

# LAC Affordable Housing Plan

MFA Compliant Plan and Toolbox for Decision Makers

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# Affordable Housing Act & MFA

In 2007, the New Mexico Legislature strengthened the Affordable Housing Act, allowing state and local governments to directly support affordable housing projects. This covers costs for land, building acquisition or improvement and financing. Affordable housing, under the Act, refers to residential units primarily intended for **low- and moderate-income residents**. **The Act empowers municipalities:**

- **Donate or pay for land:** contribute land or cover its cost for constructing affordable housing.
- **Fund conversion or renovation:** Existing buildings can be transformed into affordable housing with municipal financial assistance.
- **Support infrastructure and financing:** help finance essential infrastructure or the financing itself for affordable housing projects.
- **Comprehensively cover project costs:** contribute to any aspect of affordable housing projects, including acquisition, development, construction, financing, operation, or ownership.
- **To leverage these tools, the Act requires local governing bodies to adopt an Affordable Housing Plan and Ordinance.** Analyses conducted for this plan suggest that contributions can be effective up to 120% of the Area Median Income (AMI), which will ultimately help the County achieve its housing objectives
- **MFA Approves the Plan unlocking Programmatic, Policy, and Development funding in support of affordable Housing – tools in the Toolbox.**

# Executive Summary

- To achieve a vibrant and functional community with desired services and robust economic activity, it is essential to have housing that is available and affordable to a variety of different people at all income levels, stages of life, and working in different industries.
- This plan provides data to justify public assistance and donations that achieve affordable housing cost burdened low- and moderate-income households (up to 120% Area Median Income).
- The Plan has been reviewed by MFA throughout development and was recently approved for consideration and adoption by the County.
- This plan recommends goals and strategies effective in addressing affordable housing needs – “the Toolbox”

## This will require more:

- Housing development with diverse options, especially “missing middle,” compact, efficient, and higher-density housing types
- Housing that is reserved or set aside for targeted incomes, especially low- but also moderate-income households
- Housing assistance for those most in need, including rental vouchers, downpayment assistance, and home rehabilitation

Change in Income vs. Housing Costs, 2018-2023 (Figure 10, Pg. 27)



# Initial Questions?

**Home Purchase Affordability Gap (Table 17, Pg. 34)**

**Rental Home Affordability Gap (Table 18, Pg. 34)**

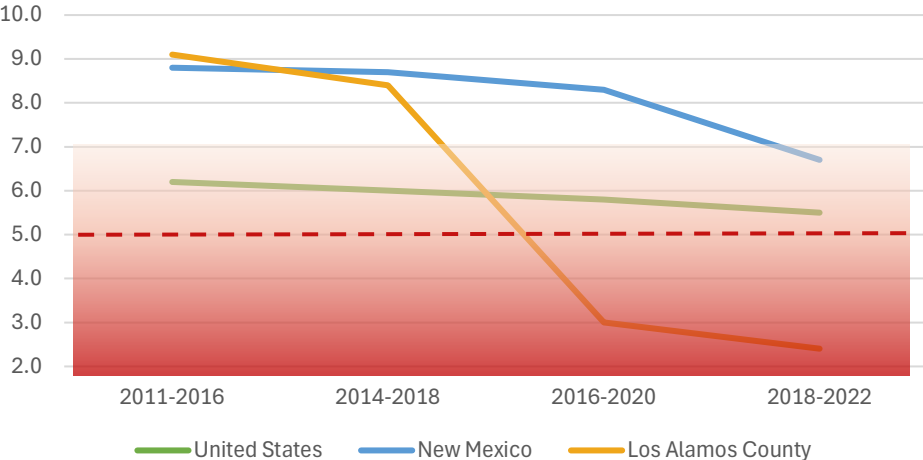
% Median Income	Annual Income	Affordable Purchase Price <sup>6</sup>	Median Sales Price (2023)	Gap Between Market Price and Affordability
<b>30%</b>	\$40,900	\$138,000	\$551,500	<b>-\$413,500</b>
<b>50%</b>	\$68,100	\$230,000	\$551,500	<b>-\$321,500</b>
<b>80%</b>	\$108,960	\$368,000	\$551,500	<b>-\$183,500</b>
<b>100%</b>	\$136,200	\$460,000	\$551,500	<b>-\$91,500</b>
<b>120%</b>	\$163,400	\$552,000	\$551,500	<b>\$500</b>
<b>150%</b>	\$204,300	\$690,000	\$551,500	<b>\$138,500</b>
<b>200%</b>	\$272,400	\$920,000	\$551,500	<b>\$368,500</b>

