identify housing as a priority for recruitment and retention tool – authorize to examine scenarios for a school owned project
- Work with the County on finalizing recurring income mechanism(s)
- Identify participant(s) for working group
- Work with County on issues such as outdoor amenities for use by LAPS
- As necessary, establish process for “off-ramp”



Considerations for County Role(s)

Take Project Lead

- **Refine financial feasibility for proposed housing mixes**
- **Predevelopment Planning and Engineering for offsite and peripheral needs**
 - e.g. Water line and sewer
- **Develop Request for Proposal/Qualification process**
- **Coordinate Additional Outreach Needed**



Review of Memorandum of Understanding

- Establishes next steps and scope
- Identifies roles and responsibilities of LAPS and County

Next steps

Agreement on Next Steps (and Authorization to Access Grant Funding)

Proceed with:

- Finalizing of MOA
- Establish working group
- Next level financial feasibility analysis for housing mix
- Predevelopment engineering and cost estimates
- Identification and planning for other needs impacted by project,
- e.g. outdoor and recreational: trails for pedestrian, running, equine, biking
- Investigate development sustainable elements such as solar power and other design considerations

Next steps

Agreement on Next Steps (and Authorization to Access Grant Funding)



Questions?