% Median Income	Annual Income	Affordable Rent (30% Monthly Income)	Existing Median Rent (2024)	Gap Between Market Price and Affordability
<b>30%</b>	\$36,350	\$1,000	\$2,500	<b>-\$1,500</b>
<b>50%</b>	\$60,550	\$1,500	\$2,500	<b>-\$1,000</b>
<b>80%</b>	\$96,840	\$2,500	\$2,500	<b>\$0</b>
<b>100%</b>	\$121,050	\$3,000	\$2,500	<b>\$500</b>
<b>120%</b>	\$145,250	\$3,750	\$2,500	<b>\$1,250</b>
<b>150%</b>	\$181,600	\$4,500	\$2,500	<b>\$2,000</b>
<b>200%</b>	\$193,680	\$4,750	\$2,500	<b>\$2,250</b>

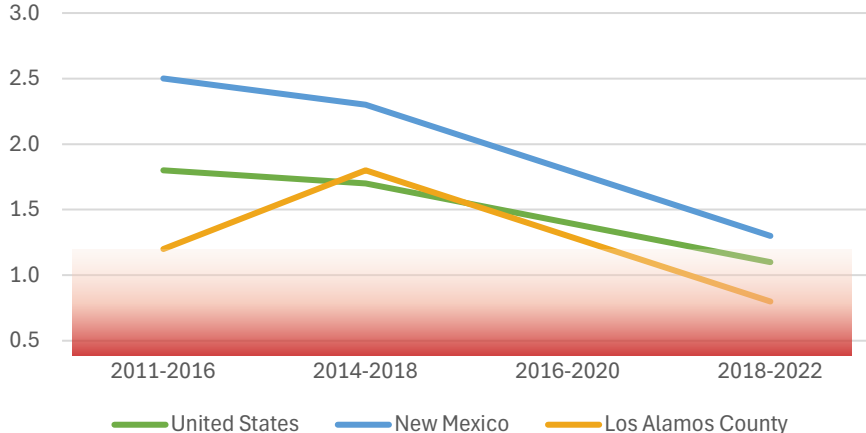
# Shortage of Housing

Housing supply (availability) is essential for market health & affordability.

### Rental Unit Vacancy Rate (Availability)



### Homeowner Unit Vacancy Rate (Availability)



# “Need” for Additional Housing 2024-2029

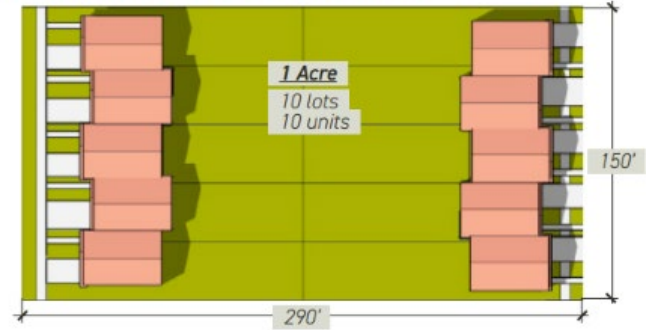
- 1,300 new units are estimated to maintain the status quo, halt the growing shortage of housing, and allow for limited economic and community growth.
- 2,400 new units are estimated to satisfy housing demands, achieve higher levels of affordability, and spur economic and community growth. Greater levels of supply would also reduce the long-term reliance on public subsidies.

	Number of Units	Details and Assumptions
<b>Population Growth (2022-2029)</b>	394	Linear population growth forecast starting in 2022 with an average of 2.35 persons per household
<b>Employment Need (2022-2029)</b>	400	Based on local employment and LANL (2023-25) targets with 40% directly moving into Los Alamos and 1.25 employees per household
<b>Commuter Need (2022-2029)</b>	994 - 1,988	Range of 2.5-5%* (x7 years) of the existing and expected potential commuter market. This equates to 142-284 new households annually, or one new housing unit for every 33-66 existing in-commuters. *2.5% = historic average capture rate; 5% = robust capture rate plus the additional market availability
<b>Permitted Units (2022-2023)</b>	-118	New dwelling units permitted by Los Alamos County
<b>Approved Units (2022-2023)</b>	-293	Approved residential developments; permit approvals expected to in subsequent years
<b>Estimated Additional Housing Units Needed 2024-2029</b>	<b>1,377 - 2,371</b>	<b>The lower end of the range represents the minimum number of units needed to maintain the status quo. The upper end of the range would allow supply-side gains. Additional units above this range would result in significant gains to housing affordability, economic growth, and community sustainability.</b>

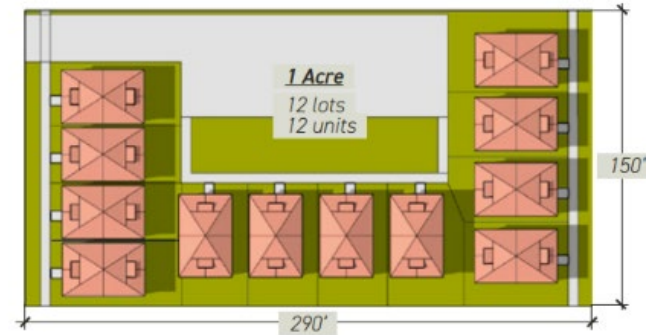




### TOWNHOUSE/ROWHOUSE



### COTTAGE



# Quantifiable Production and Affordable Unit Goals

1. **New Housing:** Permit at least 150 units per year with a preferable target of 250 units per year and try to designate at least 15 new units as affordable for low- and moderate-income households.
2. **Renewal and Homebuyer Assistance:** Issue 10 to 15 home renewal and homebuyer assistance grants.
3. **Small Rehabilitation Grants:** Issue 15 to 20 small-scale rehabilitation grants.
4. **Designation of Affordable Units:** Conserve or convert 10 to 20 units as affordable for low- and moderate-income households.

# Policy Goals & Strategies

- It is intended that this Plan will be implemented over 5 years.
- Implementation process will begin following the approval of the Plan and the associated ordinance by the Los Alamos County Council and New Mexico Mortgage Finance Authority.
- Implementation will be phased depending on the preferred strategies of the County Council, the availability of funding, and other resources necessary for implementation.

Goal 1	Goal 2	Goal 3	Goal 4
 <p><b>Organizational Capacity</b></p>	 <p><b>Housing Affordability</b></p>	 <p><b>Housing Development</b></p>	 <p><b>Funding and Resources</b></p>
<p>To successfully develop and implement affordable housing strategies, Los Alamos must expand organizational capacity, either by increasing internal staffing or partnering with other organizations and entities.</p>	<p>To achieve a vibrant and functional community it is essential to have housing that is available and affordable to low- and moderate-income families like teachers, construction workers, retail and service workers, small business owners, doctors, and government workers.</p>	<p>Los Alamos needs more housing to be inclusive of existing employees and new housing. Especially needed is more housing diversity, such as compact, walkable, environmentally sustainable, dense housing types (greater than 10 dwelling units per acre).</p>	<p>The County should create a permanent Housing Trust Fund to fund the programs outlined in this plan. Revenue could come from: The general fund, local and regional partners, state and Federal programs and grants, taxes, fees, and other sources.</p>

# Case Studies – Inspiration for Future Developments from the Toolbox

- Clearly distinguish roles with private partners; implement evaluation tools for both parties based on agreed-upon responsibilities.
- Lease/sell publicly held land to activate the site; acquire and transfer private land
- Utilize and promote tax credits to private developers, especially LIHTC programs

## The Village at Wintergreen - Keystone, CO

*Completed*

- 28+ acre development featuring 243 units with one, two, and three-bedroom floor plans. Units are set aside for workforce housing and 100% AMI affordability rates.
- Summit County's \$300,000 loan and the Summit Combined Housing Authority's partnership were instrumental in securing a property tax exemption for a portion of the project. These initiatives played a crucial role in Gorman & Co.'s successful application for 9% Low-Income Housing Tax Credits (LIHTC) from the Colorado Housing and Finance Authority (CHFA). This combination of funding ensures affordability across the property:
- 120 long-term rental units capped at an average of 100% Area Median Income (AMI)
- 87 LIHTC units for local workers making 30-60% AMI
- 36 master-leased units by Vail Resorts to address seasonal housing needs at Keystone Resort

## The Larkspur - Breckenridge, CO

*Completed*

- A 52-unit workforce housing development that offers a variety of housing types at a variety of prices.
- This project is a partnership between the Summit County and the Town of Breckenridge. Summit County provided the 1.8-acre parcel and project management for the entitlements and construction process. The Town of Breckenridge provided bond capacity to fund the \$22 million project with a 50/50 repayment split between the County and town. The project will be managed by a third-party property management company. The project received \$2.5 million in innovative housing grant funding from the State of Colorado.



## LOGE - Breckenridge, CO

*Completed*

- A 38-room hotel conversion into affordable housing that offers comfortable, convenient, and affordable housing that promotes communal-style living.
- Summit County, in partnership with the Town of Breckenridge, acquired the hotel in Fall 2022. A third-party property



ATTACHMENT B property.

# Approval & Implementation

- Implementation will begin following the approval of the Plan and the associated ordinance by the Los Alamos County Council.

# Questions?

### Age of Housing Stock

